REPORT

OF

THE COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, December 2, 1895.

SIR: I have the honor, pursuant to law, to herewith submit for the consideration of Congress the report of the Comptroller of the Currency for the year ended October 31, 1895, constituting the thirty-third made since the creation of the Bureau. In accordance with the provisions of the act prescribing the duties of the Comptroller it exhibits:

First. A summary of the state and condition of every association from which reports have been received during the preceding year, with an abstract of the whole amount of banking capital returned by them, the amount of their debts and liabilities, the amount of their circulating notes outstanding, their total resources, and the amount of lawful money held by them at the time of the several calls made upon them during the year, together with such other information as is deemed necessary and useful to be given.

Second. A statement exhibiting, under appropriate heads, the resources, liabilities, and condition of the banks, banking companies, and savings banks organized under the laws of the several States and Territories.

Third. A statement of the associations whose business has been closed during the year, with the amount of their circulation redeemed and outstanding.

Fourth. Suggested amendments to the law by which it is believed the system may be improved.

In addition thereto it has been deemed advisable to incorporate the result of inquiries undertaken under the auspices of this office, showing briefly the various systems of banking in operation in foreign countries and in the States and Territories comprising the Union. The information thus obtained, though, in a number of instances, incomplete and imperfect, will be of benefit in a measure, at least, in giving a better knowledge of the different methods employed to facilitate commercial exchanges and sustain a bank-note circulation.

The records of this office show that from the date of the granting of the first certificate of authority on June 20, 1863, to the close of the year embraced in this report the total number of national banks organized has been 5,023, making an average for each year of 152. Of this total number there were in active operation on October 31 last 3,715,

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having an authorized capital stock of $664,136,915, represented by 285,190 shareholders, making for each bank in the system an average capital stock of $178,772, the number of shares to each 2,136, and shareholders 77. The total amount of their circulating notes outstanding was $213,887,630. Of this amount $190,180,961 was secured by United States bonds and $23,706,669 by lawful money deposited with the Treasurer of the United States.

The net increase in the amount of circulation secured by bonds during the year was $10,779,597, and the gross increase in the total circulation $6,322,540.

On September 28, 1895, the date of their last report of condition, the total resources of the 3,712 banks then reporting was $3,423,629,343.63, of which $2,059,408,402.27 represented their loans and discounts and $356,577,580.61 money of all kinds in bank.

Of their liabilities, $1,701,653,521.28 represented individual deposits, $336,888,350.86 surplus and net undivided profits, and $182,481,610.50 outstanding circulating notes secured by bonds.

In geographical divisions the 3,715 banks in active operation are divided as follows: Two thousand nine hundred and one, with a capital stock of $536,725,832, in the northern and northwestern half of the country, and 814, with a capital stock of $126,848,950, in the South and Southwest.

East of the Mississippi River 2,611 national banks are located, with a capital stock of $527,612,792, while 1,104, with a capital stock of $135,961,990, are west of it.

In point of number of active banks Pennsylvania, New York, Massachusetts, Ohio, Illinois, and Texas lead, with 412, 334, 268, 248, 220, and 214 respectively. Arranged according to capital stock, Massachusetts is first, with $97,017,500; New York second, with $87,136,060; Pennsylvania third, with $74,233,129; followed by Ohio, with $45,645,338; Illinois, $38,696,000, and Texas, $22,523,090.

There were organized during the report year 43 banks, located in 20 different States, with an aggregate capital stock of $4,890,000. Of this number 8 were in Pennsylvania, 5 each in New York and Texas, and 3 each in Illinois and Iowa. The number located east of the Mississippi River was 24, aggregating in capital stock $2,310,000, and west of it 19, whose combined capital stock was $2,580,000. The State of Missouri is first in amount of capital stock represented by new banks, having $1,400,000; Pennsylvania has $800,000, Ohio $550,000, New York $400,000, and Texas $350,000.

There are 28 of these banks, with a capital stock of $2,530,000, in the northern and northwestern section of the country, and 15, with a capital stock of $2,360,000, in the South and Southwest.

The number of banks organized was less than 30 per cent of the yearly average.

The corporate existence of 71 national banks in 16 States, with a capital stock of $10,662,000 and a total circulation of $3,226,275, has been extended during the year. Pennsylvania has 21; Massachusetts, 14; Maine and Vermont, 5 each; with 4 each in New York and New Jersey. Of the total capital of such banks, that in Massachusetts aggregates $3,280,000; in Pennsylvania, $2,882,000; Maine, $875,000; Vermont, $725,000.

Under the act of July 12, 1882, providing for the extension of national banks, the corporate existence of 1,607 banks, representing an aggregate capital stock of $400,193,315, has been extended. Of these, New York has 232, with a capital stock of $73,497,460; Massachusetts 227,

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with a capital stock of $92,492,200; Pennsylvania 199, with a capital stock of $53,086,000, followed by Ohio, with 111 and aggregated capital of $17,879,000.

The number of banks leaving the system by reason of the expiration of their corporate existence was 4, having a capital stock of $300,000 and a circulation of $123,700. Two of these were located in New York, 1 in Maine, and 1 in Pennsylvania. A new association, with a capital stock of $50,000 and circulation of $22,500, succeeded to 1 of the 2 in New York.

During the year ending October 31, 1896, the corporate existence of 28 banks, with a capital stock aggregating $3,453,800 and circulation of $1,310,400, will expire. They are located in 17 States, 5 of them being in Pennsylvania and 3 each in Illinois, New Jersey, and North Carolina. In the succeeding ten years, from 1896 to 1905, the corporate existence of 889 banks, having a capital stock of $129,694,950 and a circulation of $34,011,887, will expire.

The number of banks leaving the system during the year through voluntary liquidation was 51, having a capital stock of $6,093,100 and circulation of $1,152,000.

It has been found necessary to appoint receivers for 36 banks during the year. Their aggregate capital stock was $5,235,020 and circulation $1,003,402. Of this number 2, with a capital stock of $450,000, were reported last year as being in voluntary liquidation, and 9, with a capital stock of $2,750,000, were of the number of banks which closed their doors in 1893 and subsequently resumed business, but through continued business depression and the slow character of their assets were unable to meet their obligations, and were thus compelled to go into insolvency.

A comparison of the data of this year with that set forth in the report of this Bureau for the year 1894 shows the number of active banks to have decreased 41, with a corresponding decrease in capital stock of $6,438,120. The number of banks organized is 7 less and the number going into voluntary liquidation 28 less. There has been an increase of 15 in the number of receivers appointed and an increase of 30 in the number of extensions of corporate existence granted. The loss through expiration of charters decreased 2 and the number of banks organized to succeed expiring associations decreased 4.

The following abstracts of the reports made by the banks in response to the five calls required by law indicate the changes which have characterized the status of the banks at different periods covered by this report. In addition thereto are given abstracts of the reports of 1894 and 1893 for purposes of comparison. Those of 1893 are given as showing the extreme conditions of the year of greatest financial depression and serious banking loss.

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SUMMARY OF THE STATE AND CONDITION OF EVERY NATIONAL BANK REPORTING DURING THE YEAR ENDED SEPTEMBER 28, 1895.

	Dec. 19, 1894.	Mar. 5, 1895.	May 7, 1895.	July 11, 1895.	Sept. 28, 1895.
	3,737 banks.	3,728 banks.	3,711 banks.	3,715 banks.	3,712 banks.
RESOURCES.					
Loans and discounts	$1,991,913,123.45	$1,965,375,368.91	$1,989,411,291.90	$2,016,639,535.53	$2,059,408,492.27
U. S. bonds to secure circulation	195,735,950.00	195,787,200.00	203,648,150.00	206,227,150.00	238,682,765.00
U. S. bonds to secure deposits	15,051,000.00	26,405,350.00	28,615,550.00	15,878,000.00	15,328,000.00
U. S. bonds on hand	20,760,350.00	25,115,540.00	17,734,200.00	14,465,400.00	10,790,350.00
Premiums on U. S. bonds	16,130,000.69	16,511,917.36	17,451,432.71	16,440,418.57	16,469,109.73
Stocks, securities, etc	197,328,354.09	196,927,758.03	193,841,727.63	194,160,466.61	195,028,085.35
Banking house, furniture, and fixtures	75,400,976.70	77,075,488.01	77,340,348.27	77,856,597.68	78,244,849.75
Other real estate and mortgages owned	23,258,812.77	24,193,994.18	24,674,154.09	25,082,548.41	25,527,027.04
Due from national banks (not reserve agents)	124,798,322.30	114,702,531.22	117,720,533.90	127,329,742.98	123,521,037.26
Due from State banks and bankers	30,962,557.31	29,273,688.00	30,248,003.98	31,089,231.72	30,830,482.60
Due from approved reserve agents	234,331,340.54	222,467,685.14	218,799,491.90	235,308,761.15	222,287,251.45
Checks and other cash items	13,051,055.46	12,424,519.77	12,557,940.30	13,598,841.41	13,056,424.53
Exchanges for clearing house	80,869,202.29	77,343,972.17	83,833,118.09	82,868,297.07	57,506,787.60
Bills of other national banks	18,522,596.00	18,436,845.00	19,247,043.00	19,402,179.00	15,537,100.00
Fractional paper currency, nickels, and cents	885,072.59	1,002,373.66	1,007,766.10	1,023,441.43	936,484.44
Gold coin	114,898,047.13	120,855,575.38	123,258,436.89	117,476,837.32	110,378,360.22
Gold Treasury certificates	29,677,720.00	25,400,860.00	23,182,959.60	22,425,600.00	21,525,939.00
Gold clearing-house certificates	31,219,000.00	31,904,000.00	30,823,000.00	31,315,000.00	31,021,000.00
Silver dollars	6,954,778.00	7,263,610.00	7,245,537.00	7,248,059.00	5,595,459.00
Silver Treasury certificates	29,743,446.00	29,559,637.00	28,519,277.00	30,127,457.00	22,914,180.00
Silver fractional coin	5,548,231.62	5,956,959.18	5,617,398.91	5,834,241.11	4,892,381.95
Legal-tender notes	119,513,472.00	113,281,622.00	118,529,158.00	123,185,172.00	93,946,685.00
U. S. certificates of deposit for legal-tender notes	37,690,000.00	31,655,000.00	26,930,000.00	45,330,000.00	49,920,000.00
Five per cent redemption fund with Treasurer	8,542,386.94	8,527,580.65	8,748,239.53	9,094,047.82	9,085,606.08
Due from U. S. Treasurer	1,289,077.14	1,089,461.66	1,017,832.04	1,146,281.47	1,285,534.36
Total	3,423,474,873.11	3,378,520,536.75	3,410,002,491.24	3,470,553,307.28	3,423,629,343.63
LIABILITIES.					
Capital stock paid in	666,271,045.00	662,100,100.00	659,146,756.00	658,224,179.65	657,135,498.65
Surplus fund	244,937,179.48	246,180,065.97	246,740,237.34	247,782,176.23	246,448,426.38
Undivided profits, less expenses and taxes paid	95,887,436.80	83,920,338.80	86,571,194.99	81,221,960.54	90,439,924.48
National-bank notes outstanding	169,337,071.00	169,755,091.50	175,653,500.50	178,815,801.00	182,481,610.50
State-bank notes outstanding	66,230.50	66,173.50	66,144.50	66,133.50	66,133.50
Due to other national banks	334,619,221.24	314,430,137.22	313,314,314.80	336,225,956.52	320,228,677.38
Due to State banks and bankers	180,345,566.56	180,970,705.84	180,360,713.93	190,447,130.70	174,708,672.88
Dividends unpaid	1,130,390.38	1,287,568.67	2,387,221.94	3,030,371.57	1,670,927.89
Individual deposits	1,695,489,346.08	1,667,843,286.28	1,690,961,299.03	1,736,022,006.83	1,701,653,521.28
U. S. deposits	10,151,402.66	24,563,195.79	23,501,952.80	10,075,924.97	9,114,372.65
Deposits of U. S. disbursing officers	3,865,339.58	3,491,787.60	3,745,923.09	3,091,408.55	4,426,966.48
Notes and bills rediscounted	7,682,509.06	6,853,317.73	8,944,917.94	9,697,555.94	13,396,107.85
Bills payable	11,471,551.05	13,645,026.23	13,603,610.99	12,250,671.25	17,813,360.01
Liabilities other than those above stated	2,220,523.72	3,413,741.62	5,004,703.39	3,602,030.03	4,045,143.70
Total	3,423,474,873.11	3,378,520,536.75	3,410,002,491.24	3,470,553,307.28	3,423,629,343.63

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SUMMARY OF THE STATE AND CONDITION OF EVERY NATIONAL BANK REPORTING DURING THE YEAR ENDED OCTOBER 2, 1894.

	Dec. 19, 1893.	Feb. 28, 1894.	May 4, 1894.	July 18, 1894.	Oct. 2, 1894.
	3,787 banks.	3,777 banks.	3,774 banks.	3,770 banks.	3,755 banks.
RESOURCES.					
Loans and discounts	$1,871,574,769.95	$1,872,402,605.96	$1,926,686,824.98	$1,944,441,315.10	$2,007,122,191.30
U. S. bonds to secure circulation	204,809,350.00	200,808,850.00	200,469,250.00	201,335,150.00	199,642,500.00
U. S. bonds to secure U. S. deposits	14,436,000.00	14,445,000.00	14,720,000.00	14,926,000.00	15,226,000.00
U. S. bonds on hand	3,049,000.00	17,250,150.00	14,805,200.00	12,875,100.00	10,662,200.00
Premiums on U. S. bonds	13,806,479.18	15,666,786.13	15,133,458.23	14,930,896.78	14,624,279.03
Stocks, securities, etc.	159,749,363.92	174,305,552.50	185,324,549.67	191,137,435.66	193,300,072.44
Banking house, furniture, and fixtures	73,642,314.14	74,143,833.68	74,802,956.73	74,929,982.52	75,183,745.64
Other real estate and mortgages owned	18,679,746.39	20,145,599.88	21,174,855.07	21,877,508.22	22,708,391.20
Due from national banks (not reserve agents)	108,265,460.75	112,672,823.41	119,303,798.52	111,775,552.18	122,479,067.98
Due from State banks and bankers	28,682,998.64	27,335,317.15	29,628,495.01	27,063,816.38	27,973,911.86
Due from approved reserve agents	212,630,636.39	246,891,926.63	257,854,100.32	258,089,227.51	248,849,607.59
Checks and other cash items	13,519,016.51	12,633,797.31	12,549,614.34	11,865,939.23	15,576,975.25
Exchanges for clearing-house	71,943,165.75	79,299,653.62	76,002,055.47	66,511,835.77	88,524,052.17
Bills of other national banks	21,497,840.00	19,866,610.00	20,754,988.00	19,650,333.00	18,580,577.00
Fractional paper currency, nickels, and cents	988,602.57	1,061,927.79	1,014,037.51	1,041,630.44	952,932.95
Gold coin	143,928,989.41	124,904,826.09	128,180,158.36	125,051,677.14	125,020,290.92
Gold Treasury certificates	44,877,100.00	41,516,110.00	41,928,330.00	40,560,490.00	37,810,940.00
Gold clearing-house certificates	14,702,000.00	32,765,000.00	34,721,000.00	34,023,000.00	34,096,000.00
Silver dollars	7,530,135.00	7,741,295.00	7,489,931.00	7,016,489.00	6,116,354.00
Silver Treasury certificates	34,776,273.00	43,181,166.00	41,580,654.00	38,075,412.00	28,784,897.00
Silver fractional coin	5,439,171.02	6,058,278.25	6,041,850.15	5,943,584.19	5,422,172.58
Legal-tender notes	131,626,759.00	142,768,676.00	146,131,292.00	138,216,318.00	120,544,028.00
U. S. certificates of deposit for legal-tender notes	31,255,000.00	35,045,000.00	46,030,000.00	50,045,000.00	45,100,000.00
Five per cent redemption fund with Treasurer	8,876,042.25	8,751,434.40	8,713,498.44	8,791,946.90	8,723,223.16
Due from U. S. Treasurer	2,029,141.92	2,132,772.09	2,301,480.28	1,920,783.31	887,645.20
Total	3,242,315,326.70	3,324,734,901.89	3,433,342,378.08	3,422,096,423.33	3,473,922,055.27
LIABILITIES.					
Capital stock paid in	681,812,960.00	678,536,910.00	675,868,815.00	671,091,165.00	668,861,847.00
Surplus fund	246,739,602.09	246,594,715.96	246,314,185.63	245,727,673.71	245,197,517.69
Undivided profits, less expenses and taxes paid	100,268,668.05	86,874,385.87	89,394,262.20	84,569,294.46	88,923,564.50
National-bank notes outstanding	179,973,150.50	174,436,269.10	172,626,013.50	171,714,552.50	172,331,978.00
State-bank notes outstanding	75,059.50	71,483.50	71,489.50	66,290.50	66,290.50
Due to other national banks	298,805,834.56	343,143,745.59	359,539,488.04	352,002,081.10	343,692,316.63
Due to State banks and bankers	151,313,715.25	173,942,000.98	182,937,307.10	181,791,906.23	183,167,779.62
Dividends unpaid	1,217,903.99	1,536,354.03	2,332,506.97	2,586,504.77	2,576,245.95
Individual deposits	1,539,399,795.23	1,586,800,444.50	1,670,958,769.07	1,677,801,200.85	1,728,418,819.12
U. S. deposits	10,391,466.00	9,925,967.44	10,538,365.64	11,029,017.29	10,024,909.62
Deposits of U. S. disbursing officers	3,469,398.77	3,643,346.71	3,317,341.85	3,999,504.08	3,716,537.89
Notes and bills rediscounted	11,465,546.18	7,729,558.98	7,905,541.10	8,195,566.99	11,453,427.95
Bills payable	14,388,362.94	9,234,205.50	9,224,464.78	9,999,098.81	12,552,277.78
Liabilities other than those above stated	2,973,863.64	2,265,513.73	2,313,836.70	2,422,567.04	2,938,543.20
Total	3,242,315,326.70	3,324,734,901.89	3,433,342,378.08	3,422,096,423.33	3,473,922,055.27

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SUMMARY OF THE STATE AND CONDITION OF EVERY NATIONAL BANK REPORTING DURING THE YEAR ENDED OCTOBER 3, 1893.

	Dec. 9, 1892.	Mar. 6, 1893.	May 4, 1893.	July 12, 1893.	Oct. 3, 1893.
	3,784 banks.	3,806 banks.	3,830 banks.	3,807 banks.	3,781 banks.
RESOURCES.					
Loans and discounts	$2,166,615,720.28	$2,159,614,092.48	$2,161,401,858.59	$2,020,483,671.04	$1,843,634,167.51
U. S. bonds to secure circulation	166,449,250.00	170,096,550.00	172,412,550.00	176,588,050.00	206,463,850.00
U. S. bonds to secure deposits	15,321,000.00	15,351,000.00	15,261,000.00	15,256,000.00	14,816,000.00
U. S. bonds on hand	4,148,600.00	4,372,600.00	3,519,550.00	3,078,050.00	2,760,950.00
Stocks, securities, etc	153,648,180.71	153,429,770.68	150,747,862.86	149,690,701.61	148,569,950.46
Due from approved reserve agents	204,948,159.79	202,612,051.30	174,312,119.44	159,352,677.33	158,499,644.28
Due from other national banks	142,623,166.36	124,384,884.35	121,673,794.24	111,956,506.81	94,740,014.97
Due from State banks and bankers	34,403,231.75	30,126,300.21	32,681,708.90	27,211,234.32	24,229,106.82
Banking house, furniture, and fixtures	72,294,364.78	72,680,344.23	73,386,921.79	72,750,830.15	72,322,826.08
Other real estate and mortgages owned	15,926,687.47	17,030,064.31	16,646,853.69	16,632,446.13	16,828,949.40
Current expenses and taxes paid	14,204,970.25	10,992,932.60	11,746,470.23	4,892,772.88	11,071,996.65
Premiums on U. S. bonds	13,913,289.71	13,270,691.10	12,935,077.74	11,933,004.69	13,981,867.44
Checks and other cash items	16,755,332.09	18,755,010.52	17,546,973.93	16,707,680.61	15,359,764.56
Exchanges for clearing house	110,522,668.49	125,142,839.74	114,977,271.08	107,765,890.44	106,181,394.59
Bills of other national banks	20,488,781.00	18,248,766.00	20,085,688.00	20,135,054.00	22,402,611.00
Fractional currency, nickels, and cents	893,909.82	945,532.50	952,810.90	952,632.48	1,026,813.90
Gold coin	94,754,328.05	99,857,235.09	101,006,531.58	95,799,861.68	129,740,438.19
Gold Treasury certificates	73,118,480.00	69,198,790.00	62,783,410.00	50,550,100.00	47,522,510.00
Gold clearing-house certificates	6,237,000.00	4,939,000.00	5,073,000.00	4,285,000.00	5,080,000.00
Silver coin, dollars	7,593,084.00	7,212,800.00	7,615,574.00	7,389,457.00	7,965,844.00
Silver Treasury certificates	22,556,689.00	21,695,114.00	24,603,511.00	22,626,180.00	28,385,889.00
Silver coin, fractional	5,635,679.71	5,438,877.33	6,140,115.23	6,119,574.63	6,009,178.88
Legal-tender notes	102,276,335.00	90,935,774.00	103,511,163.00	95,833,677.00	114,709,352.00
U. S. certificates of deposit	6,470,000.00	14,675,000.00	12,130,000.00	6,660,000.00	7,020,000.00
Five per cent redemption fund	7,282,413.90	7,401,830.74	7,467,989.77	7,600,604.72	8,977,414.18
Due from Treasurer, other than 5 per cent fund	1,268,405.03	1,322,444.60	1,556,891.28	1,019,074.42	1,262,749.85
Total	3,480,349,667.19	3,459,721,235.78	3,432,176,697.25	3,213,261,731.94	3,109,563,284.36
LIABILITIES.					
Capital stock paid in	689,698,017.50	688,642,876.00	688,701,200.00	685,786,718.56	678,540,338.93
Surplus fund	239,931,932.08	245,478,362.77	246,139,133.32	249,138,300.30	246,750,781.32
Undivided profits	114,603,884.52	103,067,550.15	106,966,733.57	93,944,649.73	103,474,662.87
National-bank notes outstanding	145,669,499.00	149,124,818.00	151,694,110.00	155,070,821.50	182,959,725.90
State-bank notes outstanding	74,176.50	75,075.50	75,075.50	75,072.50	75,069.50
Dividends unpaid	1,308,137.97	1,350,392.19	2,579,556.38	3,879,673.50	2,874,697.59
Individual deposits	1,764,456,177.11	1,751,439,374.14	1,749,930,817.51	1,556,761,230.17	1,451,124,330.55
U. S. deposits	9,673,349.92	9,813,762.17	9,657,243.49	10,379,842.66	10,546,135.51
Deposits of U. S. disbursing officers	4,034,240.37	3,927,760.44	4,293,739.93	3,321,271.84	3,776,438.21
Due to other national banks	323,339,449.03	304,785,336.62	275,127,229.28	238,913,573.51	226,423,979.06
Due to State banks and bankers	169,778,117.18	166,901,054.78	153,500,923.94	125,979,422.16	122,891,098.21
Notes and bills rediscounted	15,775,618.63	14,021,596.43	18,953,306.98	29,940,438.56	21,066,737.01
Bills payable	9,318,249.82	18,180,228.71	21,506,247.53	31,381,451.27	27,426,937.54
Other liabilities	1,688,817.56	2,913,047.88	3,051,379.82	28,689,265.68	31,632,352.16
Aggregate	3,480,349,667.19	3,459,721,235.78	3,432,176,697.25	3,213,261,731.94	3,109,563,284.36

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ANALYSIS OF REPORTS OF 1895.

An analysis of the reports of condition submitted during the year shows at each date a greater or less change from the preceding one in each item constituting the same.

Individual deposits declined from $1,728,418,819 on October 2, 1894, to $1,667,843,286 on March 5, 1895; rose to $1,736,022,006 on July 11, and declined on September 28 to $1,701,653,521. The number of banks holding these deposits on October 2, 1894, was 3,755, with a capital stock of $668,861,847, and on September 28, 1895, 3,712, with a capital stock of $657,135,498.

On October 2, 1894, the surplus fund was $245,197,517 and net undivided profits $88,923,564, which items had on September 28, 1895, increased to $246,448,426 surplus fund and $90,439,924 net undivided profits.

National-bank notes outstanding, secured by bonds deposited, on October 2, 1894, were $172,331,978, which decreased to $169,337,071 on December 19, 1894, and afterward gradually increased until September 28, 1895, when the amount was $182,481,610.

The amount due to other national banks on October 2, 1894, was $343,692,316, and gradually decreased to $313,314,314 on May 7, 1895; increased to $336,225,956 on July 11, 1895, and again decreased to $320,228,677 on September 28, 1895.

The amount due to State banks and bankers, which on October 2, 1894, was $183,167,779, decreased to $180,360,713 on May 7, 1895, then increased to $190,447,130 on July 11, 1895, and on September 28, 1895, decreased to $174,708,672.

Liabilities for money borrowed in different forms, which on October 2, 1894, aggregated $26,944,248, declined on December 19, 1894, to $21,374,583; afterward increased to $27,553,232 on May 7, 1895, decreased on July 11, 1895, to $25,550,257, and again increased on September 28, 1895, to $35,254,611.

The total liabilities, which on October 2, 1894, were $3,473,922,055, decreased on March 5, 1895, to $3,378,520,536; afterward increased to $3,470,553,307 on July 11, and on September 28 had again decreased to $3,423,629,343.

On the side of resources, the loans and discounts, which on October 2, 1894, amounted to $2,007,122,191, decreased to $1,965,375,368 on March 5, 1895, and afterward steadily increased to $2,059,408,402 on September 28, 1895, an amount about $52,000,000 greater than the aggregate of loans and discounts on October 2, 1894.

United States bonds to secure circulation on October 2, 1894, were $199,642,500; decreased on December 19, 1894, to $195,735,950, after which the amount gradually increased to $208,682,765 on September 28, 1895.

United States bonds other than those securing circulation held by the banks amounted on October 2, 1894, to $25,888,200; increased to $51,520,890 on March 5, 1895, after which date the amount gradually decreased to $26,118,350 on September 28, 1895.

The amount invested in stocks, securities, etc., which on October 2, 1894, was $193,300,072, increased on December 19, 1894, to $197,328,354; decreased by May 7, 1895, to $193,841,727, and afterward slightly increased again to $195,028,085 on September 28, 1895.

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The amount invested in banking house, furniture, and fixtures, which on October 2, 1894, was $75,183,745, gradually increased to $78,244,849 on September 28, 1895.

The amount of other real estate and mortgages owned on October 2, 1894, was $22,708,391, and gradually increased until on September 28, 1895, it was $25,527,027.

The amount due from other national banks (not reserve agents) on October 2, 1894, was $122,479,067; increased on December 19, 1894, to $124,798,322; decreased on March 5, 1895, to $114,702,531; then increased on July 11, 1895, to $127,329,742, and afterward decreased to $123,521,087 on September 28, 1895.

The amount due from State banks and bankers on October 2, 1894, was $27,973,911, after which it slightly increased and, with slight variations during 1895, stood at $30,830,482 on September 28, 1895.

The amount due from approved reserve agents, which on October 2, 1894, was $248,849,607, gradually decreased on May 7, 1895, to $218,799,491; increased on July 11 to $235,308,761, and afterward decreased on September 28, 1895, to $222,287,251.

Exchanges for clearing house, which on October 2, 1894, amounted to $88,524,052, decreased to $77,343,972 on March 5, 1895, then increased to $83,833,118 on May 7, stood at $82,868,297 on July 11, and decreased on September 28, to $57,506,787.

The specie held by the banks on October 2, 1894, was $237,250,654. On December 19, 1894, it decreased to $218,041,222. It then increased on March 5, 1895, to $220,931,641, but gradually decreased to $214,427,194 on July 11, and by September 28 had further decreased to $196,237,311, the smallest amount held at any report date since July 12, 1893, when the amount was $186,761,173.

The amount of legal-tender notes and United States certificates of deposit for such notes on October 2, 1894, aggregated $165,644,028, gradually decreased to $144,936,622 on March 5, 1895, then gradually increased to $168,515,172 on July 11, 1895, but by September 28 had again decreased to $143,866,685. In other words, the lawful-money reserve held by the banks, composed of specie, legal-tender notes, and United States certificates of deposit for legal-tender notes, which on October 2, 1894, was $402,894,682, decreased on May 7, 1895, to $364,105,757, then increased on July 11 to $382,942,366, but by September 28 had sharply decreased to $340,103,996, the smallest amount of lawful-money reserve held since July 12, 1893, when it amounted to $289,254,850.

REPORTS FOR 1895 AND 1894 COMPARED.

Summarizing the changes disclosed by a comparison of the resources and liabilities of the national banks on September 28, 1895, with those on October 2, 1894, about a year previous, the material increase in loans and discounts, and the decrease in lawful-money reserve and the amount due from reserve agents, indicate clearly the larger demand for loanable funds, further evidence of which is found on the side of liabilities in the increase in the volume of circulating notes outstanding, and in the amount of money borrowed by the banks. This further appears by the decrease in the amount due to other banks and bankers and the amount due to individual depositors, which amounts have been withdrawn from the banks where they remained idle during the period of financial depression, for investment in more profitable forms.

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REPORTS OF 1893 AND 1895 COMPARED.

By comparing the figures showing the aggregate resources and liabilities of the national banks on October 3, 1893, with those of September 28, 1895, the following changes are to be noted:

On the side of resources, loans and discounts at the latter date had increased $216,000,000, United States bonds held to secure circulation $3,000,000, United States bonds held for other purposes $9,000,000, stocks, securities, etc., $47,000,000, amounts due from reserve agents $64,000,000, amounts due from other banks and bankers $35,000,000, legal-tender notes and United States certificates for these notes $22,000,000, while checks and other cash items had decreased $2,000,000, exchanges for clearing house $49,000,000, bills of other national banks $7,000,000, and specie $29,000,000.

On the side of liabilities capital stock decreased $21,000,000, undivided profits $2,000,000, national-bank circulation outstanding $1,000,000, and money borrowed in different forms $45,000,000, while amounts due to other banks and bankers increased $146,000,000, and individual deposits $250,000,000.

EARNINGS AND DIVIDENDS.

The law requiring dividend reports from national banks went into effect in March, 1869, and since that date the abstracts for semiannual periods have been incorporated in the annual reports issued by this Bureau. The number, capital, surplus, dividends, net earnings, and ratios of dividends to capital, dividends to capital and surplus, and net earnings to capital and surplus semiannually from September, 1886, to September, 1895, are shown by such abstracts. To these abstracts has been appended a table exhibiting similar information for each year ended on March 1 from 1870 to 1895.

The average annual capital and surplus for the twenty-six years were $528,256,187 and $153,611,141, respectively; the average annual dividends paid amount to $44,428,765 and the net earnings to $54,865,257. The rate per cent of dividends paid varies from 10.5 in the year ended on March 1, 1870, to 6.8 in 1894, the average for the twenty-six years being 8.4. The total amount of dividends paid and the net earnings for the period referred to are shown to amount to $1,155,147,903 and $1,426,496,670, respectively.

By means of a special circular addressed to national banks an effort has been made to ascertain what percentage of current expenses paid by the banks during the year ended September 1, 1895, was represented by taxes paid, and the result of such information as has been obtained will be found in the table appearing on the next page, showing ratios of net earnings, losses, expenses, taxes, and gross earnings, respectively, to capital and surplus for the year ended September 1, 1895.

It will be observed from this table that great variations in the figures showing these ratios appear. These variations are accounted for as follows: In the matter of taxes paid the ratio in some cases represents the tax on circulating notes only, in others to this is added taxes on real estate held, and in others again the tax on shares is paid by the banks for their shareholders, while in other cases this tax is paid by each shareholder individually and not by the bank.

While, necessarily, the rate of taxation on shares of national-bank stock varies in the different States and Territories, the explanation suggested will account for the extreme variations shown in the table. It

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was found impossible with the means at hand to obviate the difficulties, and to that extent the investigation was unsatisfactory. It, however, is of value in other directions, and the results are therefore given.

The variations in the ratios showing gross earnings are accounted for by the fact that in the West and Southwest rates of interest are very much higher than they are in the Eastern and Middle States, while another important feature in determining the ratio is the holding of deposits large in proportion to the capital and surplus.

The difference in ratios representing expenses are in some measure accounted for by the difference in rates of salaries paid and other expenses prevailing in different sections of the country, and also by the fact that where interest is paid upon deposits or for money borrowed by the banks the amount of this interest paid is included with the current operating expenses.

The ratios in the column of losses represent the measure of losses developed and charged off during the year, which, like the years of 1893 and 1894, has been one of severe liquidation in some sections of the country.

In referring to the ratios of net earnings, while the figures undoubtedly show that investments in shares of national banks are more profitable in some sections than in others, still it must be borne in mind that the ratios in some cases represent net earnings after taxes on shares have been paid by the banks, while in others these taxes are paid by shareholders individually, and to this extent the percentage of profit on investments in these shares is reduced.

The table herewith given sets forth the results as they were collected by this office. The statist who desires to analyze in their completeness the different items of percentage of net earnings, losses, expenses, taxes, and gross earnings of the various States and cities can supplement the information thus given by that which he can gather upon these subjects from the particular locality which he may have under consideration.

PERCENTAGES OF NET EARNINGS, LOSSES, EXPENSES, TAXES, AND GROSS EARNINGS, RESPECTIVELY, TO CAPITAL AND SURPLUS FOR THE YEAR ENDED SEPTEMBER 1, 1895.

	States, etc.	Net earnings.	Losses.	Expenses.	Taxes.	Gross earnings.
		Per ct.	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
1	Maine	5.98	2.45	2.93	0.39	11.75
2	New Hampshire	2.97	6.25	4.00	.68	13.90
3	Vermont	5.55	1.86	3.79	.36	11.56
4	Massachusetts	3.98	2.55	2.76	1.81	11.10
5	Boston	3.10	1.93	3.21	1.27	9.51
6	Rhode Island	3.64	2.41	1.93	.31	8.29
7	Connecticut	5.43	1.98	2.86	.28	10.55
8	New York	4.94	3.63	5.47	1.60	15.64
9	New York City	5.17	3.62	7.75	1.73	18.27
10	Albany	7.03	1.70	9.03	1.46	19.22
11	Brooklyn	6.32	3.42	5.35	1.54	16.63
12	New Jersey	7.37	2.88	5.67	.52	16.44
13	Pennsylvania	6.05	2.76	4.22	.75	13.78
14	Philadelphia	5.02	1.83	5.26	.64	12.75
15	Pittsburg	6.53	1.22	4.73	.69	13.17
16	Delaware	6.91	1.60	3.65	.60	12.76
17	Maryland	5.99	1.68	5.75	1.20	14.62
18	Baltimore	5.42	1.32	2.75	1.54	11.03
19	District of Columbia	8.43	.....	5.49	.51	14.43
20	Washington	5.53	1.15	6.57	.39	13.64
21	Virginia	6.49	1.50	6.00	1.25	15.24
22	West Virginia	7.72	1.57	4.57	1.30	15.16
23	North Carolina	3.92	7.46	6.03	.58	17.99
24	South Carolina	3.16	5.04	7.24	2.11	17.55
25	Georgia	7.41	2.15	6.03	2.04	17.63
26	Savannah	1.30	5.35	3.84	1.66	12.15

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PERCENTAGES OF NET EARNINGS, LOSSES, EXPENSES, TAXES, ETC.—Continued.

	States, etc.	Net earnings.	Losses.	Expenses.	Taxes.	Gross earnings.
		Per ct.	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
27	Florida	10.72	5.40	13.43	1.14	30.69
28	Alabama	2.24	4.86	6.06	1.42	14.58
29	Mississippi	5.17	3.81	7.20	1.37	17.55
30	Louisiana	8.09	2.50	7.09	1.47	19.15
31	New Orleans	5.11	8.68	8.01	2.54	24.34
32	Texas	7.73	3.54	6.53	1.35	19.15
33	Arkansas	7.52	1.81	5.92	.88	16.13
34	Kentucky	6.33	2.42	3.76	1.09	13.60
35	Louisville	5.37	2.13	4.56	1.28	13.34
36	Tennessee	4.48	7.62	5.22	1.36	18.68
37	Ohio	5.72	3.09	4.66	1.91	15.38
38	Cincinnati	5.29	3.65	5.14	2.05	16.13
39	Cleveland	5.46	.74	3.91	1.64	11.75
40	Indiana	6.81	2.68	5.30	1.68	16.47
41	Illinois	6.70	2.22	5.79	1.36	16.07
42	Chicago	5.57	2.96	6.22	1.50	16.25
43	Michigan	6.16	3.21	5.99	.96	16.32
44	Detroit	7.61	1.32	1.63	.30	10.86
45	Wisconsin	6.33	2.85	6.36	1.42	16.96
46	Milwaukee	8.59	3.27	10.25	2.08	24.19
47	Iowa	6.87	2.07	6.39	1.50	16.83
48	Des Moines	3.78	4.79	6.32	1.53	16.42
49	Minnesota	5.21	3.15	6.18	1.98	16.52
50	St. Paul	1.97	5.14	3.96	1.55	12.62
51	Minneapolis	.63	14.27	4.86	1.32	21.08
52	Missouri	6.00	2.24	5.96	1.45	15.65
53	St. Louis	4.99	2.65	6.85	1.41	15.90
54	Kansas City	6.97	4.01	10.62	.88	22.48
55	St. Joseph	2.54	7.10	7.51	1.78	18.93
56	Kansas	4.93	3.59	6.85	1.46	16.83
57	Nebraska	3.20	4.52	7.89	1.23	16.84
58	Omaha	2.13	3.80	10.90	1.18	18.01
59	Lincoln	**2.95**	9.36	9.15	.91	16.47
60	Colorado	3.68	6.51	10.36	1.58	22.13
61	Nevada	2.76	5.55	7.26	1.21	16.78
62	California	6.83	4.86	6.04	.60	18.33
63	San Francisco	8.43	2.40	3.47	.10	14.40
64	Oregon	3.43	10.45	6.63	.51	21.02
65	Arizona	11.37	1.61	10.77	.38	24.13
66	North Dakota	4.77	3.49	7.86	2.22	18.34
67	South Dakota	**.14**	5.04	8.99	2.10	15.96
68	Idaho	5.46	4.85	8.70	2.44	21.45
69	Montana	**5.34**	19.68	12.74	2.09	29.17
70	New Mexico	4.13	9.73	10.70	2.23	26.79
71	Utah	3.81	3.30	4.49	1.71	13.31
72	Washington	**.95**	6.46	6.92	1.10	13.53
73	Wyoming	1.05	5.47	7.80	1.75	16.67
74	Oklahoma	11.13	2.80	10.43	2.27	26.63
75	Indian Territory	14.86	1.47	8.39	.16	24.88

NOTE.—Figures printed in bold-face type signify loss.

STATE BANKS AND BANKING ASSOCIATIONS.

Such information as the Comptroller has been able to obtain with respect to the resources, liabilities, and condition of banks, banking companies, and savings institutions organized under laws of the several States and Territories is herewith presented, and is substantially complete, except as to the following States: Delaware, Maryland, South Carolina, Georgia, Alabama, Louisiana, Texas, Arkansas, Tennessee, Nevada, Oregon, Idaho, Utah, New Mexico, Arizona, Oklahoma, and Indian Territory.

The information furnished by State officials is supplemented by the returns courteously made to this office by the bank officials doing business in the States and Territories above mentioned.

The number of banks incorporated under State authority and in active operation on or about the close of the fiscal year ended June 30, 1895, was 5,066; and the number from which reports of condition have been received is 5,033. Abstracts of these reports, tabulated by classes

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and States, with the sources of information indicated, will be found in the appendix.

Reports of condition have been received from 1,070 private banks and bankers and 5,033 State and savings banks and loan and trust companies, an increase of 365 over 1894.

A comparison of the returns in 1894 with those of 1893 shows a decrease in the following items: Loans, nearly $207,000,000; capital, $7,000,000; deposits, $97,000,000, and total resources, over $110,000,000.

The returns for this year show not only an increase in every item, except cash on hand, over 1894, but also an increase in corresponding items reported in 1893, prior to the monetary stringency of that year. The following statement shows the principal items of resources and liabilities of these banks in 1893, 1894, and 1895:

Items.	1893.	1894.	1895.
Loans	$2,348,193,077	$2,133,628,978	$2,417,468,494
Bonds	1,009,604,350	1,010,248,230	1,375,026,025
Cash	205,645,203	229,373,004	227,743,303
Capital	406,007,240	398,735,390	422,052,618
Surplus and undivided profits	346,206,287	352,424,784	370,397,003
Deposits	3,070,462,680	2,973,414,101	3,185,245,810
Resources	3,979,008,533	3,868,474,997	4,138,990,529

From the foregoing statement it will be observed that there has been an increase in 1895 over 1894 in the following items: Loans, $283,839,516; bonds and stocks, $364,777,795; capital, $23,317,228; surplus and undivided profits, $17,972,219; deposits, $211,831,709; total resources, $270,515,532; the only decrease noted being in cash items, and is only $1,629,701. The increase in 1895 over 1893 is as follows: Loans and discounts, $69,275,417; bonds and stocks, $365,421,675; cash and cash items, $22,098,100; capital, $16,045,378; surplus and net undivided profits, $24,190,716; deposits, $114,783,130; and total resources, $159,981,996.

State banks to the number of 3,774 reported, being an increase in number and capital of 188 and $5,905,722, respectively. The capital of these banks aggregates $250,341,295; deposits, $712,410,423; loans, $697,688,068; bonds and stocks, $91,988,696, and total resources, $1,147,545,818. The increase in deposits over 1894 is about $54,000,000; in loans, $26,000,000; in bonds and stocks, $7,000,000, and in total resources, $70,000,000.

Reports of dividends paid by this class of banks have been received from 928 associations, located in 24 States. The total capital of the reporting banks is $56,596,382, and the amount and average rate per cent of dividends paid, $4,088,752 and 7.2, respectively.

Savings banks to the number of 1,017, of which 664 are mutual, that is, associations conducted for the sole benefit of the depositors, and 353 stock savings banks, operated for the benefit of both shareholders and depositors, have submitted reports of condition. The resources of the stock savings banks are less than 15 per cent of those of all savings associations.

With the exception of 10 banks in Ohio, Indiana, and Wisconsin, mutual savings banks are confined to the Eastern and Middle States. Loans of this class of banks amount to $823,036,954; bonds and stocks, $801,044,935; deposits, $1,597,343,160, and total resources, $1,756,740,953. The total loans of all savings banks are $1,035,597,142; bonds and stocks, $841,807,699; deposits subject to check, $33,760,775; savings deposits, $1,810,597,023, and aggregate resources, $2,053,764,328. Comparing these items with those reported in 1894, an increase is noted in

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each as follows: Loans, $8,659,334; bonds and stocks, $63,219,833; deposits, $66,424,556; total resources, $73,020,139.

The number of depositors has increased 97,832, and the average amount due each depositor from $365.86 to $371.36. Interest paid to depositors varies from 3 to 4.5 per cent, the average being apparently a trifle less than 4 per cent.

The number of loan and trust companies submitting reports of condition was 242. Their loans aggregate $433,508,516; bonds and stocks, $177,086,555; capital, $108,963,905; deposits, $546,652,657, and total resources, $807,063,041.

Returns have been received from 1,070 private banks, with capital aggregating $33,281,845; deposits, $81,824,932; loans, $85,489,066; bonds and stocks, $7,276,159, and total resources, $130,617,342.

A condensed statement is herewith given for the purpose of comparison, exhibiting the principal items of resources and liabilities of each class of banks referred to:

Items.	State banks.	Loan and trust companies.	Savings banks.	Private banks.
Loans	$697, 688, 068	$433, 508, 516	$1, 035, 597, 142	$85, 489, 066
United States bonds	883, 885	39, 607, 593	123, 196, 914	1, 497, 310
Other bonds	91, 104, 811	137, 478, 962	718, 619, 785	5, 778, 849
Capital	250, 341, 295	108, 963, 905	29, 465, 573	33, 281, 845
Surplus and profits	101, 042, 346	84, 801, 698	174, 109, 899	10, 443, 060
Deposits	712, 410, 423	546, 652, 657	1, 844, 357, 798	81, 824, 932
Total resources	1, 147, 545, 818	807, 063, 041	2, 053, 764, 328	130, 617, 342

Similar information relative to national banks, banks other than national, and the total of all banks appears in the following table:

Items.	3,712 national banks.	6,103 all other banks.	9,815 total.
Loans	$2, 059, 408, 402	$2, 252, 282, 792	$4, 311, 691, 194
United States bonds	234, 801, 115	165, 185, 702	399, 986, 817
Other bonds, etc	211, 497, 195	952, 973, 407	1, 164, 470, 602
Capital	657, 135, 499	422, 052, 618	1, 079, 188, 117
Surplus and profits	336, 888, 351	370, 397, 003	707, 285, 354
Deposits	1, 715, 194, 860	3, 185, 245, 810	4, 900, 440, 670
Total resources	3, 423, 629, 344	4, 138, 996, 529	7, 562, 619, 873

The capital stock of national banks on July 11, 1895, and of all other banks at the date of the latest returns to this Bureau amounts to $1,080,276,798, an increase during the year of $10,450,243. The average per capita is $15.44.

The population of the United States on June 1, 1895, as estimated by the Government actuary, was 69,954,000 and the total banking funds, namely, capital, surplus, undivided profits, and deposits of national and all other banks, $6,703,544,084, making the average per capita $95.83. These funds in 1894 amounted to $6,407,003,338, being $296,540,746 less than this year.

The cash held by national banks on July 11, and by other banks at about that date, amounted to $631,111,290, classified as follows: Gold, $127,621,099; silver, $15,594,037; specie, not classified, $19,298,363; paper currency, $342,739,129; fractional currency, $1,023,442, and cash, not classified, $124,835,220.

In the appendix will be found abstracts of the reports of each class of banks, by States and geographical divisions, for the past and prior years and statistics in detail covering the subjects hereinbefore referred to. To this has also been added a summary of the condition of the Canadian banks on August 31, 1895, and the latest reports of the loan and trust companies in the District of Columbia.

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INSOLVENT BANKS OTHER THAN NATIONAL.

Mr. Albert C. Stevens, editor of Bradstreet's, has courteously placed this Bureau in possession of a statement showing the number of banks other than national, and the amount of their assets and liabilities, which failed during the year ended August 31, 1895, which appears in detail in the appendix. An abstract of this information, with similar returns for 1894, is herewith given.

Class.	1894.			1895.		
	No.	Assets.	Liabilities.	No.	Assets.	Liabilities.
State banks	27	$1,773,678	$2,009,967	46	$2,555,356	$3,444,675
Savings banks	9	2,646,008	2,677,943	8	4,653,323	4,818,199
Loan and trust companies	5	420,000	477,000	1	80,000	90,000
Mortgage companies	3	33,000,000	37,500,000	5	4,027,100	5,753,500
Private banks	21	1,749,600	2,235,600	25	1,388,301	1,804,619
Total	65	39,589,286	44,900,510	85	12,704,080	15,910,993

The number of national banks in existence on July 1, 1895, and of all other banks at the date of the latest returns prior thereto, with the number and per cent of failures of each class and of all, is shown in the following table:

Class.	Number doing business July 1, 1895.	Failures.	
		Number.	Per cent.
National banks	3,721	36	.97
State banks and trust companies	4,328	* 52	1.20
Savings banks	738	8	1.08
Private banks	4,972	25	.50
Total	13,759	121	.87

* Includes 6 trust and mortgage companies.

STATE AND NATIONAL BANKS IN THE STATE OF NEW YORK.

A question arising during the year which made it desirable to obtain information showing the relations existing between the various State banking institutions and the national banks of the State of New York, a special call was made on August 6 on the national banks for statements of balances with State, private, and savings banks and with loan and trust companies. While the information was obtained for a special purpose, the results of it are of sufficient interest to warrant the publishing of them in this report.

The returns from the 50 national banks of the city of New York showed average daily credits for the month of June of $61,380,569, due to State banking institutions, and an amount on July 11 of $54,485,412, while the daily balances due the national banks averaged for June $1,526,842, and on July 11 amounted to $1,586,258.

The 5 national banks in Brooklyn, the 6 in Albany, and the 273 located in the State outside of the cities named reported the average daily credits for June at $10,658,493, and the amount on July 11 as $11,544,328. The same banks reported daily balances due them averaging for June $1,036,998, and the amount on July 11, $1,156,401.

The total for the 334 national banks in the State averaged daily balances for these banks during June, $72,039,062; amount on July 11, $66,029,740. Average daily balances due from the State institutions for June, $2,563,840; on July 11, $2,742,659.

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Included in the special call was a request for data concerning the receipts and withdrawals of every kind in which these banks participated.

For the 50 national banks in the city of New York the average daily receipts for June were $124,503,693; receipts on July 11 were $121,061,669. For the remaining 284 banks the average daily receipts for June were $11,988,577, and on July 11, $11,980,788.

Withdrawals from the 50 national banks of the city of New York for June averaged $119,308,833 a day, and on July 11, $122,769,213. Withdrawals from the 284 banks outside of New York City averaged for June $13,914,367 per day, and for July 11 were $12,006,343.

Combining all the reports for both items makes the average daily receipts of the 334 banks for June $136,492,270; withdrawals, $133,223,200; a daily balance in favor of the banks of $3,269,070, or $98,072,100 for the month. On July 11 receipts aggregated $133,042,452 and withdrawals had risen to $134,775,556, reversing the balance to $1,733,104 of withdrawals over receipts.

From these results it may be effectually argued that the interests of State and national banks are not antagonistic. No better ground for investigation could be found than in the financial center where the strongest banks of each class are competitors for business. The exhibit made not only shows how baseless is the claim of friction between them, but renders the refutation more emphatic by the very close relations which are seen to exist by the returns made.

INSOLVENT NATIONAL BANKS.

The number of banks placed in the hands of receivers during the year was 36, located in 15 States, having an aggregate capital stock of $5,235,020 and circulation of $1,003,402, of which amount $205,146 has been destroyed and $798,256 is yet outstanding. The increase thus shown over the number of receivers appointed in 1894 is due to the fact that 9 banks which closed temporarily during the stress of 1893 were unable to reduce their assets to an extent sufficient to meet their maturing obligations, and therefore passed under the administration of this office. The banks of this character, with the amount of their capital stock, are shown in the following table:

Name of bank.	Location.	Capital.
Citizen's National Bank	Spokane Falls, Wash	$150,000
Tacoma National Bank	Tacoma, Wash	200,000
First National Bank	Port Angeles, Wash	50,000
Puget Sound National Bank	Everett, Wash	50,000
Union National Bank	Denver, Colo	1,000,000
National Bank of Kansas City	Kansas City, Mo	1,000,000
Buffalo County National Bank	Kearney, Nebr	100,000
First National Bank	San Bernardino, Cal	100,000
Kearney National Bank	Kearney, Nebr	100,000
Total		2,750,000

In addition to the number thus added were 2, the First National Bank of Ida Grove, Iowa, with a capital stock of $150,000, and the State National Bank of Denver, Colo., with a capital stock of $300,000, which had, prior to October 31, gone into voluntary liquidation, but through failure to comply with the statute were placed in the hands of receivers.

By deducting the number of the banks and the amount of the capital stock represented by them coming into the hands of receivers, under the circumstances named, the total number of receiverships for the year is reduced to 25 and the amount of capital stock involved to $2,035,020.

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The following table sets forth in detail the names, location, capital stock, and condition of the assets of the failed banks of the year at the time of the appointment of receivers therefor:

THE NATIONAL BANKS IN EACH STATE AND GEOGRAPHICAL DIVISION, WHICH WERE PLACED IN THE HANDS OF RECEIVERS DURING THE YEAR ENDED OCTOBER 31, 1895, WITH THEIR CAPITAL, NOMINAL ASSETS, AND LIABILITIES AT DATE OF SUSPENSION.

Name and location of bank.	Capital.	Assets.				Liabilities.†
		Estimated good.	Estimated doubtful.	Estimated worthless.	Total.*	
Dover National Bank, Dover, N. H	$100,000	$112,052	$65,170	$10,586	$187,808	$174,676
First National Bank, Willimantic, Conn	100,000	132,643	149,279	115,137	397,059	338,292
Eastern States	200,000	244,695	214,449	125,723	584,867	512,968
Central National Bank, Rome, N. Y	100,020	316,229	117,870	141,196	575,295	501,283
National Broome County Bank, Binghamton, N. Y	100,000	248,967	171,033	172,598	592,598	475,068
Middle States	200,020	565,196	288,903	313,794	1,167,893	976,351
First National Bank, Ocala, Fla	50,000	191,776	145,036	100,207	437,019	343,361
City National Bank, Quanah, Tex	100,000	73,172	89,269	58,162	220,603	134,077
First National Bank, Texarkana, Ark	50,000	17,836	9,154	61,216	88,206	39,583
City National Bank, Fort Worth, Tex	300,000	264,516	267,362	401,422	933,300	542,229
First National Bank, Dublin, Tex	50,000	9,545	28,203	25,720	63,468	14,249
First National Bank, Johnson City, Tenn	50,000	17,562	70,589	61,803	149,954	102,243
Southern States	600,000	574,407	609,613	708,530	1,892,550	1,175,742
National Bank of Kansas City, Mo	1,000,000	427,982	1,029,928	600,608	2,058,518	1,054,655
Superior National Bank, West Superior, Wis	135,000	59,799	44,130	128,975	232,904	100,486
Keystone National Bank of Superior, West Superior, Wis	200,000	150,291	61,998	225,654	437,943	216,048
First National Bank, Ida Grove, Iowa	150,000	.....	.....	.....	.....	8,751
First National Bank, Pella, Iowa	50,000	23,290	7,774	28,074	59,138	73,021
Citizens' National Bank, Madison, S. Dak	50,000	7,265	90,709	31,777	129,751	65,624
First National Bank, Redfield, S. Dak	50,000	39,777	101,319	23,514	164,610	113,848
First National Bank, Wellington, Kans	50,000	13,078	67,288	46,248	126,614	61,276
Buffalo County National Bank, Kearney, Nebr	100,000	18,886	176,201	39,735	234,822	99,097
North Platte National Bank, North Platte, Nebr	75,000	54,544	114,488	14,922	183,954	111,160
Holdrege National Bank, Holdrege, Nebr	75,000	11,396	80,115	49,985	141,496	59,301
First National Bank, Ravenna, Nebr	50,000	26,224	46,205	10,544	82,973	28,659
Kearney National Bank, Kearney, Nebr	100,000	35,603	194,297	35,131	265,031	146,450
Western States	2,085,000	868,135	2,014,452	1,235,167	4,117,754	2,138,376
Union National Bank, Denver, Colo	500,000	523,057	816,389	178,049	1,517,495	936,083
State National Bank, Denver, Colo	300,000	43,977	221,774	244,910	510,661	170,481
Citizens' National Bank, Spokane Wash	150,000	63,963	170,192	212,158	446,313	264,410
Tacoma National Bank, Tacoma, Wash	200,000	50,006	306,705	68,380	425,691	212,888
Browne National Bank, Spokane Wash	100,000	39,248	122,829	20,590	182,667	79,972
First National Bank, Anacortes, Wash	50,000	10,934	45,637	12,332	68,903	16,495
First National Bank, Port Angeles, Wash	50,000	1,361	37,990	18,581	57,872	11,719
Merchants' National Bank, Seattle, Wash	200,000	173,689	313,874	54,131	541,694	315,358
Puget Sound National Bank, Everett, Wash	50,000	6,962	24,639	75,175	106,776	56,277
First National Bank, South Bend, Wash	50,000	6,847	69,338	24,022	100,207	51,932
Columbia National Bank, Tacoma, Wash	350,000	.....	.....	.....	.....	.....
Needles National Bank, Needles, Cal	50,000	6,217	2,540	47,268	56,025	6,456
First National Bank, San Bernardino, Cal	100,000	61,279	208,054	61,242	330,575	170,484
Pacific States and Territories	2,150,000	987,480	2,339,961	1,016,838	4,344,279	2,292,555
United States	5,235,020	3,239,913	5,467,378	3,400,052	12,107,343	7,095,992

* Exclusive of United States bonds on deposit to secure circulation.
† Exclusive of capital, circulation, surplus, and undivided profits.

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The number, capital, assets and liabilities of national banks, in each State, which failed during the past year are shown in the following table:

State.	Banks.	Capital.	Assets.				Liabilities.
			Estimated good.	Estimated doubtful.	Estimated worthless.	Total.	
New Hampshire	1	$100,000	$112,052	$65,170	$10,586	$187,808	$174,676
Connecticut	1	100,000	132,643	149,279	115,137	397,059	338,292
New York	2	200,020	565,196	288,903	313,794	1,167,893	976,351
Florida	1	50,000	191,776	145,036	100,207	437,019	343,361
Texas	4	500,000	365,069	393,988	546,520	1,305,577	730,138
Tennessee	1	50,000	17,562	70,589	61,803	149,954	102,243
Missouri	1	1,000,000	427,982	1,029,928	600,608	2,058,518	1,054,655
Wisconsin	2	335,000	210,090	106,128	354,629	670,847	316,534
Iowa	2	200,000	23,290	7,774	28,074	59,138	81,772
South Dakota	2	100,000	47,042	192,028	55,291	294,361	179,472
Kansas	1	50,000	13,078	67,288	46,248	126,614	61,276
Nebraska	5	400,000	146,653	611,306	150,317	908,276	444,667
Colorado	2	800,000	567,034	1,038,163	422,959	2,028,156	1,106,564
Washington	9	1,200,000	352,950	1,091,204	485,369	1,929,523	1,009,051
California	2	150,000	67,496	210,594	108,510	386,600	176,940
Total	36	5,235,020	3,239,913	5,467,378	3,400,052	12,107,343	7,095,992

RECEIVERSHIPS.

The difficulties attendant upon the liquidation of banks now in the hands of receivers have been largely augmented during the year by the character of the assets to be reduced and the complications arising from the business depression of the past two years. In the majority of instances no bank closes its doors while it is possessed of quickly convertible paper, and therefore there comes into the possession of the Comptroller only that which is slow, doubtful, bad, or absolutely worthless. It thus follows that with little or no cash received, but debts which are slow of payment and much involved in or necessitating litigation, the closing of trusts is prolonged and the expense attendant thereon increased. The records of the office, however, show that such expense, as compared with any other class of receiverships, is greatly less and the results attained far more substantial. Notwithstanding the conditions which have followed the year 1893 there were paid in dividends to creditors of failed banks in 1894 the sum of $5,124,577.94, and during the year just closed $3,380,552.65, represented by 101 dividends.

On October 31, 1894, there were 125 banks in the hands of receivers. Since then 36 receivers have been appointed, making 161 trusts open during the year; 11 trusts have been closed and 1 bank has been restored to solvency and has resumed business. This leaves 149 banks in charge of receivers on October 31, 1895.

A total of 303 banks have been under the charge of receivers. Of these, 13 have resumed business, leaving the assets of 290 to be collected and distributed under the supervision of this office.

The following data relate to 289 insolvent banks, as the report of 1 bank, for which a receiver was appointed on October 30, was not received in time to include it in this summary:

The nominal value of the assets coming into the hands of receivers was $155,825,372; scheduled as "good," $60,751,706; "doubtful," $55,888,525; "worthless," $39,185,141. In addition, receivers have recovered assets of the nominal value of $16,294,040 after taking charge

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of their trusts, thus increasing the assets of the insolvent banks to $172,119,412. Assessments have been ordered against the shareholders of these banks amounting to $26,770,070, making the total nominal resources of the 289 receiverships $198,889,482. The total liabilities of these banks were $107,538,151.

There have been cash collections from the assets amounting to $69,686,616, and from shareholders $10,990,861; total, $80,677,477. Offset settlements, etc., amounting to $12,904,089 have been adjusted. Assets have been sold and doubtful or worthless claims compromised, under order of court, at a loss from nominal value of $35,362,748.

Receivers of banks which have paid all claims in full have, in addition thereto, returned to shareholders $1,116,438 cash and assets of the nominal value of $4,720,995. The number of receiverships acting under the Comptroller's supervision at the close of the report year was 149, with assets of the nominal value of $50,005,200.

BANK RECEIVERSHIPS OTHER THAN NATIONAL.

During the past year an effort has been made to obtain information relative to insolvent State banks and receiverships. A large amount of correspondence was had with State officers, bank officers, bank examiners and others in order to obtain some data bearing upon the subject. While the returns have to a large degree been fragmentary, and to such extent of doubtful utility, yet it is believed that something of value may be gathered from them.

Reports, more or less defective, have been received concerning 471 banks, located in 38 States and Territories, the dates of failure going back to 1843. A large number of others were reported, but no data given that would be available in this connection. Nothing has been received from the States of Delaware, Kansas, Mississippi, Nevada, New Jersey, Oregon, Pennsylvania, Vermont, Virginia, West Virginia, Indian Territory, or the District of Columbia. The reports from New York (furnished by the New York State banking department) and from Ohio (furnished by Mr. W. A. Graham, of the Citizens Bank, Sidney, Ohio) are remarkably complete.

The amount of capital reported was $25,053,638; nominal assets, $96,154,382, and liabilities, $124,481,807. Dividends on claims already paid amount to $55,018,121, or 44 per cent. Additional dividends are estimated at $4,659,678, or 3 per cent.

It is but just to say, in this connection, that the returns from the different banks are so exceedingly meager that if correct data could be obtained from each of the banks reported the amount of dividends paid would be considerably increased. In a large number of cases no estimates were given as to future dividends, but if an estimate should be obtained based on correct data the percentage of further dividends would, it is safe to say, also be increased. A further investigation will be pursued.

The number, capital, assets, liabilities, dividends paid, etc., of banks reported are shown in the following table:

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State or Territory.	No. of banks.	Capital.	Assets.	Liabilities.	Dividends paid.		Estimated dividends.	
					Amounts.	Per cent.	Amounts.	Per cent.
Alabama	4	.....	.....	.....	.....	13	.....	.....
Arizona	4	$200,000	$1,099,329	$762,524	$105,985	13.9	$13,611	1.7
Arkansas	1	25,000	6,019	47,890	.....	.....	.....	.....
California	6	1,616,048	8,924,764	6,393,480	2,231,054	34.9	1,604,351	26.6
Colorado	46	1,744,500	6,794,481	5,006,405	991,025	19.5	163,572	3.2
Connecticut	2	51,600	724,549	649,673	.....	.....	313,295	48.2
Florida	2	75,000	427,630	39,365	.....	.....	.....	.....
Georgia	7	220,000	80,000	1,130,000	490,000	43.4	.....	.....
Idaho	2	100,000	301,293	241,468	.....	.....	.....	.....
Illinois	6	100,000	5,933,939	4,308,545	1,481,162	34.3	103,077	2.3
Indiana	9	310,000	981,871	671,870	401,744	59.5	14,681	2.1
Iowa	4	19,000	248,236	886,842	58,523	6.5	37,184	4.1
Kentucky	6	1,493,600	3,121,328	1,676,072	276,967	16.5	315,330	18.8
Louisiana	5	280,000	206,745	104,825	.....	.....	.....	.....
Maine	8	75,000	1,457,476	1,376,350	1,018,923	74	54,510	3.9
Maryland	1	.....	1,159,011	1,159,011	139,681	12.1	57,951	5
Massachusetts	16	.....	.....	10,440,805	8,488,109	80	37,894	0.4
Michigan	3	140,000	864,589	700,000	350,000	50	140,000	20
Minnesota	10	729,500	2,240,736	1,452,428	270,084	18.7	212,516	14.6
Missouri	15	204,150	973,068	902,898	148,349	16.4	58,941	6.5
Montana	1	5,000	55,596	48,363	13,295	27.5	29,017	59.9
Nebraska	33	746,500	2,034,581	1,189,481	160,728	13.5	.....	.....
New Hampshire	6	100,000	841,452	687,494	292,843	42.5	186,200	2.7
New Mexico	11	425,000	1,248,398	1,132,438	390,939	34.4	75,990	6.7
New York	103	13,629,128	47,944,726	62,569,116	30,245,404	48	.....	.....
North Carolina	2	300,000	1,307,786	1,551,416	434,396	28	186,700	12
North Dakota	7	407,134	1,058,662	1,058,919	42,461	4	31,731	3
Ohio	94	.....	784,184	11,562,175	4,491,049	39.7	260,900	2.2
Oklahoma	5	6,590	52,691	70,371	2,000	2.8	.....	.....
Rhode Island	9	577,225	1,164,623	3,309,449	1,740,805	51	207,212	6.2
South Carolina	4	155,000	.....	.....	.....	.....	.....	.....
South Dakota	8	158,615	484,613	334,225	60,034	17.9	25,239	7.2
Tennessee	3	130,000	1,340,979	1,305,909	355,193	27.1	77,113	5.8
Texas	1	.....	50,000	75,000	30,000	40	.....	.....
Utah	4	350,000	323,339	256,662	137,661	53.6	11,900	4.6
Washington	2	110,000	270,254	129,123	18,863	14.6	110,259	85.4
Wisconsin	7	256,000	463,943	498,014	.....	.....	193,159	38.7
Wyoming	9	314,048	1,183,491	753,201	151,441	21.4	137,345	18.2
Total	471	25,053,638	96,154,382	124,481,807	55,018,121	44	4,659,678	3

AMENDMENTS RECOMMENDED.

In the reports of this Bureau heretofore submitted have been suggested amendments to the laws governing national banks which, if made, it is believed would tend to the betterment of the system. All of the suggestions of this character for several years last past yet remain unacted upon. It is respectfully suggested that, as the General Government is in complete control of this system of banks, its legislative branch should give to the system the benefit of all proper enactments. In this view of the case the attention of Congress is again called to the following suggested amendments and action looking toward their incorporation into the banking laws strenuously urged:

First. That the Comptroller, with the approval of the Secretary of the Treasury, be empowered in all proper cases to remove officers and directors of national banks for violations of law and mismanagement, first according them a hearing on charges preferred.

Second. That the loans of any bank to its executive officers and employés be restricted and made only upon the approval of the board of directors, a separate written record thereof being kept.

Third. That the assistant cashier in the absence of the cashier be authorized to sign the circulating notes of the bank and reports of condition.

Fourth. That some class of public officers be empowered to administer the general oaths required by the national-bank act.

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Fifth. That bank examiners be required to take an oath of office and execute a bond before entering upon the discharge of their duties.

Sixth. That upon a day in each year, to be designated by the Comptroller, the directors of national banks shall be required to make an examination of the affairs of the banks and submit to the Comptroller a report thereon upon blanks to be furnished for such purpose.

Seventh. That the Comptroller be authorized to issue to national banking associations circulating notes to the par value of the bonds deposited by them with the Treasurer of the United States to secure such notes.

Eighth. That the semiannual tax levied on account of the circulating notes of national banks be reduced so as to equal but one-fourth of 1 per cent per annum.

In support of all of the foregoing suggestions, excepting the sixth one, reasons have in previous reports been given. Amendment six is deemed advisable that directors of national banks may be compelled to know from an examination required at their hands of the condition of the banks in whose management they participate and for which they should bear a full share of responsibility. Such a law would lead to better banking methods, less carelessness in extending loans, and make less liable the long continuance of any dishonesty which might be undertaken by any executive officer or employé of banks. It would also enable the Comptroller, in case of the failure of any national bank, to fix the responsibility more clearly for negligence of duty on the part of directors.

The issuing of circulating notes to the par value of bonds deposited to secure the same and the reducing of the per cent of semiannual tax levied upon such notes has been urged by all the Secretaries of the Treasury who have touched upon the subject at all and by every Comptroller from the time of and including Comptroller Knox. The provision of the law prohibiting the former and the provision of the law governing the amount of the latter, however, are still unchanged upon the statute book.

At a time when the desire is so frequently expressed that there be a larger issue of bank notes and complaint is made that national banks are indifferent to the note-issuing function vested in them, it may well be considered by Congress whether it would not be wise to do that which will make it of sufficient interest to the national banks to pay greater attention to note issues. The profit of banking in the United States is now largely in the deposit feature of it and thus it is of greater concern under existing circumstances to the banks to secure deposits than it is to issue notes upon a return so small as to scarcely justify the expense and trouble entailed thereby.

Banks are not eleemosynary institutions, and therefore engage only in that which promises a margin of profit. While on the one hand entitled to no more favors than are granted to other corporations or enterprises carried on by associated individuals, on the other they should not be denied any privileges which they may justly claim, and for the denial of which no possible excuse can be given. It is unquestionably true that national banks would largely increase their note circulation if the embarrassment arising from the needless locking up of a large part of their capital, available for other purposes, and the lessened profit through excessive taxation now imposed did not confront them. They certainly would do so if the legal-tender issues of the Government were paid and canceled and the channel now clogged by them freed for bank-note circulation.

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The experience of this and other countries conclusively demonstrates that the best and most rational note issues are those put forth by banks properly and safely conducted. It likewise demonstrates that issues made direct by governments are always expensive, and under every circumstance a source of danger to such governments and loss to their people's business interests. No clearer proof of this could be had than that furnished by the difficulties which we have witnessed on the part of this Government in its efforts to maintain the full credit of its practically limitless amount of demand obligations.

The granting of even the small measure of relief as indicated would undoubtedly aid in bringing about a solution of this, the gravest question now demanding legislative attention. It would at least point the way out and tend to avoid any real or imaginary danger which might exist through fear of a contraction of the volume of the circulating medium by the cancellation of the legal-tender issues. Under such provisions of law, unhampered by unwise restraints and rid of unwholesome competition, the banks now in the national system alone could and undoubtedly would put in circulation a sufficient amount of bank notes to prevent any approach to sudden contraction by the payment and permanent cancellation of this part of the Government's debts.

The advantage accruing to the Government by the substitution of a bank-note for a Treasury-note currency would be immeasurably great. The need of maintaining a gold reserve to meet the recurring demand obligations, now never retired, would, within a reasonable time, be obviated and delivered from this vexatious and expensive difficulty, the Treasury Department could return to its legitimate function of collecting the revenues of the Government needful to meet governmental expenses and disbursing the same.

With the relief gained to it through the removal of this burden would come a greater one to the business interests of the individual citizen, whose every operation would no longer be harassed by the uncertainty springing from a fear that either in the present or the future the currency obligations now forced by his Government through the provisions of an inflexible law into the avenues of trade and commerce may be discredited and dishonored. The relegating of note issuing entirely to the banks would give a better guarantee of meeting the varying wants of trade, which is impossible with a legal mandate decreeing an amount of Treasury issues of no greater and no less volume at one season of the year than another, whether or no there be a corresponding increase or lessening of the demand for currency to transact the business in hand.

It is respectfully suggested that, as a necessary element to the securing of proper elasticity of issue in our bank-note currency, section 9 of the act of July 12, 1882, regulating the retirement and issuing of circulation to banks within a fixed period of time, should be repealed, and also that such amendment should be made to the law as will necessitate the banks keeping in the office of the Comptroller of the Currency a sufficient amount of blank notes as will enable them to secure circulation at once, instead of after a period of delay, frequently of sufficient duration as to make the issue unavailable to relieve the pressure existing at the time of ordering.

It is in view of these and other reasons which will unquestionably suggest themselves to those to whom this report is submitted that action is recommended looking toward the enlargement of the country's bank-note circulation.

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FOREIGN BANKING SYSTEMS.

The attention throughout the year attracted to all matters pertaining to banks and the varied opinions which the discussion of them has called forth warranted the attempt to secure such information as could be had both at home and abroad bearing upon the general subject. It has been done under the belief that a comparative study of such of the foreign and State banking systems as could be readily investigated would be of considerable value, and the effort has been made to collect information bearing upon the salient points of the different systems now in actual existence. Through the courtesy of the State Department each of the ambassadors, ministers, and consuls of the United States was asked to aid in this work by forwarding statements concerning the countries to which they were accredited. The following questions, calling for the desired information, were forwarded to each:

1. Give the different classes or kinds of banks.
2. What requirements must be met in order to enable each class of banks to transact business?
3. Who determines when these conditions have been satisfied?
4. Give regulations, if any, governing each class of banks as to (*a*) capital stock, (*b*) management of the bank, (*c*) liability of shareholders for claims against the bank, (*d*) reports of condition of the bank, (*e*) examination by Government official, (*f*) restrictions on the amount of loans, (*g*) restrictions of any other character on loans by the bank, (*h*) security for loans, (*i*) cash reserve required, (*j*) accumulation of surplus.
5. Give the regulations, if any, governing the receipt of deposits, and state if it is the custom of the banks to allow interest on deposits.
6. To what extent is the Government interested as a shareholder in the banks?
7. Are any of the banks permitted to conduct branch banks or offices?
8. To what extent and by what medium is information as to the condition of the banks given to the public?
9. What taxes or burdens are imposed upon the banks in return for the privileges granted them?
10. Give as full information as possible as to the closing up of the business of insolvent banks.
11. To what extent and under what conditions are the banks allowed to issue bank notes?
12. What provision is made for the redemption of such notes?
13. Please give any additional information which you think will be of interest concerning the banks.

Replies have been received thus far from twenty-three* countries, viz: Belgium, Canada, Chile, China, Denmark, Ecuador, France, Germany, Guatemala, Haiti, Hawaii, Italy, Korea, Liberia, Netherlands, Paraguay, Peru, Portugal, Russia, Switzerland, Turkey, Uruguay, and Venezuela. Of the countries reporting, Liberia is stated to be entirely destitute of banking privileges. Korea has no banks except those of the Japanese, which are conducted according to the legal provisions of Japan.

An abstract, as correct as the information obtained will permit, has been prepared from the replies received from the remaining twenty-one. Ten of them have banks which perform functions so closely related to the government as to justify the designation of "government banks." Most of them have the ordinary banks of discount and deposit; several have savings or "coöperative" banks, while two have postal savings banks in successful operation. Twenty have banks privileged to issue bank notes for circulation. Some of these are limited to this particular business, and others are privileged to conduct a general banking business in addition to the note-issuing powers. Several countries are reported to have corporations similar to trust and mortgage companies here. One country has a class of banks which makes loans only on chattel security.

* Since the first edition of this report was issued replies have been received from Greece, Salvador, and Siam, which will be found in full in the appendix.

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Special charters are required in most of the countries, which are obtained from the legislative bodies or by proclamation of the ruling prince. The banks are generally authorized to begin business as soon as they have filed the necessary papers with the proper official in proof of their organization. A few governments seem to have no officer charged with the duty of passing upon the organization proceedings. In some cases the capital stock is required to be paid up in part or in full, but in most cases it is left, both as to amount and as to payment, to be regulated by the "statutes" or by-laws and rules under which the bank is to be conducted or by the conditions specified in the charter.

The management is sometimes left to representatives, and again is confided to a board composed of government officials, or a mixed board of officials and directors chosen by the stockholders. In nearly all the countries heard from the liability of the shareholders is limited to the amount they have invested in the banks. Two countries report exceptions, one of which attaches special liability only to those holding the stock of savings banks. Special mention should be made of the excellent requirements of the seventeen countries reporting as to furnishing public information of the condition of the banks. In addition to the monthly, quarterly, semiannual, or annual reports, four countries require weekly statements from some or all classes of banks. These are published either in local newspapers, in the official journal, or in reports, so that the public is amply provided with information. This feature is in very marked contrast to the lax requirements of several of our States.

The subject of loans does not appear to have received as careful attention as it merits. Very many of the bank failures in the United States have been caused by the abuse of the loaning powers of the banks, yet only five countries are reported as having restrictions of any special value upon the loaning ability of the banks. The matter seems to have been left almost entirely to the judgment and discretion of the managing officers.

The majority of the countries reporting have no special provisions regarding cash reserve; and the accumulation of a surplus fund, except for banks allowed to issue circulation, seems to be practically subject to the wisdom of the directors or managers. Some slight limitations have been placed upon the receipt of deposits. Usually the banks pay interest on time deposits, although three reports show that interest is not allowed.

In but four countries reported is the government interested as a shareholder in banks.

It is notable that every country reporting allows the banks to maintain branch offices or banks. This is worthy of much consideration, as it appears that branches are thought to be necessary adjuncts to the banks to enable them to exercise their function to the greatest benefit of their governments and patrons. One country even goes so far as to absolutely require that branch banks must be established and operated for the convenience of the public. Our national banking act has been construed as prohibiting all branches, except for converted State banks having them in operation at the time of entering the national system. It is worthy of serious consideration whether many communities here would not be better served with banking facilities if branch banks, limited to a deposit and commercial business, under the national banking act, were to be allowed.

License fees must be paid in six of the countries for the privilege of engaging in banking. Capital, net profits, and circulation are taxed

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by most, and a few require the expenses of the bureau of banking to be borne by the banks.

Insolvent banks are treated the same as other insolvents in five countries. In three others government officials are appointed to close the bank's business. In one country preferred claims in order of preference are: (1) Government claims; (2) claims of employés, bills of exchange, brokerage, and commission, and (3) depositors. One government bank reported as being insolvent and in the hands of a committee of three; one representing the directors, another the shareholders, and the third the government. No information on this branch of the subject came from many of the countries. In several countries the banks provide the entire supply of currency. Provisions apparently adequate have been made by law in fourteen countries to redeem the bank notes as they are presented.

Herewith is given a brief summary of the reports received. The full reports will be found in the appendix.

BELGIUM.

Kinds of banks: The Banque Nationale, commercial and cooperative banks, and mortgage companies. No public officer passes upon organization; there are no legal provisions governing deposits; interest may be allowed by all banks except Banque Nationale; the State is not interested as a shareholder; branch banks are permitted; annual statements are required to be published by some banks and monthly statements by others; a license fee is required to be paid, based on earnings, by all except the Banque Nationale, which pays special taxes on account of issuing circulation; circulation is not permitted in excess of three times the amount of coin reserve of Banque Nationale, unless approved by the minister of finance; bank notes are guaranteed by available assets of Banque Nationale.

CANADA.

Government and postal savings banks, commercial banks, mortgage companies, and private bankers. A special act of Parliament and proof of contribution of capital is required before commencing business; the treasury board pass upon organization proceedings; the system advocates a large capital—part must be paid in; an act of Parliament regulates the payment and fixes the amount of capital; the bank is managed by directors; except in two cases double liability is imposed upon shareholders for claims against the bank; monthly reports of condition are required, and other reports when called for; there are no examinations by Government officials; loans can not be made on the stock of Canadian banks, real estate, or completed ships; no reserve is required; a surplus of 30 per cent of the paid-up capital may be acquired, which is called a "rest" fund; interest is usually paid on time deposits; the Government is not interested as a shareholder in the banks; branch banks or offices are allowed; monthly reports of condition are published; in case of insolvency bank notes are a first lien upon the assets, claims of dominion and provincial governments the second, and depositors the third; banks, with two exceptions, may issue circulating notes to the amount of their paid-up capital; the circulation notes have the first lien on assets, and a redemption fund is provided by all the banks to redeem any notes beyond the value of the assets. No notes less than $5 are issued.

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CHILE.

Hypothecary or mortgage banks and banks of issue in operation. Both classes of banks, in order to begin business, must satisfy provisions of civil and commercial code applying to joint stock companies; articles of association must be filed with the proper officers and also published in newspaper; President of the Republic determines when conditions as to organization have been satisfied; capital stock must be paid in part prior to beginning business; banks are managed by directors; hypothecary banks also have a manager appointed by the President of the Republic; shareholders are not liable for more than stock investment; directors are responsible for obligations contracted while serving in that capacity; reports of condition are made by banks of issue to the minister of finance monthly, in addition to filing annual inventory, etc.; reports of other banks are filed annually with the Government; banks of issue subject to examination at any time by the President of Republic through agents for that purpose; it is customary to allow interest; Government is not interested as a shareholder in any bank; branch banks permitted; information given to the public by reports published in the official journal; no taxes or burdens are imposed in return for banking privileges; the general insolvency laws apply to insolvent banks; circulating notes can be issued not to exceed 150 per cent of capital stock and are guaranteed by an ample deposit of securities in the mint.

CHINA.

No incorporated banks; private banks are in existence, also foreign banks, chiefly the Hongkong and Shanghai banking corporation; a bank can be opened upon reporting its organization to local officials, who pass upon the matter; no limitation with respect to deposits; interest is allowed on deposits; the Government is not interested as a shareholder in any bank; branch banks are allowed; no provision is made for reporting the condition of banks to the public; no taxes or burdens are imposed; banks are expected to aid the Government in emergencies by loans and subsidies; a special officer is appointed to wind up insolvent banks; there are no restrictions as to issuing of circulation, and no legal provisions governing redemption of bank notes; a private bank in each province performs the functions of the treasury of the Government and receives taxes, payment of which is required in silver purer than the coin circulating in the locality, the bank thereby making 2 per cent as compensation for its services; banks guarantee paper of their customers; Government moneys are deposited in banks; letters of credit are issued by banks.

DENMARK.

The National Bank of Copenhagen, and private and savings banks. The national bank was established by a special act, its capital being provided from taxes levied upon real estate; shareholders own stock to the extent of taxes; private banks are required to notify the proper officer of their formation and file by-laws; if by-laws are not filed the Government takes no cognizance of the corporation; savings banks are organized under special act, and their by-laws must be sanctioned by the King; the minister of the interior passes upon the organization papers of the other banks; banks are managed by directors; the national bank is managed by fifteen representatives and four directors, one of the latter being appointed by the King; shareholders of banks, except savings banks, are only liable for their stock investment;

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reports of condition are made monthly and annually by savings banks to the savings banks' inspector, and by other banks to the bank commissioner; banks are examined by Government officers; loans are restricted as to time and securities; the national bank is required to keep a cash reserve of 25 per cent in legal coin of the amount of bank notes in circulation; the accumulation of surplus is left to the management of the banks; deposits are received by all banks and interest is usually paid; the Government is not interested as a shareholder in any bank; all banks are permitted to operate branch offices; copies of the monthly and annual reports may be had by the public upon application to the proper officer; the affairs of insolvent banks are closed the same as those of other insolvent corporations; the National Bank of Copenhagen is alone permitted to issue national-bank notes, which are secured by metal reserve or other securities and must be redeemed upon presentation or demand in gold coin; savings banks have a few special provisions.

ECUADOR.

Commercial banks and mortgage companies. Forty per cent of the capital is required to be paid in to enable each class of banks to begin business; the Government officials determine when requirements have been complied with; a board of directors is required to manage banks; shareholders are not liable beyond their investment; reports of condition are required whenever called for by the Government; examinations are made by Government officials whenever deemed advisable; restrictions on amount of loans are left to judgment of directors and also with respect to security for loans, cash reserve, and surplus fund; there is no special provision as to receipt of deposits; interest is allowed on time deposits; the Government is not interested in the banks as a shareholder; branch banks are allowed; reports of condition are occasionally published in newspapers; a tax of 4 sucres per 1,000 is imposed on circulation issued; Government officers wind up insolvent banks; bank notes may be issued to three times the amount of silver held; no provision is made for the redemption of bank notes beyond the assets of the bank; note holders do not appear to be preferred creditors.

FRANCE.

The Bank of France, commercial, provincial, and colonial banks. The Bank of France is chartered by a vote of the Chambers; the capital stock is fixed by statute at 182,500,000 francs (market value nearly four times that amount); the management of the bank consists of a governor, two deputy governors, a general council of fifteen councilors and three inpectors; shareholders are not liable beyond their investment; weekly, semiannual, and annual reports of condition are required; constant supervision is required by the governor, his deputies, and the minister of finance may also examine by inspectors of finance; loans are restricted to 80 per cent on Government securities, 75 per cent on other securities, no loans are made on foreign securities; loans are limited to ninety days and are renewable; advances on accounts current are made for five days; all securities must be registered in the name of the bank; a reserve fund is fixed by law at 10,000,000 francs in addition to real estate for banking purposes; surplus fund is provided for; accounts are opened by deposit of 500 francs; all deposits are payable at sight at the bank or any branch; no interest is paid; the Government is not

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interested as a shareholder; branch banks are compulsory; the condition of the bank is made public by a weekly balance sheet published and posted in Bourse and by an annual public statement; a tax of 4 per cent on dividends and special services and privileges are received from the banks; no special provisions are made for closing up insolvent banks; circulation is authorized to the extent of 4,000,000,000 francs; all circulation is guaranteed by a deposit of coin or securities at the bank; notes are payable in coin on demand and are redeemed in gold.

GERMANY.

The Imperial Bank, commercial and circulation banks, and mortgage companies. Banks are required to comply with the statute before transacting business; there is a special statute for the Imperial Bank and circulation banks, a grant from the States for mortgage banks, and an entry in the commercial register for commercial banks; the imperial chancellor or federal council determines when the conditions for beginning business have been complied with by banks of issue, the state governments for mortgage companies, and the commercial court for commercial banks; the imperial law regulates the capital of banks of issue and bank statutes fix the capital for other banks; the Imperial Bank is governed by Imperial bank directors with the president under the chancellor, the other banks by statutes of the bank and by the business law book; shareholders are not liable beyond the stock fully paid in; banks of issue are required to make weekly reports and annual statements; other banks yearly reports; the Imperial Bank is supervised by bank curators, consisting of the chancellor and four members; other circulation banks by the chancellor and state officers; mortgage banks by state officers; there are no restrictions on the amount of loans; circulation banks are restricted as to loans; mortgage banks are required to have real estate security for loans; there are special provisions for loans of circulation banks; a cash reserve of one-third of circulation issued is required; circulation banks are required to have a surplus of one-fourth of their capital; other banks have special provisions; the Imperial Bank must not pay interest on more than its capital and reserve; interest is allowed in some cases; the Government shares the profits of the Imperial Bank; Bavaria is interested as a shareholder in one bank; branch banks are permitted; reports of condition are published when made; there is no tax or fee for granting a bank charter; the states share in the profits of banks of issue; the general bankruptcy law applies to the winding up of insolvent banks; circulation banks may issue notes in various amounts; no new circulating banks can be organized; the redemption of notes is secured by one-third cash or bullion and the remainder by discounts payable in three months, with at least two solvent sureties.

GUATEMALA.

Commercial banks and banks of circulation. The rules and regulations for the transaction of business must be filed and approved by the Government; the capital stock and management are governed by the statutes of the banks; reports of condition and balance statements required to be made semiannually; examinations are made by Government experts; restrictions on loans are left to the judgment of the directors; in some banks no cash reserve is required, in others, two-thirds of the circulation must be held; the accumulation of a surplus fund is left to the judgment of the board of directors; no legal provision is made governing receipt of deposits; interest is usually

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allowed on time deposits; the Government is not interested as a shareholder in banks; branch banks are permitted; semiannual reports of condition are required to be published; no taxes or burdens are imposed on the banks for the privilege of banking; banks are allowed to issue bank notes to an unlimited amount; sufficient funds must be held by the banks for redemption of their notes.

HAITI.

The National Bank of Haiti and private banks. Requirements for organization and management of the national bank are covered by special statutes; deposits of Haiti currency and American gold are received; no interest is allowed on deposits; the Government is not interested as a shareholder in the bank; branch banks are permitted; reports of condition are published once a month in an official journal; the bank pays no taxes for the privilege of banking, but is the fiscal agent of the Government; private banking firms pay a foreigner's license; method of winding up insolvent banks provided for by statute; national bank only may issue currency; redemption of currency in American gold is provided for.

HAWAII.

Private and postal savings banks. A license fee and the filing of a list of shareholders are required in order to begin banking business; the minister of the interior determines when the conditions for banking are complied with; no interest is paid, except by the postal savings bank, which pays 5 per cent; the Government is not interested as a shareholder; branch banks are permitted; a license fee of $500 and 1 per cent on actual cash held July 1 are required; insolvent banks are treated as other insolvents; no bank notes are issued; no banks have gone into liquidation; correspondent banks in San Francisco.

ITALY.

Information furnished as to banks of issue only. Requirements as to banking provided for by law; no officer appears to be charged with duty of determining when requirements have been complied with; the capital of banks of issue must be currency or gold ingots held in bank; members of Parliament are prohibited from participating in the management of banks; banks are under the supervision of the ministry of agriculture, industry, and commerce, and the treasury department; every two years extraordinary examinations are made; loans are restricted as to time and value of security; real estate mortgages are taken only for doubtful debts and must be disposed of within three years; the Bank of Italy can not take its own shares as security; interest is allowed at a restricted rate; the Government is not interested as a shareholder in banks; branch banks are permitted; a tax of one-half of 1 per cent semiannually on all circulation in excess of capital is required; three banks may issue notes for twenty-five years to the amount of three times their capital; banks are required to redeem their notes in currency. The security for circulation is currency or gold ingots to the amount of their capital.

NETHERLANDS.

The Bank of Netherlands and private banks. A deed of foundation is required to be filed and the royal sanction obtained to enable banks to begin business; no special provision as to the liability of share-

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holders; the Government is not interested in banks as a shareholder but shares in the profits of the Bank of the Netherlands which only is allowed to issue circulation; branch banks are permitted; annual reports required to be made, and weekly balances to be stated.

PARAGUAY.

Government, commercial, and private banks in operation. Articles of association required to be filed upon making application to Government for permission to do banking business; Government determines when conditions as to organization have been satisfied; no provisions with respect to capital, except when bank enjoys Government privileges its stock is subject to special arrangement with the Government; all banks managed by directors, excepting private institutions; in certain cases the Government selects the directors; shareholders are liable only to extent of stock held; reports of condition are required to be printed, published, and distributed annually among shareholders, depositors, etc; circulation banks are subject to official examination; the directors of the different banks regulate amount of loans; no restrictions as to receipt of deposits; interest allowed in most cases; Government interested largely in some banks and also as stockholder, in consideration of which certain taxes are imposed; branch banks are permitted; information as to condition of banks furnished to the public through the press and printed reports; one bank pays 5 per cent of its profits annually to the Government; private banks are required to pay a yearly license of about $170 in gold; the court appoints receivers to liquidate the affairs of insolvent banks; issuance of circulation allowed in some cases to the extent of three times the amount of the silver in bank; circulating notes redeemed through the custom-house, 5 per cent of the custom-house receipts being set aside monthly for that purpose.

PERU.

Commercial banks and loan companies. Banks are required to file a copy of their statutes for inspection and the municipality, through its proper officer, determines when the requirements have been complied with; the stockholders are not liable beyond their stock investment; the security for loans is left to the discretion of the bank officers; interest is allowed; the Government is not interested as a shareholder; branch banks are permitted; reports of condition are published monthly and semiannual reports are made to local shareholders; a tax of 5 per cent is imposed on the net profits.

PORTUGAL.

Bank of Portugal and commercial banks. They must obtain the consent of the Government to commence business; the commercial section of the department of public works determines when conditions have been satisfied; capital must be fully paid in before a bank is authorized to do business; the management of the Bank of Portugal is vested in the governor, board of directors of ten, and a fiscal board of seven, and other banks by a board of directors; shareholders are liable only for stock investment; the Bank of Portugal reports its condition each week, other banks once a month; the Bank of Portugal is examined by the governor of the bank, and the other banks are examined by the commercial section of the department of public works; there are no restrictions as to loans so long as the reserve is sufficient, except loans secured by shares of bank stock are restricted to an amount not exceed-

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ing 15 per cent of the capital; the security for loans is left to the judgment of the management; the Bank of Portugal is required to have 20 per cent of its capital paid in and 10 per cent to make good losses; other banks are required to reserve 20 per cent of deposits; interest is allowed at a restricted rate; the Government is not interested as a shareholder; banks are permitted to conduct branch offices; reports of condition are published in the official journal; no taxes are imposed on the banks; the Government commissioner and directors administer the affairs of insolvent banks; the Bank of Portugal, which is the fiscal agent of the Government, issues all currency in circulation; there is no provision for redemption, but issue is supposed to be protected by metal money in the bank vaults.

RUSSIA.

The Imperial Bank, commercial and discount banks, savings and coöperative banks, loan and mortgage companies. The general rules or by-laws prescribed in the charter of each bank must be met before the bank can transact business; the Emperor, through the ministry of finance, determines when these conditions have been satisfied; there are special requirements as to capital stock for each bank; they are managed by a council of administration elected by the shareholders; shareholders are liable only to the extent of their stock investment; report of condition is made monthly to the ministry of finance; a public officer examines the bank at the discretion of the ministry of finance; various restrictions as to the amount and security of loans are imposed; there is no uniform requirement as to accumulation of surplus—it is subject to the discretion of the ministry of finance; the amount of deposits is limited by the bank's charter; interest may be allowed; the Government is interested in no bank except the Imperial Bank, which is a part of the treasury department; banks are permitted to conduct branch offices; they are required to publish monthly statements of condition; the net profits of the bank are taxed from 3 to 5 per cent; insolvent banks are governed by general insolvency laws; claims against insolvent banks are preferred as follows: (1) Government, (2) employés, bills of exchange, brokerage, and commission, (3) depositors; no bank except the Imperial Bank is allowed to issue circulating notes; they are redeemable in gold or silver, but this provision is not carried out; Finland is excepted from the foregoing provisions.

SWITZERLAND.

State and private banks. Banks of issue must have paid-up capital of at least 500,000 francs and may receive deposits and pay interest; the Confederation is not interested as a shareholder—some Cantons are; banks are permitted to conduct branch offices or banks, and are required to publish weekly, monthly, and annual reports; 1 per cent tax is imposed on average circulation, and Cantons may levy a tax of not more than 6 per cent; there is a general law for insolvents; the banks may issue notes equal to double the amount of endowment capital; the consent to issue must be obtained from the Federal Council; the Federal treasury redeems the circulation of banks which have retired from business.

TURKEY.

Imperial Ottoman Bank, private banks, and limited liability companies are in operation. An imperial firman is required for limited liability companies; the Turkish Government passes upon organization proceedings; the capital stock, management, and liability of share-

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holders are fixed by the statutes of the bank; no reports of condition are required; the Imperial Ottoman Bank is under the nominal supervision of the imperial commissioner; no provisions for examination of the other banks; there are no restrictions on loans except those contained in the bank statutes; reserve and surplus are determined by the statutes of each bank or company; interest is allowed on deposits, the receipt of which is governed by each bank's statutes; the Government is in no way interested as a stockholder; branch banks are allowed; information is given to the public usually by semiannual or annual reports; the Imperial Ottoman Bank is obliged to pay a certain special tax for the privilege of issuing bank notes; provisions vary for insolvent banks; the Imperial Ottoman Bank alone has power to issue circulating notes to a limit fixed by its statutes; a cash reserve to the amount of 33 per cent of the face value of the notes must be held in the bank.

URUGUAY.

Private banks and a national bank (now insolvent). Banks must file statutes in order to begin business; the Government, after consulting with the attorney-general, determines when conditions have been complied with; the statutes must declare the amount of capital stock of the bank and must provide for its management; shareholders are liable only for the amount of their shares; only banks of issue publish balance sheets; a Government inspector certifies the balance sheets; there are no restrictions as to the amount or character of loans, nor as to security therefor; no provisions for a cash reserve or the accumulation of surplus; there are no legal provisions governing the receipt of deposits; it is the custom to allow interest on time deposits; the Government was interested as a shareholder in the insolvent national bank; banks are permitted to conduct branch banks or offices; monthly balance sheets of banks of issue are published; banks of issue are taxed $2,000, others $1,000 per annum, and $6.50 per annum for all banks on each $1,000 of declared capital; the insolvent bank is being liquidated by a committee of three, one appointed by the directors, one by the shareholders, and the third by the Government; the right to issue circulation, restricted to double the amount of capital stock, is now limited to two banks; circulating notes are redeemable in gold; circulating notes of insolvent banks are preferred claims.

VENEZUELA.

Commercial banks, circulation banks, and mortgage companies. Banks must pay a license fee and file a deed and rules before beginning business; the minister of progress determines when conditions have been complied with; the capital stock must be paid in full before beginning business; banks are managed by boards of directors; banks are examined by inspector; loans by banks of issue can not be extended to tie up the capital beyond six months; a cash reserve of 25 per cent of the capital of circulation banks and mortgage companies is required; accumulation of surplus of 50 per cent of capital, including reserve, is required; interest is customarily allowed on deposits; the Government is not interested as a shareholder in the banks; banks are permitted to conduct branches or offices, and are required to make and publish quarterly reports of condition; the banks are taxed for the salary of the inspector and a fee for permit is required; insolvent banks are liquidated by the ministry of progress; banks may issue notes to an amount not exceeding 50 per cent of their capital; such notes must be redeemed in currency by the banks.

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INFORMATION FROM SOURCE OTHER THAN OFFICIAL.

The information sought at the hands of American representatives abroad not having been received as to all countries at the date of the writing of the text of this report, other sources have been relied upon relative to the banking systems of the countries following. In some instances such information was courteously given by the representative of the country in question at Washington, and in others it has been obtained from published works, documents, and reports. In not a few the facts have been gleaned from Monetary Systems of the World, a publication recently issued by Maurice L. Muhleman, deputy assistant treasurer of the United States at New York.

All reports received too late to be briefed so as to appear in the text will be found in full in the appendix.

THE UNITED KINGDOM.

In addition to the Bank of England, joint stock and private banks are permitted, the regulations for organization being contained in special statutes. The Bank of England is the chief depository of the Government, which maintains no public treasury; it keeps the registry of the public debt and pays the interest thereon; it is a private corporation, managed by its own officers, in whose selection the Government has no share, and whose responsibility is to the stockholders alone, the Government's interest being limited to the loans secured from the bank; the circulating notes issued by this bank are the only legal-tender notes in circulation in the United Kingdom; it is managed by 24 directors, a governor, and deputy governor; its circulation is secured by a mixture of securities and specie; the bank is at all times obliged to carry a reserve sufficient to meet all its demand liabilities, including circulation; there is no limit upon the liability of shareholders except the amount of claims against the banks; branch banks are permitted. The Bank of England is rapidly acquiring all of the note-issuing powers in the United Kingdom, for which its issues department holds specie or securities to the full amount; its notes must be redeemed in gold; no note is issued for less than £5, although the Scotch banks' circulation is nearly all of £1 notes. The Bank of England was founded in 1694, and with various renewals of charter, until 1844, given for an indefinite period; the ordinary banking business and the issues department are entirely separate, although being under the same management; there is no limit to the amount of notes which may be issued, except as it is limited in acquiring precious metals. On January 2, 1895, the circulation rested upon the following securitiy: Gold and bullion, £30,849,895; Government debt, £11,015,100; other securities, £5,784,900; total issues, £47,649,895. At the same date the banking department reported capital, £14,553,000; surplus, £3,192,427; deposits, £44,797,537; other liabilities, £143,967; total liabilities, £62,686,931. Government securities, £14,689,099; other securities, £24,025,528; notes, £21,731,120; coin, £2,241,184; total assets, £62,686,931. The metallic reserve and securities of the issues department are not subject to the other liabilities of the bank. Notes may be issued upon silver bullion to the extent of one-fifth of its metallic reserve. On the same date, January 2 last, there were 104 joint stock banks in England and Wales, with a capital of £43,862,887. These banks had 2,468 branches or agencies. Ten Scotch banks, 9 Irish banks, and 41 private banks reported, the 10 Scotch banks having 995 branches and the 9 Irish banks 484 branches. The

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total capital and reserve of these banks in the United Kingdom amounts to £123,910,000; deposits, £647,391,000. The Colonial banks are 32 in number, there being 1,733 branches. Of these 17 are in Australia and New Zealand, 3 in Canada, 4 in Africa, and 8 elsewhere, with capital and reserve amounting to £34,810,252, and deposits aggregating £161,589,685. Twenty-four banks incorporated in England are doing business in foreign countries, with capital and reserve of £26,458,576 and deposits of £58,250,057.

GREECE.

Greece has 3 banks which issue notes, apparently without security

SWEDEN.

The Bank of Sweden issues circulation and is managed by officers appointed by the legislative body of the Kingdom; circulation is also issued by private and joint stock banks.

NORWAY.

The Bank of Norway has exclusive note-issuing power; the State is the principal shareholder and controls its management.

AUSTRIA-HUNGARY.

The Austro-Hungarian Bank has exclusive note-issuing powers. The Government is not a shareholder, but is interested in the way of loans from the bank; its notes are secured by metallic reserve or commercial paper or security.

SPAIN.

The Bank of Spain is the only one authorized to issue notes; the Government is not interested as a stockholder but the bank is used for Treasury purposes; business is transacted through branches; a metallic reserve of one-fourth of the circulation must be maintained.

ROUMANIA.

The National Bank of Roumania is vested with note-issuing powers; its notes outstanding approximate 116,000,000 leis; circulation is permitted to two and a half times the amount of coin reserve.

SERVIA.

The National Bank of Servia is authorized to issue circulating notes to the amount of three times its metallic reserve.

BULGARIA.

The National Bank of Bulgaria has power to issue circulation; a statement in 1894 shows the capital, in lews, 10,000,000; reserve, 750,000; circulation, 1,600,000, and deposits, 35,000,000.

INDIA.

Bank circulation has been prohibited in India since 1861; there are 10 large banks, with branches, doing a general banking business; the aggregate capital of 5 of these banks is £2,331,926.

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JAPAN.

A system of national banks in Japan is in existence, closely resembling the national banks in this country; they are authorized to issue circulation secured by a deposit of bonds, but it is intended that the Bank of Japan shall soon be vested with the exclusive power to issue circulation; the last available report from this bank shows circulation to the extent of 134,595,140 yen; it may issue circulation equal to its actual deposits of specie or bullion and also upon certain securities. Its total reserve of precious metals and securities at last report was 145,572,739 yen; it is compelled to redeem its notes in silver yen; there are many incorporated private banks doing business in Japan; the combined capital of 166 of these is 62,916,100 yen, with surplus and profits exceeding 42,000,000 yen; 604 private banks report capital and surplus exceeding 31,000,000 yen.

PERSIA.

The Imperial Bank of Persia and its branches have power to issue circulation; a recent report shows its capital to be £1,000,000; reserve, £100,000; circulation, £59,107, and deposits, etc., of £964,570.

EGYPT.

A large number of banks are in existence in Egypt, but none have power to issue circulation.

ALGERIA.

The Bank of Algeria and its branches is conducted in a manner similar to that of the Bank of France, and has authority to issue circulation.

RÉUNION.

The National Bank of Réunion issues bank circulation estimated at 12,000,000 francs.

CAPE COLONY.

In Cape Colony there are 3 banks which issue circulation; branch banks are permitted; the last available report shows capital and surplus amounting to £2,352,645, circulation, £840,340, and deposits, £11,699,015.

NATAL.

The Natal Bank issues circulation; its capital and surplus at last report aggregated £834,000; its circulation was £190,599, covered by reserve in specie.

TRANSVAAL.

The National Bank of the South African Republic issues bank circulation which, from last available report, amounts to £130,183; the capital and surplus of the bank amount to £510,000.

AUSTRALASIA.

Seventeen banks and their branches, chartered by the home Government in England, are authorized to issue circulation; several banks with local charters are authorized to issue circulation to the extent of their capital. These banks have assets amounting to £164,000,000, holding a coin reserve of £19,000,000, and have issued notes to the

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amount of £4,671,000. In New Zealand the existing banks are required to furnish frequent reports, in some cases as often as weekly.

EAST INDIA.

The Bank of Java, having a capital of 6,000,000 guilders, is authorized to issue circulation; it now has outstanding notes to the amount of 45,500,000 guilders, two-fifths of which is covered by specie reserve. A local bank in the Philippine Islands issues notes which are fully protected by reserve.

WEST INDIES.

The West Indies are supplied with bank circulation by the Nassau Bank of the Bahamas and the Colonial Bank of Jamaica.

SANTO DOMINGO.

The National Bank of Santo Domingo issues circulation in a small amount.

GUADELOUPE.

One bank in Guadeloupe has issued circulation to the amount of 5,500,000 francs, holding a two-fifths specie reserve therefor.

MEXICO.

National and State banks. The Federal Government issues grants and each State has a right to issue charters to banks established within its own limits; the National Bank of Mexico has the exclusive right to issue notes to the amount of three times its capital and general deposits; public officials supervise the issue of bank notes; branch banks or agencies are permitted; the bank is the fiscal agent of the Government.

COSTA RICA.

Costa Rica has 2 banks, with a capital of 100,000 and 150,000 pesos, respectively.

SALVADOR.

Salvador has 3 incorporated banks and 1 private bank, with a combined capital of 5,300,000 pesos.

BRAZIL.

The Bank of the Republic of Brazil, with a capital of 190,000,000 milreis, is authorized to issue circulation; most of the banking business is carried on by branches of the foreign banks.

ARGENTINA.

Argentina has 14 incorporated banks, 38 private banks, and a number of mortgage banks. The Banco Nacional has a number of branches and a capital of 50,000,000 pesos. The 52 incorporated and private banks have a combined capital of 102,800,000 pesos and deposits of 87,400,000 pesos and circulation to the amount of 90,000,000 pesos.

BOLIVIA.

The Bank of Bolivia and the Bank of Potosi are vested with note-issuing powers, the notes being partially protected by silver.

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BRITISH COLUMBIA.

The banks of British Columbia have issued circulation to the amount of about 16,000,000 pesos; a coin reserve of about 3,000,000 pesos is held.

BRITISH GUIANA.

The Colonial Bank and the British Guiana Bank have issued circulation amounting, respectively, to $300,000 and $380,000.

STATE BANKING SYSTEMS.

In furtherance of the attempt to collect information on banking systems now in vogue a personal letter was addressed to the State officer having the banks in charge, or to the governor of each State and Territory of the Union, requesting from such officer that this Bureau be furnished with as complete data as possible. While many of the replies were promptly received and the answers given very satisfactory, yet it has been almost impossible to secure the information from several, even with the assistance of the corps of national-bank examiners. An abstract has been prepared similar to the one relating to the foreign systems. While it is imperfect in many ways it may serve to show the strength and weakness of our State systems when considered in the aggregate. The reports were based upon the following questions which were inclosed in the letter to the State officers:

1. Give the different classes or kinds of banks permitted by law to do business in your State.
2. What legal requirements must be met in order to enable each class of banks to begin the actual business of banking?
3. What officer determines when these conditions have been satisfied?
4. Give the legal provisions governing each class of banks as to the following, viz: (*a*) Amount and payment of capital stock; (*b*) the management of the bank; (*c*) liability of shareholders for claims against the bank; (*d*) making reports of condition; (*e*) examination or supervision by State officials; (*f*) restrictions of any character on loans by the bank; (*g*) amount of cash reserve required; (*h*) accumulation of surplus required.
5. Give the legal provisions, if any, governing the receipt of deposits by each class of banks, and state if it is generally the custom of the banks to allow interest on deposits.
6. To what extent, if any, is the State interested as a shareholder in any of the banks?
7. Are any of the banks permitted to conduct branch offices or banks?
8. To what extent and by what medium is information furnished to the public as to the condition of any of the banks?
9. What taxes or burdens are imposed upon the banks in return for the banking privilege granted them?
10. Give as full information as possible as to the legal provisions for closing up the business of insolvent banks.
11. Give the legal provisions covering or referring to the issue of bank circulation.
12. Give a brief sketch showing the principal points in the law of your State relating to savings banks.

In addition to the national banks the States have made use of the privileges arising from incorporated State banks, savings banks, private banks, and, in most cases, trust companies. While a small number of them have made no special provision for savings banks, such institutions have obtained a strong foothold in all of the older States and many of the newer.

Thirty-three States require a part or all of the capital stock to be paid in and certificates filed with the proper officers as preliminaries to the chartering of the banks. Seven States require special acts to authorize

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new banks. Six States make no special provision for banks, but they are organized under the general incorporation laws of the States. The law in seven States designates no officer to determine when a bank is entitled to begin business. The secretary of state is named in fifteen States. The auditor, comptroller, treasurer, bank commissioners, and superintendent are also empowered in several States to charter new banks. The amount of capital required varies from no provisions at all, and elsewhere from $5,000 to $100,000 minimum, to a maximum in some States as high as $10,000,000. While in a few States the law is very loose in this particular, yet the great majority of them require a fair amount of capital, half or all paid in, the balance, if any, to be paid within two years at the most. A few States require savings banks to have a definite capital on which dividends are paid, if the earnings justify it. The management of the various kinds of banks under State laws is vested in a board of directors, or trustees, who elect the executive officers and are expected to have general supervision over all the affairs of the banks.

In eighteen States no additional liability is undertaken by the purchaser of bank stock. Twenty States add a double liability, or an amount equal to the par value of the stock, upon shareholders in banks. Two States provide for the pro rata liability for all debts incurred while the party was a stockholder. While most of the banks are required to make reports as often as quarterly, four of the States and one Territory do not require any report whatever. Six others require but one report a year. The remainder range from two to five a year, and special reports upon call being made for them. Six States make no provision for giving information to the public. The older States, in most instances, require reports to be published in local papers. There is no provision in twelve States for examination by State officials. The other States appear to authorize examinations as often as once a year, and additional examinations as deemed advisable.

Seven States have no restrictions at all upon the loaning privileges of the banks. Several restrict savings banks in amount, security, and time. Nine States restrict or utterly prohibit loans to officers or employés. Most of them prohibit loans on security of the bank's own stock. Twenty-four States do not require any cash reserve at all. The banking departments of a few others require a reserve of a greater or smaller amount, although the law is entirely silent on the point. Twenty-one States require a reserve varying from 10 to 33⅓ per cent for banks of discount and deposit and from 5 to 50 per cent for banks of issue.

Twenty of the States have no legal provision relating to the accumulation of a surplus fund. Twenty-three States have such provision varying from 5 to 25 per cent for commercial banks and most savings banks. One State has enacted that savings banks shall retain as surplus not less than 3 per cent and not more than 10 per cent of deposits.

The amount of single or total deposits is limited for savings banks by the laws of thirteen States. The amounts vary from $1,000 to $5,000 for single depositors, and from ten to twenty times the amount of capital in the aggregate. Interest is allowed on deposits in forty of the States, restricted to savings banks and trust companies in one State, while one State reports that it is not customary to allow any interest.

Forty-one States report no interest in the stock of the banks, while three States have invested larger or smaller amounts of the public funds in bank stocks.

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Thirteen States do not allow branch banks. Ten States report no law prohibiting them nor providing for their establishment. In twenty States branches are permitted, and to some extent encouraged by favorable legislation.

Thirty States require the reports of the banks to be published in local newspapers. Twenty States give information concerning the banks in annual or biennial reports. Six States leave it entirely voluntary with the banks.

Seven States exact a license or privilege tax for engaging in banking. Eighteen States have no special provision relating to taxation of banks. Eight States require the banks to pay the expenses of examination, and some of these add the expense of the State banking departments. A few States have special tax provisions which apply only to banks.

In nearly all of the States insolvent banks are managed in the same manner as other insolvent concerns. In 1 State the officers of the bank bring its affairs to a close under the supervision of the bank commissioners. Two States provide that claims against savings banks on insolvency may be scaled down or a receiver appointed. One State prohibits preferences, while 2 States prefer depositors under certain conditions.

Fourteen States allow banks to issue circulation. Nineteen States prohibit banks from issuing circulation, and several have no legal provisions touching the question.

The greater number of the States allow savings banks to be incorporated either under a savings-bank law or under the general incorporation acts. A few States require capital stock. One State requires dividends to be paid of not less than 5 per cent. Another State requires the incorporators to give bonds in amount of $5,000 each. There are many other special provisions which can not be here enumerated. In the appendix will be found the reports as submitted. Herewith is given in brief a synopsis of them, together with a bare outline of the main provisions of the national-bank act.

NATIONAL BANKS.

Upon executing and filing with the Comptroller of the Currency articles of association and organization certificate in accordance with the requirements of the law, and satisfying him that 50 per cent of the capital has been paid in in cash, and upon the deposit of the necessary amount of United States bonds for securing circulation, his certificate issues authorizing the bank to begin business. Where the population of the place of location is less than 6,000 inhabitants, minimum capital $50,000; less than 50,000 population, minimum capital $100,000; over 50,000 population, minimum capital $200,000; 50 per cent to be paid in before bank begins business and remainder 10 per cent a month. Directors (not less than five) manage bank. Shareholders are subjected to double stock liability.

Five reports of condition are required each year, to be made on call of the Comptroller of the Currency. Every national bank is subject to examination by a national-bank examiner whenever the Comptroller deems it necessary or advisable. Loans to one person or firm in excess of 10 per cent of capital are prohibited. Real estate and stock of the bank are not to be taken as security, unless for the protection of preexisting debts. Twenty-five per cent cash reserve is required in reserve cities and 15 per cent elsewhere. A surplus of 20 per cent must be accumulated. There are no special provisions concerning the receipt

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of deposits, and many of the banks allow interest. United States not interested as a shareholder in any of the banks. Branch banks not permitted except for converted State banks. Reports of condition must be published in local newspapers, and summaries are distributed by the Comptroller and included in his annual report to Congress. Banks are taxed one-half of 1 per cent semiannually upon the outstanding circulation, are assessed for expense of preparing and redeeming circulation, and for examinations, in addition to such taxes as may be placed upon them under the laws of the various States in which they operate.

Insolvent banks are liquidated by receivers appointed by the Comptroller of the Currency. Any national bank may receive in circulating notes 90 per cent of the par value of its bond deposit, which deposit must not exceed the amount of capital stock. Some national banks operate a savings' department, which is conducted in accordance with the judgment of the bank directors, so long as the law is not violated.

ALABAMA.

State and private banks. Capital required, $50,000, one-half of which must be paid in before authority is given to commence business; the Secretary of State passes upon all organization papers; the minimum capital allowed is $50,000; the maximum capital of State banks, $500,000; not less than three directors are required to manage a bank; no information furnished as to the liability of shareholders, reports of condition, examinations, or supervision by State officials, restrictions to loans, whether any reserve or surplus fund is required, nor as to the provisions governing the receipt of deposits and payment of interest; the State is not interested as a shareholder in any of the banks; no information furnished on the subject of branch banks, nor as to the publication of reports of condition; banks are taxed the same as other corporations; no information given on the subject of insolvent banks; circulation redeemable in gold or silver may be issued; no information furnished on the subject of savings banks.

ARIZONA.

Territorial commercial, savings, and private banks. Banks are organized under general corporation law; the Territorial auditor, who is ex officio bank comptroller, examines organization papers; the capital of banks is determined by provisions of the articles of association; banks are managed as provided in the articles of association; shareholders are liable for double the amount of stock held, unless exempted by the articles of association; banks make three reports of condition a year; they are examined once a year by the comptroller or an expert examiner; savings banks are restricted as to kind and value of security and time of loan; Territorial commercial banks are required to have a reserve of 15 per cent of deposits and borrowed money; savings banks must have 5 per cent of net profits as a surplus fund; there are no provisions governing deposits; the Territory is not a shareholder in any of the banks; branch offices or banks are not provided for; banks publish reports of condition in newspapers; banks pay as taxes a license of $5 and costs of examination; receivers are appointed by the court for insolvent banks, and proceedings are brought by the attorney-general; no provision is made for circulation; the time, value, and security of loans of savings banks are fixed by statute, and three reports a year are required.

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ARKANSAS.

State, savings, and private banks. Banks are organized under general corporation law; organization papers are filed with the Secretary of State; the capital stock is determined by the certificate of organization; directors manage the affairs of the bank; shareholders are liable only for the amount of their stock investment; an annual statement is required from each bank; they are not subject to examination; there are no provisions for reserve or surplus; no restrictions as to deposits; interest is allowed; the State is not a shareholder in any of the banks; branch banks are permitted if directors desire to conduct them; the publication as to the condition of the banks is entirely voluntary; they are taxed the same as other corporations; insolvent banks are closed by the chancery court and preferences are forbidden; the issue of bank circulation is prohibited by the State constitution; there are no special provisions regarding savings banks.

CALIFORNIA.

State, savings, and private banks. One-half of the capital stock must be paid in at the organization of a bank; the secretary of state and board of bank commissioners pass upon organization papers; the minimum capital allowed is from $5,000 to $200,000, according to population, payable within two years; directors manage the banks, a majority of whom is a quorum; stockholders are liable pro rata for debts; banks make reports of condition three times a year upon call of the bank commissioners; the bank commissioners examine each bank at least once a year; savings banks are restricted as to time and security of loans; there is no provision for cash reserve; 25 per cent of the capital is required as a surplus fund; there is no provision as to deposits; interest is allowed; the State is not a shareholder in any of the banks; branch offices or banks are allowed; an annual report of condition of all the banks is published by the bank commissioners; insolvent banks are required to be closed by the bank commissioners within four years unless the time is extended by the proper authorities; bank circulation is prohibited; savings banks are subject to special provisions.

COLORADO.

State, savings, and private banks. One-half of the capital stock must be paid in at organization; there is no officer designated to decide when the requirements as to organization have been met; the minimum capital of State banks is $30,000, 50 per cent of which must be paid in, and the balance within one year; the minimum capital for savings banks is $25,000, all of which must be paid in; directors manage the banks; there is a double liability for shareholders; State banks report as to condition when making dividends; savings banks report their condition four times a year; banks are not subject to examination; loans of banks are restricted as to security and amount; 20 per cent of savings deposits are required as a reserve; there is no provision for a surplus fund and no restrictions as to the receipt of deposits; interest is allowed; the State is not a shareholder in any of the banks; branch offices or banks are prohibited; all reports of condition of banks are published in the newspapers; banks are taxed the same as other corporations; depositors are preferred creditors in insolvent savings banks; employés are preferred creditors to the amount of $50; bank circulation is not permitted; the capital, loans, etc., of savings banks are covered by special statutes.

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CONNECTICUT.

State, savings, and private banks and trust companies. Banks are organized under special act of the general assembly; the bank commissioners determine when the conditions have been satisfied; the amount and payment of capital is provided for in the petition for incorporation; State banks are managed by directors and savings banks by trustees; stockholders are liable only to the amount of the stock investment; reports of condition are made by State banks and trust companies quarterly and by savings banks annually; they are examined by bank commissioners at least twice a year; banks are restricted as to security for loans to employés and as to amounts to directors and others; 10 per cent of the liabilities, except capital, is required as a reserve; savings banks must carry at least 3 per cent and not more than 10 per cent of deposits as a surplus; savings banks are restricted to receiving not more than $1,000 deposit a year from any one person; interest is allowed; the State is not a shareholder of any of the banks; branch offices or banks are not allowed; statements of condition are published quarterly, and are contained in the annual report of the bank commissioners; banks are taxed 1 per cent on capital stock and must pay the commissioners' salaries by pro rata assessment on deposits; the court appoints receivers for insolvent banks; there are no provisions concerning circulation; the organization and conduct of savings banks is provided for by special statute.

DELAWARE.

State, savings, and private banks and trust companies. Special charter must be obtained from the legislature; no officer is designated to pass upon organization papers; the amount and manner of payment of capital is provided for by special charter; directors manage the affairs of banks; shareholders are liable only for the amount of their stock investment; banks make semiannual and annual reports of condition; they are not subject to examination; they are not restricted as to loans; no requirements as to the amount of cash reserve; no provisions as to accumulation of surplus, and none as to the receipt of deposits; interest is allowed on deposits; the State may be a shareholder; banks are permitted to conduct branch offices; occasional publication of statements of condition; annual reports of savings banks and one other bank are required; a tax of 1½ per cent is imposed on the market value of shares, except trust companies; receivers are appointed by the chancery court for insolvent banks; one bank can issue circulation not exceeding twice its capital stock; there are no special provisions of law relating to savings banks.

DISTRICT OF COLUMBIA.

Trust companies, savings and private banks. Trust companies must file for record, with the recorder of deeds, organization certificate, the District Commissioners' certificate of approval, and the certificate of the Comptroller of the Currency that the capital has been paid and securities equal in amount to one-fourth of the capital stock deposited with him, as required by law; authority to begin business is issued by the Comptroller; capital stock of at least $1,000,000 is required; directors, not less than nine nor more than thirty, manage; shareholders, in addition to their stock, are liable to an amount equal to their investment in stock; reports of condition are made to the Comptroller when called for from national banks and are published in the newspapers

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and Comptroller's annual report; examinations are made by direction of the Comptroller when deemed necessary; the companies allow interest on deposits; taxes are paid to the amount of 1½ per cent of gross earnings during the preceding year; in case of insolvency, the Comptroller liquidates the trust; preferences in cases of insolvency are given to claims of a fiduciary character; the other banks are either operated under special act of Congress or are not subject to any of the provisions of the Federal statutes.

FLORIDA.

State, private, and savings banks and trust companies. Five incorporators are required to organize a bank; the State bank comptroller passes upon organization; $20,000 capital is required for savings banks, and from $15,000 to $50,000 for State banks, one-half of which must be paid up and the balance in 10 per cent monthly installments; not less than five directors are required to manage the affairs of the bank; shareholders are liable for double the amount of their stock; banks are required to make at least two reports annually, and as many more as may be called for; no information given relative to examination by State official; savings banks only are restricted as to loans; a 20 per cent cash reserve and a 20 per cent surplus fund is required; savings banks are not allowed to receive deposits in excess of $1,000 and with accrued interest in excess of $1,600; no information is given as to whether the State is interested as a shareholder in any of the banks; banks are permitted to conduct branch offices or banks; no report was made as to whether banks are required to make a public statement of condition or whether any tax is imposed on them; the court appoints receivers for insolvent banks; no report was made as to issue of circulation, and none as to the provisions of law relating to savings banks.

GEORGIA.

State and savings banks. Three incorporators are required and $25,000 of capital must be paid in before banks can commence business; the secretary of state passes upon the organization papers; in the case of a bank with $50,000 capital stock one-half is required to be paid up, but banks with a capital of $25,000 are required to pay up the full amount before commencing business; not less than five nor more than twelve directors are required; banks of issue are required to make reports quarterly, or more frequently if called for; the bank inspector examines banks of issue; in banks of issue loans to officers are limited to 25 per cent, and not more than 10 per cent to any one officer; indorsement of officers is prohibited; banks of issue are required to have a reserve of 50 per cent in capital and 25 per cent of deposits; other banks must have a reserve of 25 per cent and a surplus fund of 5 per cent of the net earnings; no information furnished relative to the provisions governing deposits or interest on the same, or whether the State is a shareholder in the banks, and none as to whether banks are permitted to conduct branch offices; reports of condition are published; receivers are appointed for insolvent banks; the issue of bank circulation is limited to one and one half times its capital, and is a first lien on assets redeemable in United States legal coin or currency; there is no special provision of law relating to savings banks.

IDAHO.

State and private banks. They must file articles of incorporation; the recorder of the county or secretary of state determines when the conditions have been satisfied; the amount and payment of capital stock

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is provided for in the articles of incorporation; not less than five nor more than eleven directors are required to manage the affairs of the bank; shareholders are liable only for the amount of their stock investments; no reports of condition are required; the governor may order an examination or inquiry into the affairs of any corporation; no restrictions of any character are imposed on loans by the bank; no cash reserve and no accumulation of surplus are required; there are no provisions governing the receipt of deposits, and interest is usually allowed; the State is not interested as a shareholder in any of the banks; there are no legal provisions as to branch banks or offices; no published reports of condition are made; a tax is imposed on banks based on their capital and credit; the court appoints receivers to close up the affairs of insolvent banks; banks are not permitted to issue circulation; there is no special provision of law relating to savings banks.

ILLINOIS.

State, savings, and private banks and trust companies. Application for authority to organize banks must be filed and capital stock paid in in full; the auditor of public accounts determines when the necessary provisions have been complied with in order to begin business; the capital stock required for all banks, except private (for which there is no provision), varies from $25,000 to $200,000, depending upon the population of the place in which located; the management of the banks is delegated to the directors; the stockholders of incorporated banks are liable for all claims against associations, in addition to their capital stock, in amount equal to their investment in stock; incorporated banks are required to make reports of their condition at least quarterly, and oftener if called for; private banks make no report; incorporated banks are examined at least once a year; private banks are not examined; loans to one person or firm, by incorporated banks are limited to 10 per cent of their capital stock; there are no legal provisions with respect to cash reserve, but the banking department requires the banks to maintain a reserve of 15 per cent on time and 20 per cent on demand deposits; there are no provisions of law for the accumulation of surplus funds; interest is allowed on deposits, but there are no legal provisions relative to deposits; the State is not a shareholder in the banks; branch banks or offices are not provided for by law, and the banking department does not permit their operation; reports of condition of incorporated banks are published in the newspapers and in the auditor's periodical statements; private banks make no reports; there are no special taxes levied on banks, except for examinations and reports; receivers for insolvent banks are appointed by the court; the issue of circulating notes is not permitted; there are no special laws governing savings banks.

INDIANA.

State, savings, and private banks and trust companies. Trust companies are required to have a paid-up capital stock of at least $100,000 and other incorporated banks at least 50 per cent paid in of their capital prior to beginning business; the judge of court determines when the requirements of law with respect to savings banks have been complied with and the auditor of State of trust companies; the minimum amount of capital stock required of banks is $25,000, of which one-half must be paid in in cash and the balance within six months thereafter; trust companies before beginning business must pay in $100,000 of their capital stock and the remainder as ordered; the management of State

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banks and trust companies is delegated to directors and of savings banks to trustees; shareholders are liable on claims against the bank in addition to their stock to an amount equal to their investment in stock; State banks are required to make five reports and savings and trust companies one report annually to the State auditor; examinations of banks are made at the order of the State auditor; loans by savings banks are restricted as to security, time, and amount; there are no legal requirements with respect to keeping a cash reserve; State banks are required to accumulate a surplus amounting to 25 per cent of their capital and savings banks an amount equal to 10 per cent of their deposits; there are special provisions of law relative to deposits, and interest is allowed by the banks; the State is not a shareholder in the banks; branch banks or offices are not permitted; State-bank reports are required to be published and, including those of savings banks and trust companies, are also published in the auditor's annual report; no special tax is imposed on banks; receivers for insolvent banks are appointed by the court; the issue of circulating notes is not permitted; a special law governs savings banks.

IOWA.

State, savings, and private banks. Each bank must publish a notice and pay up capital before beginning business; the auditor of the State passes upon organization; capital from $25,000 to $50,000 for State banks and from $10,000 to $50,000 for savings banks is required; directors manage the banks; there is a double liability of shareholders; banks make reports when called for by the State; an examination of State and savings banks once a year is required; loans to officers are limited to 20 per cent to one person; there is no legal requirement as to cash reserve, but the auditor requires 15 per cent of deposits for State banks; there are no legal provisions for surplus; savings banks are limited in deposits to ten times the amount of their capital; interest is allowed; the State is not interested as a shareholder in any of the banks; none of the banks are permitted to conduct branch offices or banks; quarterly reports are published and an annual report by the auditor; the expense of examination is borne by the banks, and they are taxed as other corporations; the court appoints receivers for insolvent banks; deposits of insolvent banks are preferred; bank circulation is not permitted; a special law exists in reference to savings banks.

KANSAS.

State, private, and savings banks. All banks must be examined by the bank commissioner or his agents and receive a certificate from him before beginning business; the bank commissioner determines when requirements as to organization have been met; the minimum amount of capital is $5,000, one-half of which must be paid in and the balance in monthly installments of 10 per cent; the management of banks is vested in a board of directors of not less than 5 nor more than 13; shareholders are liable in double the amount of their stock; reports of condition must be made four times a year or oftener, at the discretion of the bank commissioner; examinations must be made at least once a year by the commissioner or his deputy; not more than 15 per cent of the capital and surplus may be loaned to one person, firm, or corporation; there is no restriction as to character of security taken for loans; a reserve of 20 per cent of the deposits must be kept on hand, one-half of which may be on deposit with other solvent banks; 10 per cent of

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the profits of the six months preceding the dividend period must be carried to surplus until this fund equals 50 per cent of the capital; there are no regular provisions governing the receipt of deposits; interest is generally allowed on time deposits, the rates varying in different parts of the State; the constitution prohibits the State from holding stock in any banking institution; there is no provision in regard to branch banks; reports of condition are required to be published at least four times a year; there are no special taxes imposed except for expense of examinations; the court appoints a receiver for insolvent banks on application of the attorney-general; the constitution provides that all banking laws shall require as collateral security for the redemption of circulating notes a deposit with the auditor of the State of interest-bearing bonds of the United States or of the several States at the market prices of the New York Stock Exchange in an amount equal to the circulation which the bank is authorized to issue, and shall keep on hand in its vault at all times in cash 10 per cent of the total amount of its circulating notes; the general banking law governs savings banks.

KENTUCKY.

State, savings, and private banks and trust companies. They must obtain a special charter and file a certificate of payment of capital before commencing business; the Secretary of State passes upon organization; the amount of capital is regulated by charter; the directors manage the banks; the shareholders are liable only on stock investments; double liability goes into effect September, 1897; reports are required quarterly and may be called for oftener; there is no supervision by State officers, and no examination required; loans are limited to 20 per cent of the capital; no cash reserve is required; a surplus of 20 per cent of capital must be maintained; there are no provisions relating to deposits; interest is allowed; the State is a shareholder in banks; several banks have branches; reports of State banks are published; semiannual reports of private banks are published and are open to inspection at all times; no special taxes are imposed upon banks; the assignees distribute the assets of insolvent banks; the banks are not permitted now to issue circulation; there is no special law relating to savings banks.

LOUISIANA.

State, savings, and private banks. The banks must comply with the provisions of the general corporation law in order to begin business; no officer is designated to determine when the conditions have been complied with; capital for State banks to the amount of $100,000 (with certain exceptions) is required to be paid in within twelve months, and capital of savings banks $50,000, of which 20 per cent must be paid in; the directors manage the banks; shareholders are liable only to the amount of their stock investment, in private banks they are personally liable for all debts; quarterly reports are required; supervision of banks is delegated to State Treasurer and Secretary of State; no loans are allowed on the security of a bank's own stock; a reserve of one-third of their cash liabilities is required to be held in specie, and the balance in specie or receivables; there are no legal provisions regarding surplus or deposits; interest is allowed by savings banks; the State is not interested as a shareholder in any of the banks; there is no law prohibiting branch banks; quarterly statements of condition are published; a license tax on capital and surplus is imposed; the court appoints commissioners to close up insolvent banks; the statutes provide for circulation.

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MAINE.

Savings banks and trust companies. Savings banks are organized under general laws and trust companies by special act; the bank examiner passes upon organization papers; the amount and payment of capital stock is regulated by charter; savings banks have no capital; trust companies are managed by directors, savings banks by trustees; stockholders in trust companies are doubly liable to the amount of their stock; reports of condition are made by savings banks once a year, trust companies twice a year, and savings banks and trust companies when called for; examinations are made by State officials once a year; savings banks are restricted in various ways; trust companies must maintain 15 per cent on certain deposits as a cash reserve, and savings banks a surplus of one-fourth of 1 per cent of their average deposits; deposits in savings banks are limited to $2,000 by certain depositors; interest is allowed; the State is not a shareholder in any of the banks; savings banks are not permitted to conduct branches; trust companies may do so; the examiner's report is published in local newspapers and in annual report; savings banks pay a tax of three-fourths of 1 per cent on average deposits, surplus, and undivided profits; insolvent banks and trust companies are closed by receivers, savings banks by receivers or scaling down deposits; there is no issue of bank circulation; a special law governs savings banks.

MARYLAND.

State, savings, and private banks and trust companies. The capital stock is required to be paid in full, except for savings banks, and organization papers must be filed; the court grants charters for savings banks; the amount of capital required for banks other than savings banks in Baltimore is $300,000; elsewhere, $50,000; the management of banks is vested in a board of not less than five nor more than seven directors; shareholders are liable for claims against the bank only to the amount of their stock investment; annual reports of condition are required; no provision is made for examination of banks; loans to the State or the United States are limited to $50,000, to other States prohibited; there are no legal provisions for a cash reserve or surplus fund, and none governing the receipt of deposits to each class of banks; interest is allowed; the State is not interested as a shareholder in any of the banks; no legal provisions exist for the conduct of branch offices or banks; reports of condition are published in newspapers; no special taxes are imposed; assets of insolvent banks are distributed to creditors; the issue of circulation is permitted to the amount of capital stock; not less than five incorporators are required for savings banks.

MASSACHUSETTS.

Savings and trust companies and State and private banks. An act of incorporation is obtained from the general court; trust companies must pay in their capital in full; the general court and board of commissioners of savings banks pass upon organization papers; savings banks have no capital; the amount of capital of trust companies is fixed by charter and all required to be paid in; directors are required for trust companies and trustees for savings banks; no liability exists for shareholders of savings banks; shareholders of trust companies are liable only for the amount of their stock investment; annual reports are required from savings banks and trust companies, and examination of banks once a year by the savings-bank commissioners; loans of savings banks are limited to amount, character, and value of security,

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loans of trust companies limited to amount and character of security; 15 per cent cash reserve is required for trust companies, no reserve required for savings banks; savings banks must maintain a surplus fund of 5 per cent of their deposits; savings-bank deposits are limited to $1,000 for a single depositor; interest is allowed; the State is not a shareholder in any of the banks; branch offices are not permitted; semiannual reports of trust companies and annual reports of all banks are published in the bank commissioners' report; a tax is imposed on savings banks to the amount of one-half of 1 per cent on average deposits, less exemptions; the court appoints receivers for insolvent banks; no existing bank can issue circulation; savings banks must pay 5 per cent in dividends per annum.

MICHIGAN.

State, savings, and private banks. Articles of association must be filed; the commissioner of banking determines when conditions have been satisfied; the amount of capital required is from $15,000 to $50,000, one-half of which must be paid in and the balance in monthly installments of 10 per cent; the management of a bank is vested in directors, of whom there must be at least five; double liability is imposed upon stockholders; four reports of condition a year are made on call of the commissioner and annual examinations are made by the deputy commissioner or clerk of the banking department; loans are restricted to 10 per cent of capital and surplus and to 20 per cent to one firm or person on a vote of two-thirds of the directors; a cash reserve of 15 per cent of deposits is required; reserve cities with a population of 100,000 are required to keep 20 per cent of commercial deposits and 5 per cent of savings deposits; a surplus fund of 20 per cent of capital is required; no legal provisions exist in regard to the limit of deposits; interest is allowed; no bank stock can be owned by the State; branch banks are permitted if the directors desire to conduct one; four reports a year are published; banks are taxed the same as other corporations; the circuit court appoints receivers for insolvent banks, who are accountable to the judge of the district court where the bank is located; no circulation is provided for; three-fifths of savings deposits may be invested in municipal bonds or loaned on real estate security.

MINNESOTA.

State, savings, and private banks. Capital stock is required to be paid up in full; three incorporators are necessary; organization papers of savings banks are examined by the State auditor and attorney-general; of commercial banks by the public examiner; a capital is required of from $10,000 to $25,000, the minimum according to population; not less than three directors manage the banks; a double liability is imposed on shareholders; four reports a year are required, and an annual examination under supervision of the public examiner; ordinary loans are restricted to 15 per cent of the capital and surplus, and 10 per cent to directors or officers; there is no limit to loans on warehouse security for agricultural products; the requirements for reserve are 20 per cent, half of which must be cash and half bank balances; 20 per cent of capital is required as surplus; there are no legal provisions relative to deposits; interest is allowed; the State is not a shareholder in the banks; branch offices are not allowed; commercial banks publish four reports a year, and the reports of condition of the savings

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banks are published in the biennial report of the banking department; savings banks are taxed on surplus, furniture, and fixtures; the court appoints receivers for insolvent banks; circulation was formerly provided for, but the law is now obsolete; incorporators of savings banks become trustees and must give bonds in the sum of $5,000 each.

MISSISSIPPI.

No special requirements have to be complied with as a condition precedent to doing a banking business and no officer is designated to pass upon organization; no special provision exists as to amount of capital, management or examination of banks, or liability of shareholders; four reports a year, on call of the auditor, are required to be made; loans are limited to 20 per cent for banks of deposit; there is no special provision relative to cash reserve, surplus fund, or deposits; the State is not interested as a shareholder in any of the banks; the conduct of branch offices or banks is permitted; publication of reports of condition of banks is not provided for; an ad valorem tax on capital, surplus, and undivided profits is imposed; 6 banks have failed since 1883; there are no legal provisions covering or referring to the issue of bank circulation or as to savings banks.

MISSOURI.

State, savings, and private banks and trust companies. State banks must file articles of agreement and incorporation certificate; trust companies are authorized under a special law; the secretary of state determines when conditions have been satisfied; State banks are required to have a minimum capital of $10,000 and a maximum capital of $5,000,000; private banks a minimum capital of $5,000 fully paid in; savings banks a capital of $10,000 fully paid in; incorporated banks are managed by directors and the shareholders are liable only for the amount of their stock investment, partners' liability in private banks unlimited; reports are required twice a year or oftener on call of the secretary of state; examinations are made annually or oftener by the secretary of state or his examiners; loans are limited to 20 per cent of capital; of savings banks to 20 per cent of capital, surplus, and deposits of the borrowing bank, never in excess of $50,000; loans to officers are prohibited; savings banks must maintain 15 per cent of their entire assets as reserve, no other legal provision; savings banks one-tenth of their net profits for a surplus or guarantee fund; deposits in savings banks are limited to $4,000 for one depositor; total deposits are limited to twenty times the paid-up capital; the State is not interested as a shareholder in any of the banks; branch banks are not permitted; no provision is made for publishing reports of condition, but abstracts of reports are given to the press and are accessible to the public; no special taxes are imposed; the court appoints receivers for insolvent banks; no legal provisions exist covering the issue of bank circulation and none relating to savings banks.

MONTANA.

State and savings banks and trust companies. The capital of State banks must be paid in full; that of savings banks and trust companies to the amount of at least $100,000 before commencing business; the minimum capital of State banks is $20,000 and of savings banks and trust companies $100,000; the management of banks is vested in the directors; shareholders are liable only to the amount of their stock

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investment; State banks make semiannual reports of condition, other banks quarterly reports; annual examinations by the State examiner are required; State-bank loans are limited to 15 per cent of capital and surplus, savings banks to $10,000; a cash reserve of 20 per cent of demand liabilities is required to be held by State banks, and a surplus fund of 20 per cent by savings banks; other banks are not required to accumulate a surplus; the amount of deposits received by savings banks from any one depositor is left to the discretion of the directors; interest is allowed; the State is not interested as a shareholder in any bank; no provision exists in regard to branch banks; all reports of condition are published; licenses are rated according to the volume of business transacted; no provision is made for the issue of circulation; stockholders in savings banks participate in the profits after depositors have received the agreed interest.

NEBRASKA.

State, savings, and private banks. Articles of incorporation must be filed; the State banking board, composed of the auditor, treasurer, and attorney-general, determine when legal requirements are satisfied; banks are required to have from $5,000 to $50,000 capital fully paid up; savings banks from $12,000 to $25,000; the management of banks is provided for in the articles of incorporation; shareholders are liable to double the amount of their stock; four reports of condition a year are required, and examination at least once a year by the State official; loans are limited to 20 per cent, and to 50 per cent on total loans to stockholders; loans to State bank officers require the approval of the board; loans to private banks are prohibited; savings banks are required to keep a cash reserve of 5 per cent, and other banks 15 to 20 per cent, according to population; a surplus accumulation of 20 per cent is required; deposits of savings banks are limited to not more than ten times the capital and surplus; interest is allowed; the State is not a shareholder in any bank; banks are not permitted to conduct branch offices; a summary of the four reports a year is published in local newspaper; no special tax is imposed beyond the examination fee; the court appoints receivers for insolvent banks, who give a bond; there are no legal provisions in reference to the issue of bank circulation; there is a special act of State legislature relating to savings banks.

NEVADA.

State and savings banks. Banks must file a certificate of incorporation, and savings banks a certificate of capital; the bank commissioner determines whether the capital has been paid in; the amount of capital required is not stated; directors manage the bank, a majority of whom constitute a quorum; the liability of shareholders, requirement as to reports of condition, and as to examinations are not stated; savings banks require real estate security for loans unless otherwise authorized by a vote of two-thirds of the stock; savings banks without capital must retain 5 per cent of their net profits as a reserve fund; the requirements as to surplus are not stated; interest on deposits is allowed; the State is not a shareholder in banks; branch offices are permitted; the publication of information as to their condition is entirely voluntary with the banks; license fees are charged based on the capital, varying from $12 to $200 per month; the requirements as to insolvent banks are not stated; the State constitution forbids the circulation of money not authorized by acts of Congress, and the formation of corporations for issuing circulation is prohibited.

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NEW HAMPSHIRE.

State and savings banks and trust companies. A special act of the legislature and capital fully paid in are essential to the commencement of banking; the amount of capital stock is determined by act of the legislature; directors manage the affairs of the bank under the supervision of the bank commissioner; shareholders are liable only to the amount of their stock investment; semiannual reports from each bank are required, and annual examinations; loans are restricted to 10 per cent for savings banks and trust companies; loans are made to officers of State banks and trust companies only by unanimous written approval of the directors; no cash reserve is required; savings banks are required to keep a surplus of 5 per cent of their deposits; it is customary to allow interest on deposits; the State is not a shareholder in any of the banks; there are no legal provisions in regard to branch banks; the annual report of condition of the banks made by the State commissioner is distributed free; savings banks without a capital pay a tax of three-fourths of 1 per cent on deposits, less exemptions; savings banks with a capital and trust companies pay 1 per cent on capital; insolvent banks closed by receivers or their deposits scaled-down; banks may issue currency under act of the legislature; there is a special provision in regard to savings banks.

NEW JERSEY.

State, savings, and private banks and trust companies. State banks must have a paid-up capital of $50,000; private banks must file report of condition; commissioners of banking and insurance pass upon the sufficiency of organization papers; a capital of from $50,000 to $2,000,000 is required—$50,000 of which must be paid in at time of organization; savings banks have no capital, and are controlled by a board of managers; other banks are managed by a board of directors; shareholders in State banks are liable only to the amount of their stock investment; banks must make a report of condition four times a year on call, and an annual report; examination of savings banks is made every two years and of other banks once a year; there are no restrictions on State banks as to time and security of their loans; savings banks are prohibited from making loans to their officers; real-estate security is limited; no provision is made for cash reserve, and no requirement as to the amount of surplus; savings banks deposits are limited to $5,000 for one depositor; interest is allowed on deposits; the State is not a shareholder in the banks; with the approval of the bank commissioner, branch offices are allowed; abstracts of report of condition are published in the annual reports of the bank commissioner; banks are required to pay an examination fee and $20 on filing the December report; the court of chancery appoints receivers to wind up the affairs of insolvent banks; bank circulation is allowed, and there is a special law as to the incorporation of savings banks.

NEW MEXICO.

State and private banks, savings banks, and trust companies. Fifty per cent of capital must be paid in before commencing business; the secretary of the Territory passes upon organization; the minimum capital required is $30,000, one-half of which must be paid in before commencing business; the banks are managed by not exceeding nine directors; stockholders in Territorial banks are liable for all debts of the bank pro rata on their stock, while those of savings banks are liable to

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the amount of their stock investment only; banks report twice a year or whenever dividends are declared; examinations are made by the secretary of the Territory or his appointee at any time; savings banks are limited in amount of their loans and character of their security; Territorial banks can not loan on their own stock; no requirement is made for a cash reserve; savings banks are required to keep 10 per cent of their net profits as a surplus fund; interest is allowed on deposits; the Territory is not interested in any bank; no legal provision exists for the establishment or maintenance of branch banks; reports of condition are published in local papers; no special taxes are imposed for banking privileges; the court appoints receivers for insolvent banks; there is no legal provision for the issuing of currency; a special act exists relative to savings banks.

NEW YORK.

State, savings, and private banks and trust companies. Articles of association must be filed with the banking department; all the capital stock is required to be paid in and $1,000 of State or United States bonds to be deposited; 13 or more incorporators are required for savings banks and the filing of a certificate of organization; the superintendent of banks determines when conditions have been satisfied; $25,000 to $100,000 minimum capital is required, according to population, and must be paid in in full; savings banks have no capital stock; not less than 5 nor more than 13 directors are required to manage a bank; shareholders are liable to double the amount of their stock; reports of condition are required four times a year on call, and annual and special examinations when necessary by State examiners; loans are restricted to 20 per cent of capital and surplus; savings banks loans on personal security are prohibited; savings banks are required to maintain a reserve of 10 per cent and a surplus fund of not exceeding 15 per cent, other banks a reserve of 15 to 20 per cent, according to population, and a surplus of 20 per cent; individual deposits in savings banks are limited to $3,000, and deposits of societies, corporations, etc., to $5,000; interest is allowed; the State is not interested as a shareholder in banks; branch banks are not permitted; reports of condition are published in local papers; banks must pay examination fees and expenses of the banking department; the court appoints receivers for insolvent banks; banks may issue currency; a special act governs the conduct of savings banks.

NORTH CAROLINA

State, savings, and private banks. The organization of State and savings banks is regulated by a special act; the State treasurer passes upon organization; the charter, capital, management, and liability of shareholders are provided for by special act; savings banks are required to make an annual report; other banks five times a year, when called upon by the State treasurer; the examination of State banks by a commissioner is required, other banks annually by the State treasurer; loans to officers of savings banks are prohibited; the amount of cash reserve is provided for by special act; a surplus fund of 10 per cent of deposits is required by savings banks; deposits in savings banks are limited to $3,000 for each depositor; interest is allowed; the State can not be a shareholder; branch offices are permitted, but a tax of $25 is imposed on each bank for each county in which branches are located in addition to examination fees; reports of condition are published in the

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local papers; a tax of $50 is imposed upon capital of $25,000 and $2 for each additional $1,000; receivers for insolvent banks are appointed by the court; no bank circulation is issued; savings banks are organized by special acts of the legislature.

NORTH DAKOTA.

State and private banks. Organization papers must be filed; one-half of the capital stock must be paid in prior to beginning business, the balance at the rate of 10 per cent each succeeding month; the secretary of State determines when the legal requirements have been complied with; capital stock must not be less than $5,000; the management of banks is left to the directors, of whom there must be at least three; shareholders are liable for claims against the bank in double the amount of their stock; reports of condition are made quarterly or when called for by the State examiner; banks are under the supervision of State officials, who examine them once a year or oftener; loans to one interest are restricted to 15 per cent of the capital stock of the bank; a cash reserve of 20 per cent of deposits is required, and a surplus fund of 20 per cent to be accumulated by carrying to the fund 10 per cent of the net earnings for the preceding half year prior to the declaration of a dividend; interest on deposits is allowed; the State is not interested as a shareholder in any of the banks; there are no legal provisions with respect to branches; reports are published quarterly each year; a tax of $50 is imposed upon each bank upon organization, in addition to fees based upon capital stock; receivers of insolvent banks are appointed by the court; there are no legal provisions with respect to issuing circulation, and none relating to savings banks.

OHIO.

State and private banks. Certificate of organization must be filed prior to beginning business; the secretary of State and attorney-general determine when the conditions for organization of savings banks have been complied with, and the governor, auditor, and secretary of State of all other banks; the capital stock of banks must be not less than $25,000, of which three-fifths must be paid in prior to beginning business; savings banks must have at least 50 per cent of their capital stock paid in prior to beginning business; the management of banks is delegated to the directors; shareholders are liable for claims against the bank in addition to their stock in amount equal to their stock; semiannual reports of condition are made to the auditor of the State; the banks may be examined by public officials; savings banks are restricted in their loans to 20 per cent of their capital stock and other banks to 10 per cent; savings banks are required to maintain a reserve of 15 per cent and other banks 20 per cent; a surplus fund of 20 per cent is required; interest on deposits is allowed; the State is not a shareholder in any bank; branch offices are permitted; reports of condition are published in county newspapers and in the auditor's annual report; banks are taxed the same as other corporations; receivers for insolvent banks are appointed by the court; the issue of circulating notes is not permitted; special laws govern the organization, etc., of savings banks.

OKLAHOMA.

Territorial commercial and private banks. Management of the banks is delegated to the directors; no reports of condition are required; the law makes no provision with respect to the examination of banks;

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the total loans of a bank must not exceed three times the amount of the paid-up capital; interest on deposits is allowed; the Territory owns no stock in any of the banks; the publication of reports of condition is voluntary; banks are taxed the same as other corporations; there is no special provision of law with respect to closing the affairs of insolvent banks; bank circulation is not allowed and there are no savings banks in the Territory.

OREGON.

State, savings, and private banks. Banks are organized under authority of the general incorporation laws of the State; there are no special provisions with respect to the amount of capital stock required; management of banks is delegated to the directors; shareholders' liability for claims against banks is limited to their investment in stock; no reports of condition are required; the law makes no provision with respect to the examination or supervision of banks by public officials, loans, reserve, or accumulation of surplus; interest on deposits is allowed; the State is not a shareholder in any bank; the publication of reports of condition is voluntary on the part of each association; banks are taxed at the same rate as other corporations; the legal provisions concerning other insolvent corporations apply to banks; the issue of circulating notes is not restricted; there is no special law relative to savings banks.

PENNSYLVANIA.

State and savings banks and trust companies. Articles of association and organization certificate must be executed prior to beginning business; the commissioner of banking and the Attorney-General determine when the necessary conditions have been complied with; the capital stock of State banks must be not less than $50,000, one-half of which must be paid in prior to beginning business, and 10 per cent each month thereafter; savings banks are not limited in the amount of their capital stock; trust companies must have paid-up capital of at least $125,000; the management of the banks is delegated to the directors, of whom there must not be less than five and of savings banks not less than thirteen; shareholders in State banks are liable for claims against the bank in addition to their stock to an amount equal to the par value of their stock; shareholders in savings banks and trust companies are only liable for their investment in stock; semiannual reports of condition are required and more may be called for; examinations are made when deemed necessary by the bank commissioner; loans to directors are restricted; there are no provisions of law with respect to cash reserve; a surplus fund of 25 per cent is required; there are no provisions of law governing deposits, but interest thereon is allowed by trust companies and savings banks only; branch banks are not permitted; reports of condition are published in the local papers and in the annual report of the commissioner of banking; a tax of 4 mills on the appraised value, and 8 mills on the par value of the shares of stock of State banks and trust companies is levied, with other provisions for savings banks; receivers of insolvent banks are appointed by the court of common pleas; there are no special provisions of law relative to issuing circulating notes, and none governing savings banks.

RHODE ISLAND.

State and private banks and trust companies. Savings banks and trust companies are authorized by a special act of the legislature; no provision is made for determining when the conditions under which

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banking may be commenced have been complied with; the capital is regulated by the charter; no provision is made for management; shareholders are not liable for claims against the bank; reports of condition are not provided for; banks are examined only on request of the legislature, officers, and stockholders made to the governor; loans are not restricted; no provision is made for a reserve and no surplus is required; interest is allowed on deposits; $8,547,050 of school funds are invested in national-bank stock; branch banks are not allowed; an annual report is made concerning banks; a tax of two-fifths of 1 per cent is imposed on deposits and reserved profits; no provision is made relative to the legal foreclosing of insolvent banks and none exists as to the issuing of bank circulation; there is no special law regarding savings banks.

SOUTH CAROLINA.

There are no special requirements as to banking; no officer is designated to approve organization papers; there are no special provisions as to the amount and manner of payment of capital stock, management of banks, or liability of stockholders; quarterly statements from each bank are required; there are no special provisions in regard to examinations, loans, or surplus, and none governing the receipt of deposits is stated; the State is not a shareholder in any bank; branch banks are allowed; quarterly statements of banks must be published; banks are taxed the same as other corporations; insolvent banks are treated as other insolvent corporations; special provisions exist for issuing circulation; there are no special laws for savings banks.

SOUTH DAKOTA.

State, private, and savings banks. State banks must file an organization certificate; the secretary of state passes upon organization papers; the minimum capital of from $5,000 to $25,000 one-half of which must be paid up for State banks; the provisions governing the management of banks are not stated; a double liability attaches to shareholders; four reports of condition a year are required and an examination annually by the public examiner; loans are restricted to 15 per cent to one person for State banks; a reserve of 20 per cent is required; no provision is made for a surplus fund and none concerning deposits; interest is allowed; the State is not a shareholder in any bank; branch banks are allowed; the biennial report of the public examiner gives information concerning banks; no special tax is imposed on banks; assignee or receiver has charge of insolvent banks; no circulation is permitted and no special provision exists with respect to savings banks.

TENNESSEE.

State and savings banks and trust companies. Banks obtain charters from the secretary of state, who passes upon the organization; there are no legal provisions relating to capital; directors manage the banks; shareholders are liable only to the extent of their stock investment; semiannual reports of condition are required; no examinations are made for want of appropriations; the secretary of State is ex officio bank inspector; there are no special requirements as to reserve, no provision for surplus, and none concerning deposits; interest is allowed; the State is not a shareholder in any bank; branch banks are not prohibited; semiannual bank statements are published in the newspapers; an ad valorem tax is imposed on bank capital; insolvent banks are treated as other insolvent incorporations; no provision is made for bank circulation and no special provisions for savings banks are stated.

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TEXAS.

State and private banks and trust companies. No new bank is now allowed to organize except under the national-bank act; the secretary of state passes upon organization; formerly from $50,000 to $100,000 capital was required; banks are under the management of directors; shareholders are liable only for the amount of their stock investment; semiannual reports of condition are required; no examination is made by State officials; there is no restriction to loans, no reserve is required, and there are no provisions in regard to deposits; interest is allowed; the State is not a shareholder in any bank; branch banks are permitted; semiannual statements of condition are published in newspapers; banks are taxed as other corporations; insolvent banks are treated as other insolvent corporations; there are no provisions governing circulation and no special laws for savings banks.

UTAH.

State, private, and savings banks and trust companies. Articles of association must be filed; the secretary of the Territory determines when conditions have been complied with; $25,000 to $100,000 capital is required, 25 per cent of which must be paid up and the balance in monthly installments of 10 per cent; directors manage the banks; a double liability attaches to shareholders; quarterly statements and other reports, not less than one nor more than three a year, are required; the secretary of the Territory is ex officio bank examiner and may appoint agents to examine banks; loans to officers are limited to $10,000; indorsements of officers are prohibited; banks can not loan upon the security of their own stock; no provisions are made for reserve or surplus; interest is allowed; the Territory is not a shareholder in any bank; branch banks are not prohibited; quarterly statements give information concerning the banks; banks are taxed as other corporations; there are no special provisions applying to insolvent banks; the issuing of circulation is not permitted; there are no special laws essentially different from the general provisions for savings banks.

VERMONT.

State and savings banks and trust companies. From $50,000 to $500,000 capital, all paid in, and the filing of an organization certificate are required; the inspector of finance passes upon organization; management is vested in directors, of whom there must be not less than five nor more than nine, who are liable for mismanagement; no liability attaches to stockholders beyond their stock investment unless expressly stated in the articles of incorporation; savings banks report annually to the inspector of finance, no other reports are required; the inspector of finance examines banks once a year; the master in chancery makes special examinations under special circumstances; loans of savings banks are limited to 5 per cent to one person, loans on real estate are limited to 70 per cent of assets; no reserve is required; savings banks are required to accumulate a surplus of 5 per cent of all liabilities; deposits in savings banks are limited to $2,000 by one depositor, except in special cases; the State is not a shareholder in any bank; branch banks are not allowed; reports of examinations by the inspector or master in chancery are published; banks pay 1 per cent tax on capital semi-annually; the court appoints receivers for insolvent banks; banks may issue circulation to the amount of bonds deposited with the State treasurer; each savings bank has a special act.

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VIRGINIA.

State, savings, and private banks. They are chartered by special act of the legislature or by the court; the secretary of the Commonwealth determines when the conditions of organization are satisfied; the minimum capital required is from $10,000 to $50,000, one-half of which must be paid in and the balance in monthly installments of 10 per cent; banks are managed by a board of directors, not less than five in number, who must be shareholders; the shareholders are not liable for more than the amount of their stock investment, unless the bank issues circulation, in which event they are liable for double the amount of their stock; reports of condition are required at least five times a year on call, abstracts of which are published in the local papers; examinations are made by the auditor when requested by shareholders representing one-fifth of the stock, also at any time by a committee of the general assembly or a commission appointed by the assembly or the governor; real estate to secure loans can not be held longer than ten years; banks of issue must keep a cash reserve of 25 per cent; surplus of 5 per cent is required; the receipt of deposits is not restricted; interest on time deposits is usually allowed; the State is not a shareholder in any bank; reports of condition must be published in the newspapers; a tax is imposed on bank stock and is paid by the bank for the shareholders, deposits are also taxed; receivers are appointed by the court for insolvent banks; a special law governs the issue of circulation, which is limited to 75 per cent of the par value of State bonds deposited in security therefor; a special law governs savings banks, which provides that the maximum capital when not otherwise stated in the charter shall be $100,000; no stock shall be purchased for less than par value, and no discounts can be made of more than one-half of 1 per cent for a longer period than thirty days.

WASHINGTON.

State and private banks are allowed. The minimum capital stock is $25,000, three-fifths of which must be paid in and articles of incorporation filed; no officer is designated to determine when conditions have been satisfied; no information furnished in regard to management nor as to the liability of shareholders for claims against the bank; banks make annual reports of condition to State officers; the requirements as to examination by State officials, restrictions as to loans, or whether any cash reserve or surplus fund is required are not stated; interest is allowed on deposits; the State is not a shareholder in banks; there is no provision concerning branch banks; the biennial report of the auditor contains the annual bank reports; there is no special provision for bank taxation and none concerning insolvent or savings banks; circulation is not permitted.

WEST VIRGINIA.

State and savings banks. Not less than $25,000 nor more than $500,000 capital stock is required, 10 per cent of which must be paid in before beginning business and the balance as called for by the directors; articles of association are required to be filed with the secretary of state and recorded in the office of the county clerk; the secretary of state determines when conditions as to organization have been satisfied; banks are managed by a board of directors of not less than five, who must be stockholders; stockholders are liable in double the amount of stock subscribed for; no reports of condition are required;

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examinations are made each year by the State bank examiner, who is appointed by the governor; reports are filed with the auditor of the State; loans, are governed by the directors; there is no limitation as to a cash reserve nor requirements as to surplus; there are no legal provisions relative to the receipt of deposits; it is customary to allow interest on time deposits; the State is not interested as a shareholder in any bank; branch banks are prohibited; the auditor of the State publishes annually in county newspapers a statement of the condition of all banks located therein and reports also to the legislature; no taxes or burdens are imposed upon banks, except the fee of the secretary of state for the certificate of incorporation and $15 each to the State bank examiner in addition to his regular annual salary of $700; the examiner reports cases of insolvency to the board of public works, by whom the charter of the bank is revoked; the State then releases control and the bank is closed up the same as other insolvent joint-stock companies; no legal provisions exist concerning bank circulation; the incorporation of savings banks is provided for by law.

WISCONSIN.

State, private, and savings banks and trust companies. A capital of not less than $25,000 is required, at least $15,000 of which must be paid up and articles of incorporation filed; the State treasurer passes upon organization papers; banks must have not less than three directors, savings banks not less than ten; double liability attaches to shareholders; banks make semiannual and not less than three other reports; the bank examiner and his deputy examine the banks; savings banks can not loan on single-name paper; one-half of deposits may be loaned on personal security and public stocks of the United States and certain of the States; real-estate mortgages may be taken for all other loans; no provision is made for a cash reserve and none for a surplus fund; savings banks may receive not exceeding $1,000 from a single depositor; interest is allowed; The State is not a shareholder in any bank; branch banks are allowed; three reports of condition are published in local papers and semiannual reports in the State treasurer's semiannual report; there is no special provision for taxing banks; the circuit judge appoints receivers for insolvent banks; banks may issue notes to the amount of such public stocks of the United States or of the State of Wisconsin as may be assigned or transferred to the State treasurer; savings banks are covered by a special law.

WYOMING.

State, private, and savings banks and trust companies. One-half of the capital must be paid in and the balance within six months; articles of association are required to be filed; the State examiner determines when requirements have been satisfied; the management of banks is vested in a board of directors, of whom there must be not less than five nor more than nine; a double liability is imposed upon shareholders; reports are made when called for by the State examiner; the State examiner examines the banks at least once a year; loans to officers of savings banks are prohibited; loans to one borrower are limited to 10 per cent; there is no legal provision as to reserve, but the examiner requires a reserve of 25 per cent to be kept by State and private banks, and 10 per cent by savings banks; there are no provisions for a surplus fund; interest is allowed; the State is not a shareholder in

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any bank; branch banks are not allowed; bank reports must be published in newspapers; there is no special provision for taxing banks; insolvent banks are placed in the hands of receivers; savings-bank depositors are preferred creditors; circulation is not permitted; a special act governs savings banks.

CONCLUSION.

In concluding this report the Comptroller desires to again bear testimony to the character and general efficiency of the employés in the Bureau, the examiners in the field, and the work accomplished by the receivers in the management of the trusts in their charge. The record of the Bureau throughout the past year justifies these expressions of praise.

In the appendix will be found in detail the usual tables, together with a digest of legal decisions rendered by the various courts of the country involving questions affecting national banks, and also a carefully revised edition of the national-bank act, which is believed to contain all the Federal statutes now in force relating to national banks.

In the second volume of this report will be found a detailed statement of the condition of all the national banks, as shown by the report of condition of September 28, 1895, alphabetically arranged by States and properly indexed.

James H Eckels

Comptroller of the Currency.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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REPORT

OF

THE COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, December 7, 1896.

SIR: In compliance with law, I herewith submit for the consideration of Congress the annual report of the Comptroller of the Currency. It constitutes the thirty-fourth report made, and is for the year ended October 31, 1896.

The total number of national banks organized from the date of the granting of the first certificate of authority, on June 20, 1863, to the close of the year embraced in this report has been 5,051, making an average for each year of 153. On the 31st of October last there were in active operation, of this number, 3,679, having an authorized capital stock of $650,014,895, represented by 288,902 shareholders. The average capital stock of each bank in the system was $176,682, the number of shares to each, 2,296, and of shareholders, 78. The total outstanding circulating notes of the banks in active operation was $211,412,820, of which $208,988,172 was secured by bonds of the United States and the balance by lawful money deposited with the Treasurer. The total of all national-bank circulation outstanding on October 31 was $234,553,807, of which amount $7,091,205 was secured by bonds still held for account of insolvent and liquidating banks and $18,747,430 by lawful money deposited for their account, and by active banks reducing circulation.

The net increase in the amount of circulation secured by bonds during the year was $26,329,053, and the gross increase in the total circulation, $21,099,429.

On October 6, 1896, the date of the last report of condition, the total resources of the 3,676 banks then reporting was $3,263,685,313.83, of which $1,893,268,839.31 represented their loans and discounts and $362,165,733.85 money of all kinds in bank.

Of their liabilities, $1,597,891,058.73 represented individual deposits, $336,342,834.70 surplus and net undivided profits, and $209,944,019.50 outstanding circulating notes secured by bonds.

In geographical divisions the 3,679 banks in operation are divided as follows: 1,539 banks with capital stock of $401,145,135 in the Eastern States, including Delaware and Maryland; 1,583, with capital stock of $110,241,660, in the Western, and 557 with capital stock of $138,628,100 in the Southern States.

In point of number of active banks Pennsylvania, New York, Massachusetts, Ohio, Illinois, and Texas lead with 420, 328, 268, 248, 221, and

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206 banks, respectively. Arranged according to capital stock, Massachusetts is first with $97,017,500; New York second, with $86,036,060; Pennsylvania third, with $74,753,129; followed by Ohio, with $45,770,338; Illinois, $38,746,000, and Texas $21,863,090.

There were organized during the report year 28 banks, located in 15 States and the District of Columbia, with an aggregate capital stock of $3,245,000. Of this number 8 were in Pennsylvania, 2 each in New York, Georgia, North Carolina, Ohio, and West Virginia, and 1 each in Alabama, Illinois, Kansas, Kentucky, Maine, Missouri, Texas, Virginia, Wisconsin, and District of Columbia. The number located in the Eastern States is 12, the capital stock aggregating $1,180,000; in the Western States 6, with a combined capital stock of $875,000, and in the Southern States 10, having a total capital stock of $1,190.000. The State of Georgia is first in amount of capital stock represented by new banks, having $600,000; Pennsylvania has $520,000, and the District of Columbia $500,000.

The number of banks organized was 18 per cent of the yearly average.

The corporate existence of 26 national banks in 16 States, with capital stock of $3,153,800 and a total circulation of $1,175,400, has been extended during the year. Pennsylvania has 5; New Jersey and Illinois 3 each; Delaware and North Carolina 2 each; and in the following States 1 each: Alabama, Colorado, Connecticut, Georgia, Iowa, Maine, Maryland, Massachusetts, Minnesota, New York, and Ohio. Of the total capital, Pennsylvania aggregates $690,000; New Jersey, $272,000; Illinois, $150,000; Delaware, $140,800; North Carolina, $151,000; Alabama, $100,000; Colorado, $100,000; Connecticut, $100,000; Georgia, $100,000; Iowa, $400,000; Maine, $50,000; Maryland, $75,000; Massachusetts, $100,000; Minnesota, $50,000; New York, $75,000; and Ohio, $600,000.

Under the act of July 12, 1882, providing for the extension of national banks, the corporate existence of 1,633 banks, representing an aggregate capital stock of $403,247,115, has been extended. Of these New York has 233, with capital stock of $73,572,460; Massachusetts 228, with capital stock of $92,592,200; Pennsylvania 204, with capital stock of $53,776,000, followed by Ohio with 112 and an aggregate capital of $18,479,000.

The number of banks leaving the system by reason of the expiration of their corporate existence was 1, having capital stock of $100,000 and circulation of $90,000. This bank was located in North Carolina, and was succeeded by a new association with capital stock of $100,000 and circulation of $22,500.

During the year ending October 31, 1897, the corporate existence of 19 banks, with a capital stock aggregating $2,289,000 and circulation of $783,900, will expire. They are located in 13 States, 4 of them being in New York, 2 each in Colorado, Michigan, and Ohio, and 1 each in Georgia, Indiana, Iowa, Maine, Massachusetts, Nebraska, New Hampshire, Pennsylvania, and Texas. In the succeeding ten years, from 1897 to 1906, inclusive, the corporate existence of 993 banks, having capital stock of $146,461,150 and circulation of $39,003,872, will expire.

The number of banks leaving the system during the year through voluntary liquidation was 37, having capital stock of $3,745,000 and circulation of $1,262,815.

It has been found necessary to appoint receivers for 27 banks during the year. Their aggregate capital stock was $3,805,000 and circulation $761,500. Of this number 4, with capital stock of $995,000, were among those which closed their doors in 1893 and subsequently resumed

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business, but through continued business depression and the slow character of their assets were unable to meet their obligations, and were thus compelled to go into insolvency.

A comparison of the data of this year with that set forth in the report of this Bureau for the year 1895 shows the number of active banks to have decreased 36, with a decrease in capital stock of $4,305,000. The number of banks organized is 15 less and the number going into voluntary liquidation 14 less. There has been a decrease of 9 in the number of receivers appointed and 45 in the number of extensions of corporate existence. The loss through expiration of charters decreased 3, and the number of banks organized to succeed expiring associations remains unchanged.

The following abstracts of the reports made by the banks in response to the five calls required by law indicate the changes which have characterized the status of the banks at different periods covered by the report. In addition thereto are given abstracts of the reports of 1892, 1893, 1894, and 1895, for purposes of comparison. The rapidity of change in condition from time to time during these years has been so marked that it is deemed worth while to call attention thereto.

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SUMMARY OF THE STATE AND CONDITION OF EVERY NATIONAL BANK REPORTING DURING THE YEAR ENDED SEPTEMBER 30, 1892.

	Dec. 2, 1891.	Mar. 1, 1892.	May 17, 1892.	July 12, 1892.	Sept. 30, 1892.
	3,692 banks.	3,711 banks.	3,734 banks.	3,759 banks.	3,773 banks.
RESOURCES.					
Loans and discounts	$2,001,032,625.05	$2,058,925,167.12	$2,108,360,340.54	$2,127,757,191.30	$2,171,041,088.11
U. S. bonds to secure circulation	153,838,200.00	158,109,300.00	160,634,550.00	161,939,800.00	163,275,300.00
U. S. bonds to secure deposits	19,186,500.00	17,416,500.00	16,386,000.00	15,447,000.00	15,282,000.00
U. S. bonds on hand	4,279,750.00	4,638,190.00	5,412,000.00	4,854,600.00	4,882,250.00
Stocks, securities, claims, etc	128,440,959.39	138,055,947.09	144,058,062.77	151,125,823.17	154,535,514.54
Due from approved reserve agents	196,319,537.81	256,750,998.13	250,249,071.26	252,473,640.18	236,434,330.89
Due from other national banks	124,827,315.25	131,258,888.45	130,124,510.01	137,125,158.05	140,516,353.09
Due from State banks and bankers	32,425,379.39	32,171,053.96	32,006,102.99	33,497,034.87	32,572,735.51
Banking house, furniture, and fixtures	70,113,901.51	70,271,609.84	71,258,998.96	71,179,537.83	71,900,286.72
Other real estate and mortgages owned	13,935,485.39	14,855,351.90	15,303,680.35	15,498,777.73	15,961,625.14
Current expenses and taxes paid	13,279,136.79	10,340,571.29	11,574,071.41	4,567,100.02	10,317,125.23
Premiums on U. S. bonds	14,695,279.96	14,405,799.74	14,390,888.43	13,997,560.54	14,029,616.43
Checks and other cash items	17,939,023.04	17,644,105.99	15,036,575.86	16,849,439.46	17,705,961.31
Exchanges for clearing-house	108,243,483.92	129,515,655.34	99,954,483.17	90,364,300.19	105,522,711.81
Bills of other national banks	20,225,104.00	19,765,178.00	22,014,231.00	21,325,840.00	19,557,474.00
Fractional paper currency, nickels and cents	837,175.54	924,866.86	924,375.50	939,382.87	934,648.37
Gold coin	84,200,589.75	88,426,189.58	95,104,913.95	96,723,083.13	95,021,952.77
Gold treasury certificates	85,091,060.00	97,841,160.00	96,656,060.00	85,530,100.00	71,050,180.00
Gold clearing-house certificates	7,689,000.00	8,066,000.00	8,530,000.00	8,498,000.00	7,860,000.00
Silver coin, dollars	7,152,798.00	7,304,242.00	7,259,640.00	7,466,596.00	6,785,084.00
Silver treasury certificates	18,816,462.00	22,954,656.00	26,040,211.00	25,523,399.00	22,993,451.00
Silver coin, fractional	4,948,124.97	5,555,720.70	5,453,283.20	5,579,302.28	5,405,710.92
Legal-tender notes	93,854,354.00	99,445,735.00	107,981,402.00	113,915,016.00	104,267,945.00
U. S. certificates of deposit for legal-tender notes	8,765,000.00	24,080,000.00	26,405,000.00	23,115,000.00	13,995,000.00
Five-per-cent redemption fund with Treasurer	6,682,280.10	6,898,132.04	6,990,517.09	7,092,591.94	7,139,564.69
Due from Treasurer other than redemption fund	1,047,684.18	1,051,339.53	926,158.95	1,409,312.15	1,106,987.93
Total	3,237,866,210.07	3,436,672,358.56	3,479,035,128.44	3,493,794,586.71	3,510,094,897.46
LIABILITIES.					
Capital stock paid in	677,356,927.00	679,970,110.00	682,232,158.00	684,678,203.25	686,573,015.00
Surplus fund	228,221,530.31	234,069,984.34	235,192,004.95	238,239,970.94	238,871,424.84
Undivided profits	108,116,263.56	96,574,522.85	103,376,029.20	88,227,388.88	101,652,754.66
National-bank notes outstanding	134,792,873.25	137,627,107.25	140,052,343.50	141,061,533.00	143,423,298.00
State-bank notes outstanding	74,118.50	75,097.50	71,507.50	75,076.50	75,076.50
Due to other national banks	292,480,956.07	372,985,405.11	361,593,119.06	367,143,324.53	352,046,184.05
Due to State banks and bankers	149,334,721.20	181,688,074.58	181,538,222.87	188,683,254.94	178,607,018.34
Dividends unpaid	1,503,539.69	1,470,937.98	1,657,310.34	3,904,292.83	3,888,865.78
Individual deposits	1,602,052,766.59	1,702,240,957.68	1,743,787,545.10	1,753,339,679.86	1,765,422,983.68
U. S. deposits	14,478,542.91	12,757,046.94	11,911,030.77	10,823,973.08	9,828,144.24
Deposits of U. S. disbursing officers	3,955,227.37	3,806,323.51	3,625,107.19	3,356,091.88	4,044,734.04
Notes and bills rediscounted	16,325,642.89	8,517,205.36	9,090,080.27	9,181,650.14	17,132,487.71
Bills payable	7,994,514.30	3,876,404.20	3,816,163.49	4,581,163.01	6,549,163.65
Liabilities other than those above stated	1,178,586.43	1,013,181.26	1,092,506.20	498,983.87	1,979,746.97
Total	3,237,866,210.07	3,436,672,358.56	3,479,035,128.44	3,493,794,586.71	3,510,094,897.46

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SUMMARY OF THE STATE AND CONDITION OF EVERY NATIONAL BANK REPORTING DURING THE YEAR ENDED OCTOBER 3, 1893.

	Dec. 9, 1892.	Mar. 6, 1893.	May 4, 1893.	July 12, 1893.	Oct. 3, 1893.
	3,784 banks.	3,806 banks.	3,830 banks.	3,807 banks.	3,781 banks.
RESOURCES.					
Loans and discounts	$2,166,615,720.28	$2,159,614,092.48	$2,161,401,858.59	$2,020,483,671.04	$1,843,634,167.51
U. S. bonds to secure circulation	166,449,250.00	170,096,550.00	172,412,550.00	176,588,050.00	206,463,850.00
U. S. bonds to secure deposits	15,321,000.00	15,351,000.00	15,261,000.00	15,256,000.00	14,816,000.00
U. S. bonds on hand	4,148,600.00	4,372,600.00	3,519,550.00	3,078,050.00	2,760,950.00
Stocks, securities, etc	153,648,180.71	153,420,770.68	150,747,862.86	149,690,701.61	148,569,950.46
Due from approved reserve agents	204,948,159.79	202,612,051.30	174,312,119.44	159,352,677.33	158,499,644.28
Due from other national banks	142,623,106.36	124,384,884.35	121,673,794.24	111,956,506.81	94,740,014.97
Due from State banks and bankers	34,403,231.75	30,126,300.21	32,681,708.90	27,211,234.32	24,229,106.82
Banking house, furniture, and fixtures	72,294,364.78	72,680,344.23	73,386,921.79	72,750,830.15	72,322,826.08
Other real estate and mortgages owned	15,926,687.47	17,030,064.31	16,646,853.69	16,632,446.13	16,828,949.40
Current expenses and taxes paid	14,204,970.25	10,992,932.60	11,746,470.23	4,892,772.88	11,071,996.65
Premiums on U. S. bonds	13,913,289.71	13,270,691.10	12,935,077.74	11,933,004.69	13,981,867.44
Checks and other cash items	16,755,332.09	18,755,010.52	17,546,973.93	16,707,680.61	15,359,764.56
Exchanges for clearing house	110,522,668.49	125,142,839.74	114,977,271.08	107,765,890.44	106,181,394.59
Bills of other national banks	20,488,781.00	18,248,706.00	20,085,688.00	20,135,054.00	22,402,611.00
Fractional currency, nickels, and cents	893,909.82	945,532.50	952,810.90	952,632.48	1,026,813.90
Gold coin	94,754,328.05	99,857,235.09	101,006,531.58	95,799,861.68	129,740,438.19
Gold Treasury certificates	73,118,480.00	69,198,790.00	62,783,410.00	50,550,100.00	47,522,510.00
Gold clearing-house certificates	6,237,000.00	4,939,000.00	5,073,000.00	4,285,000.00	5,080,000.00
Silver coin, dollars	7,593,084.00	7,212,800.00	7,615,574.00	7,380,457.00	7,965,844.00
Silver Treasury certificates	22,556,689.00	21,695,114.00	24,603,511.00	22,626,180.00	28,385,889.00
Silver coin, fractional	5,635,679.71	5,438,877.33	6,140,115.23	6,119,574.63	6,009,178.88
Legal-tender notes	102,276,335.00	90,935,774.00	103,511,163.00	95,833,677.00	114,709,352.00
U. S. certificates of deposit	6,470,000.00	14,675,000.00	12,130,000.00	6,660,000.00	7,020,000.00
Five per cent redemption fund	7,282,413.90	7,401,830.74	7,467,989.77	7,600,604.72	8,977,414.18
Due from Treasurer, other than 5 per cent fund	1,268,405.03	1,322,444.60	1,556,891.28	1,019 074.42	1,262,749.85
Total	3,480,349,667.19	3,459,721,235.78	3,432,176,697.25	3,213,261,731.94	3,109,563,284.36
LIABILITIES.					
Capital stock paid in	689,698,017.50	688,642,876.00	688,701,200.00	685,786,718.56	678,540,338.93
Surplus fund	239,931,932.08	245,478,362.77	246,139,133.32	249,138,300.30	246,750,781.32
Undivided profits	114,603,884.52	103,067,550.15	106,966,733.57	93,944,649.73	103,474,662.87
National-bank notes outstanding	145,669,499.00	149,124,818.00	151,694,110.00	155,070,821.50	182,959,725.90
State-bank notes outstanding	74,176.50	75,075.50	75,075.50	75,072.50	75,069.50
Dividends unpaid	1,308,137.97	1,350,392.19	2,579,556.38	3,879,673.50	2,874,697.59
Individual deposits	1,764,456,177.11	1,751,439,374.14	1,749,930,817.51	1,556,761,230.17	1,451,124,330.55
U. S. deposits	9,673,349.92	9,813,762.17	9,657,243.49	10,379,842.66	10,546,135.51
Deposits of U. S. disbursing officers	4,034,240.37	3,927,760.44	4,293,739.93	3,321,271.84	3,776,438.21
Due to other national banks	323,339,449.03	304,785,336.62	275,127,229.28	238,913,573.51	226,423,979.06
Due to State banks and bankers	160,778,117.18	166,901,054.78	153,500,923.94	125,979,422.16	122,891,098.21
Notes and bills rediscounted	15,775,618.63	14,021,596.43	18,953,306.98	29,940,438.56	21,066,737.01
Bills payable	9,318,249.82	18,180,228.71	21,506,247.53	31,381,451.27	27,426,937.54
Other liabilities	1,688,817.56	2,913,047.88	3,051,379.82	28,689,265.68	31,632,352.16
Total	3,480,349,667.19	3,459,721,235.78	3,432,176,697.25	3,213,261,731.94	3,109,563,284.36

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Federal Reserve Bank of St. Louis

SUMMARY OF THE STATE AND CONDITION OF EVERY NATIONAL BANK REPORTING DURING THE YEAR ENDED OCTOBER 2, 1894.

	Dec. 19, 1893.	Feb. 28, 1894.	May 4, 1894.	July 18, 1894.	Oct. 2, 1894.
	3,787 banks.	3,777 banks.	3,774 banks.	3,770 banks.	3,755 banks.
RESOURCES.					
Loans and discounts	$1,871,574,769.95	$1,872,402,605.96	$1,926,686,824.98	$1,944,441,315.10	$2,007,122,191.30
U. S. bonds to secure circulation	204,809,350.00	200,808,850.00	200,469,250.00	201,335,150.00	199,642,500.00
U. S. bonds to secure U. S. deposits	14,436,000.00	14,445,000.00	14,720,000.00	14,926,000.00	15,226,000.00
U. S. bonds on hand	3,049,000.00	17,250,150.00	14,805,200.00	12,875,100.00	10,662,200.00
Premiums on U. S. bonds	13,806,470.18	15,606,786.13	15,133,458.23	14,930,896.78	14,624,279.03
Stocks, securities, etc	159,749,363.92	174,305,552.50	185,324,549.67	191,137,435.66	193,300,072.44
Banking house, furniture, and fixtures	73,642,314.14	74,143,833.68	74,802,956.73	74,929,982.52	75,183,745.64
Other real estate and mortgages owned	18,679,746.39	20,145,599.88	21,174,855.07	21,877,508.22	22,708,391.20
Due from national banks (not reserve agents)	108,265,460.75	112,672,823.41	119,303,798.52	111,775,552.18	122,479,067.98
Due from State banks and bankers	28,682,998.64	27,335,317.15	29,628,495.01	27,063,816.38	27,973,911.86
Due from approved reserve agents	212,630,636.30	246,891,926.63	257,854,100.32	258,089,227.51	248,849,607.59
Checks and other cash items	13,519,016.51	12,633,797.31	12,549,614.34	11,865,939.23	15,576,975.25
Exchanges for clearing house	71,943,165.75	70,299,653.62	76,002,055.47	66,511,835.77	88,524,052.17
Bills of other national banks	21,497,840.00	19,866,610.00	20,754,988.00	19,650,333.00	18,580,577.00
Fractional paper currency, nickels, and cents	988,602.57	1,061,927.79	1,014,037.51	1,041,630.44	952,932.95
Gold coin	143,928,989.41	124,904,826.09	128,180,158.36	125,051,677.14	125,020,290.92
Gold Treasury certificates	44,877,100.00	41,516,110.00	41,928,330.00	40,560,490.00	37,810,940.00
Gold clearing-house certificates	14,702,000.00	32,765,000.00	34,721,000.00	34,023,000.00	34,096,000.00
Silver dollars	7,530,135.00	7,741,205.00	7,489,931.00	7,016,489.00	6,116,354.00
Silver Treasury certificates	34,776,253.00	43,181,166.00	41,580,654.00	38,075,412.00	28,784,897.00
Silver fractional coin	5,439,171.02	6,058,278.25	6,041,850.15	5,943,584.19	5,422,172.58
Legal-tender notes	131,626,759.00	142,768,676.00	146,131,292.00	138,216,318.00	120,544,028.00
U. S. certificates of deposit for legal-tender notes	31,255,000.00	35,045,000.00	46,030,000.00	50,045,000.00	45,100,000.00
Five per cent redemption fund with Treasurer	8,876,042.25	8,751,434.40	8,713,498.44	8,791,946.90	8,723,223.16
Due from U.S. Treasurer	2,029,141.92	2,132,772.09	2,301,480.28	1,920,783.31	897,645.20
Total	3,242,315,326.70	3,324,734,901.89	3,433,342,378.08	3,422,096,423.33	3,473,922,055.27
LIABILITIES.					
Capital stock paid in	681,812,960.00	678,536,910.00	675,868,815.00	671,091,165.00	668,861,847.00
Surplus fund	246,739,602.09	246,594,715.96	246,314,185.63	245,727,673.71	245,197,517.60
Undivided profits, less expenses and taxes paid	100,288,668.05	86,874,385.87	89,394,262.20	84,569,294.46	88,923,564.50
National-bank notes outstanding	179,973,150.50	174,436,269.10	172,626,013.50	171,714,552.50	172,331,978.00
State-bank notes outstanding	75,059.50	71,483.50	71,480.50	66,290.50	66,290.50
Due to other national banks	298,805,834.56	343,143,745.59	359,539,488.04	352,002,081.10	343,692,316.63
Due to State banks and bankers	151,313,715.25	173,942,000.98	182,937,307.10	181,791,906.23	183,167,779.62
Dividends unpaid	1,217,903.99	1,536,354.03	2,332,506.97	2,586,504.77	2,576,245.95
Individual deposits	1,539,399,795.23	1,586,800,444.50	1,670,958,769.07	1,677,801,200.85	1,728,418,819.12
U. S. deposits	10,391,466.00	9,925,967.44	10,538,365.64	11,029,017.29	10,024,909.62
Deposits of U. S. disbursing officers	3,469,398.77	3,643,346.71	3,317,341.85	3,099,504.08	3,716,537.80
Notes and bills rediscounted	11,465,546.18	7,729,558.98	7,905,541.10	8,195,566.99	11,453,427.95
Bills payable	14,388,362.94	9,234,205.50	9,224,464.78	9,999,093.81	12,552,277.78
Liabilities other than those above stated	2,973,863.64	2,265,513.73	2,313,836.70	2,422,567.04	2,938,543.20
Total	3,242,315,326.70	3,324,734,901.89	3,433,342,378.08	3,422,096,423.33	3,473,922,055.27

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SUMMARY OF THE STATE AND CONDITION OF EVERY NATIONAL BANK REPORTING DURING THE YEAR ENDED SEPTEMBER 28, 1895.

	Dec. 19, 1894.	Mar. 5, 1895.	May 7, 1895.	July 11, 1895.	Sept. 28, 1895.
	3,737 banks.	3,728 banks.	3,711 banks.	3,715 banks.	3,712 banks.
RESOURCES.					
Loans and discounts	$1,991,913,123.45	$1,965,375,368.94	$1,989,411,201.90	$2,016,639,535.53	$2,059,408,402.27
U. S. bonds to secure circulation	195,735,950.00	195,787,200.00	203,648,150.00	206,227,150.00	208,682,765.00
U. S. bonds to secure deposits	15,051,000.00	26,406,350.00	28,615,550.00	15,878,000.00	15,328,000.00
U. S. bonds on hand	20,760,350.00	25,115,540.00	17,734,200.00	14,465.400.00	10,790,350.00
Premiums on U. S. bonds	16,130,000.69	16,511,917.36	17,451,432.71	16,440,418.57	16,469,109.73
Stocks, securities, etc	197,328,354.09	196,927,758.03	193,841,727.63	194,160,466.61	195,028,085.35
Banking house, furniture, and fixtures	75,400,976.70	77,075,488.01	77,340,348.27	77,856,597.68	78,244,849.75
Other real estate and mortgages owned	23,258,812.77	24,193,994.18	24,674,154.09	25,082,548.41	25,527,027.04
Due from national banks (not reserve agents)	124,798,322.39	114,702,531.22	117,720,533.90	127,329,742.98	123,521,087.26
Due from State banks and bankers	30,962,557.31	29,273,688.00	30,248,003.98	31,089,231.72	30,830,482.60
Due from approved reserve agents	234,331,340.54	222,467,685.14	218,799,491.90	235,308,761.15	222,287,251.45
Checks and other cash items	13,051.055.46	12,424,519.77	12,557,940.30	13,598,841.41	13,056,424.53
Exchanges for clearing house	80,869,202.29	77,343,972.17	83,833,118.09	82,868,297.07	57,506,787.60
Bills of other national banks	18,522,596.00	18,436,845.00	19,247,043.00	19,402,179.00	15,537,100.00
Fractional paper currency, nickels, and cents	885,072.59	1,002,373.06	1,007,766.10	1,023,441.43	936,484.44
Gold coin	114,898,047.13	120,855,575.38	123,258,436.89	117,476,837.32	110,378,360.22
Gold Treasury certificates	29,677,720.00	25,400,860.00	23,182,950.00	22,425,600.00	21,525,930.00
Gold clearing-house certificates	31,219,000.00	31,904,000.00	30,823,000.00	31,315,000.00	31,021,000.00
Silver dollars	6,954,778.00	7,263,610.00	7,245,537.00	7,248,059.00	5,505,459.00
Silver Treasury certificates	29,743,446.00	29,550,637.00	28,519,277.00	30,127,457.00	22,914,180.00
Silver fractional coin	5,548,231.62	5,956,959.18	5,617,398.91	5,834,241.11	4,892,381.95
Legal-tender notes	119,513,472.00	113,281,622.00	118,529,158.00	123,185,172.00	93,946,685.00
U. S. certificates of deposit for legal-tender notes	37,090,000.00	31,655,000.00	26,930,000.00	45,330,000.00	49,920,000.00
Five per cent redemption fund with Treasurer	8,542,386.94	8,527,580.65	8,748,239.53	9,094,047.82	9,085,606.08
Due from U.S. Treasurer	1,289,077.14	1,080,461.66	1,017,832.04	1,146,281.47	1,285,534.36
Total	3,423,474,873.11	3,378,520,536.75	3,410,002,491.24	3,470,553,307.28	3,423,629,343.63
LIABILITIES.					
Capital stock paid in	666,271,045.00	662,100,100.00	659,146,756.00	658,224,179.65	657,135,498.65
Surplus fund	244,937,179.48	246,180,065.97	246,740,237.34	247,782,176.23	246,448,426.38
Undivided profits, less expenses and taxes paid	95,887,436.80	83,920,338.80	86,571,194.99	81,221,960.54	90,439,924.48
National-bank notes outstanding	169,337,071.00	169,755,091.50	175,653,500.50	178,815,801.00	182,481,610.50
State-bank notes outstanding	66,290.50	66,173.50	66,144.50	66,133.50	66,133.50
Due to other national banks	334,619,221.24	314,430,137.22	313,614,314.80	336,225,956.52	320,223,677.38
Due to State banks and bankers	180,345,566.53	180,970,705.84	180,360,313.93	190,447,130.70	174,708,672.88
Dividends unpaid	1,130,390.38	1,287,568.67	2,387,221.94	3,030,371.57	1,670,927.89
Individual deposits	1,695,489,346.08	1,667,843,286.28	1,690,961,299.03	1,736,022,006.83	1,701,653,521.28
U. S. deposits	10,151,402.66	24,563,195.79	23,501,952.80	10,075,924.97	9,114,372.65
Deposits of U. S. disbursing officers	3,865,339.58	3,491,787.60	3,745,923.09	3,091,408.55	4,426,966.48
Notes and bills rediscounted	7,682,509.06	6,853,317.73	8,944,917.94	9,697,555.94	13,396,107.85
Bills payable	11,471,551.05	13,645,026.23	13,603,610.99	12,250,671.25	17,813,360.01
Liabilities other than those above stated	2,220,523.72	3,413,741.62	5,004,703.39	3,602,030.03	4,045,143.70
Total	3,423,474,873.11	3,378,520,536.75	3,410,002,491.24	3,470,553,307.28	3,423,629,343.63

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SUMMARY OF THE STATE AND CONDITION OF EVERY NATIONAL BANK REPORTING DURING THE YEAR ENDED OCTOBER 6, 1896.

	Dec. 13, 1895.	Feb. 28, 1896.	May 7, 1896.	July 14, 1896.	Oct. 6, 1896.
	3,706 banks.	3,699 banks.	3,694 banks.	3,689 banks.	3,676 banks.
RESOURCES.					
Loans and discounts	$2,041,499,137.57	$1,966,211,736.86	$1,982,886,364.29	$1,971,642,011.65	$1,893,268,839.31
U. S. bonds to secure circulation	210,479,500.00	215,637,100.00	225,017,500.00	227,213,650.00	237,291,650.00
U. S. bonds to secure U. S. deposits	15,358,000.00	34,922,000.00	25,573,000.00	15,928,500.00	15,793,000.00
U. S. bonds on hand	8,655,900.00	13,210,400.00	12,491,420.00	12,835,655.00	9,342,500.00
Premiums on U. S. bonds	16,698,340.04	18,648,677.87	18,875,424.94	17,579,015.44	17,629,994.81
Stocks, securities, etc	193,383,321.52	192,036,933.71	190,938,097.11	190,262,918.13	188,995,352.93
Banking house, furniture, and fixtures	78,697,728.91	78,927,684.22	77,975,409.98	78,227,350.23	78,046,817.28
Other real estate and mortgages owned	25,574,482.13	26,315,910.05	27,009,127.98	27,221,722.40	27,403,155.46
Due from national banks (not reserve agents)	131,007,238.63	114,676,360.32	114,073,966.82	116,328,082.38	111,830,935.50
Due from State banks and bankers	33,341,627.38	29,432,178.87	28,285,698.29	28,388,424.79	29,583,299.70
Due from approved reserve agents	203,002,116.01	189,344,601.12	195,752,733.58	204,384,106.92	190,077,533.04
Checks and other cash items	12,939,318.30	12,275,771.88	12,295,435.30	13,601,452.76	13,913,129.68
Exchanges for clearing house	86,557,507.77	89,996,450.95	85,503,719.81	75,926,122.93	76,760,416.77
Bills of other national banks	17,114,290.00	16,798,271.00	19,183,691.00	17,444,746.00	18,055,536.00
Fractional paper currency, nickels, and cents	925,289.14	1,019,409.50	986,263.57	999,427.31	966,835.38
Gold coin	113,843,400.97	108,165,900.88	105,938,779.74	110,133,159.67	114,921,270.01
Gold Treasury certificates	20,936,030.00	20,935,130.00	21,383,020.00	20,336,400.00	19,706,620.00
Gold clearing-house certificates	33,465,000.00	27,793,000.00	30,440,000.00	31,384,000.00	26,096,000.00
Silver dollars	6,984,382.00	7,406,130.00	7,285,043.00	6,867,060.00	6,721,871.00
Silver Treasury certificates	25,878,323.00	25,869,370.00	31,512,287.00	29,495,375.00	28,057,695.00
Silver fractional coin	5,605,274.26	5,847,928.53	5,814,316.48	5,619,454.44	5,305,176.46
Legal-tender notes	99,209,423.00	112,507,513.00	118,971,652.00	113,213,290.00	110,494,730.00
U. S. certificates of deposit for legal-tender notes	31,440,000.00	28,735,000.00	28,035,000.00	27,165,000.00	31,840,000.00
Five per cent redemption fund with Treasurer	9,194,625.78	9,231,153.24	9,775,478.73	9,922,944.49	10,373,622.18
Due from U. S. Treasurer	1,744,071.85	1,719,586.58	1,635,392.62	1,677,206.43	1,209,333.32
Total	3,423,534,328.26	3,347,844,198.58	3,377,638,822.24	3,353,797,075.97	3,263,685,313.83
LIABILITIES.					
Capital stock paid in	656,956,245.00	653,994,915.00	652,089,780.97	651,144,855.00	648,540,325.00
Surplus fund	246,177,563.53	247,178,188.87	247,546,067.10	248,368,423.63	247,690,074.96
Undivided profits, less expenses and taxes paid	94,501,758.19	87,041,526.42	89,378,085.39	83,483,208.76	88,652,759.74
National-bank notes outstanding	185,151,344.00	187,217,372.50	197,382,364.50	199,214,049.50	209,944,019.50
State-bank notes outstanding	63,504.50	61,071.50	60,383.50	60,393.50	60,393.50
Due to other national banks	302,721,578.57	285,976,811.90	285,314,203.16	291,990,811.77	269,043,386.73
Due to State banks and bankers	167,303,670.19	162,394,344.71	157,980,455.20	162,311,142.23	146,058,794.35
Dividends unpaid	1,091,869.14	1,233,515.47	2,069,104.01	2,833,357.12	1,665,571.90
Individual deposits	1,720,550,241.03	1,648,092,868.88	1,687,629,515.37	1,668,413,507.62	1,597,891,058.73
U. S. deposits	9,699,120.46	29,876,217.36	21,015,358.71	12,556,149.50	11,091,241.86
Deposits of U. S. disbursing officers	4,059,468.83	3,910,629.72	3,416,397.99	2,848,176.20	4,080,236.63
Notes and bills rediscounted	11,359,771.49	11,465,835.06	11,563,851.93	11,846,960.72	14,881,060.90
Bills payable	20,492,304.21	20,104,667.81	17,137,274.80	15,920,902.16	20,431,426.62
Liabilities other than those above stated	3,405,889.12	9,296,233.38	5,055,979.61	2,805,138.26	3,654,963.41
Total	3,423,534,328.26	3,347,844,198.58	3,377,638,822.24	3,353,797,075.97	3,263,685,313.83

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ANALYSIS OF REPORTS OF 1896.

The change in the item of individual deposits during the report year of 1896 is shown to be as follows: It increased from $1,701,653,521 on September 28, 1895, to $1,720,550,241 on December 13, 1895; declined to $1,648,092,868 on February 28, 1896, then slightly increased on May 7, 1896, again decreased from $1,668,413,507 on July 14, 1896, to $1,597,891,058 on October 6, 1896, being almost $104,000,000 less than the amount shown on September 28, 1895.

The number of banks holding these deposits on September 28, 1895, was 3,712, with capital stock of $657,135,498, as against 3,676 on October 6, with capital stock of $648,540,325.

The surplus fund of the banks on September 28, 1895, was $246,448,426, and their net undivided profits $90,439,924. On October 6, 1896, the former had increased to $247,690,074, while the latter had decreased to $88,652,759.

On September 28, 1895, national-bank notes outstanding secured by bonds deposited amounted to $182,481,610. The returns under each call showed a continued increase during the year, the amount on December 13, 1895, being $185,151,344, on February 28, 1896, $187,217,372, on May 7, 1896, $197,382,364, on July 14, 1896, $199,214,049, and on October 6, 1896, $209,944,019.

The amount due to other national banks, which on September 28, 1895, stood at $320,228,677, decreased to $285,314,203 on May 7, 1896, increased on July 14, 1896, to $291,990,811, and then fell to $269,043,386 on October 6, 1896.

The amount due to State banks and bankers, which on September 28, 1895, was $174,708,672, decreased to $157,980,455 on May 7, 1896, increased to $162,311,142 on July 14, 1896, and fell to $146,058,794 on October 6, 1896.

The liabilities of the national banks for money borrowed, in different forms, aggregated on September 28, 1895, $35,254,611, had increased on February 28 to $40,866,736, decreased to $30,573,001 on July 14, increasing to $38,967,450 on October 6.

The total liabilities, which on September 28, 1895, were $3,423,629,343, decreased to $3,377,638,822 on May 7, 1896, and to $3,263,685,313 on October 6.

On the side of resources, the loans and discounts, which on September 28, 1895, amounted to $2,059,408,402, decreased to $1,966,211,736 on February 28, 1896. They increased on May 7 to $1,982,886,364, only to decrease to $1,893,268,839 on October 6, indicating a falling off in this item of about $166,000,000 as compared with the aggregate of loans and discounts on September 28, 1895.

The amount of United States bonds to secure circulation, which on September 28, 1895, was $208,682,765, increased to $237,291,650 on October 6, 1896.

The banks held, on September 28, 1895, $26,118,350 United States bonds, other than those securing circulation. On December 13 the amount decreased to $24,013,900, then increased on February 28, 1896, to $48,132,400, and decreased on October 6 to $25,135,500.

The investment of assets in stocks, securities, etc., on September 28, 1895, was $195,028,085. It had decreased on October 6 to $188,995,352.

The investment in banking-house, furniture, and fixtures, which on September 28, 1895, was $78,244,849, showed but slight variations during the year, being on October 6, $78,046,817.

Other real estate and mortgages owned on September 28, 1895, amounted to $25,527,027, and increased to $27,403,155 on October 6.

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The amount due from other national banks (not reserve agents) on September 28, 1895, was $123,521,087, increased on December 13 to $131,007,238, then decreased to $114,073,966 on May 7, increased slightly on July 14, 1896, and decreased to $111,830,935 on October 6.

The amount due from State banks and bankers on September 28, 1895, was $30,830,482, increased to $33,341,627 on December 13, and decreased on October 6 to $29,583,299.

The amount due from approved reserve agents decreased from $222,287,251 on September 28, 1895, to $189,344,601 on February 28, afterward increased to $204,384,106 on July 14, and decreased to $190,077,533 on October 6.

Exchanges for clearing house, which on September 28, 1895, amounted to $57,506,787; on February 28 had increased to $89,996,450, but decreased, on October 6, to $76,760,416.

The specie held by the banks on September 28, 1895, was $196,237,311, while on October 6, it was $200,808,632.

The amount of legal-tender notes and United States certificates of deposit for such notes which on September 28, 1895, aggregated $143,866,685, decreased to $130,649,423 on December 13, increased to $147,006,652 on May 7, decreased to $140,378,290 on July 14, and increased to $142,334,730 on October 6.

REVIEW OF REPORTS, 1892 TO 1896.

As a supplement to the analysis of the bank returns of 1896, it is not out of place to undertake a brief review of those of the past four years, marking as they do the most trying conditions through which the national banking system has been called to pass. Such review, it is believed, will best illustrate the very great changes which have occurred within a period so comparatively brief.

On September 30, 1892, the aggregate resources, as also the aggregate liabilities, of the national banks rose to the highest mark in the history of the system, viz, $3,510,094,897. On the side of liabilities, individual deposits stood at $1,765,422,983, and on the side of resources, loans and discounts were $2,171,041,088, being respectively the maximum amount ever registered, either before or since September 30, 1892. Along the lines of these two items of receiving deposits and lending money, representing, as they do, the principal functions of banking in this country, the greatest fluctuations have occurred during the years under consideration. The item of deposits showed very little variation in amount from September 30, 1892, to May 4, 1893, when it was $1,749,930,817. After the latter date, however, it shrunk suddenly and rapidly to $1,556,761,230 on July 12, 1893, and on October 3, 1893, touched $1,451,124,330, the lowest point since December 11, 1889. From this shrinkage of deposits, amounting to nearly $300,000,000, from May 4 to October 3, there was a rapid and steady recovery, until on October 2, 1894, just a year after the date of lowest depression, they were $1,728,418,819, or but $21,000,000 less than on May 4, 1893. There was thereafter for a brief period a slight decrease in the volume, but it rose again on July 11, 1895, to $1,736,022,006, falling to $1,648,092,868 on February 28, 1896, and standing at $1,668,413,507 on July 14, 1896. Between this date and October 6, 1896, decrease was marked, being nearly $71,000,000, leaving the deposits at the latter date at $1,597,891,058.

The resources of the banks showed loans and discounts to the amount of $2,161,401,858 on May 4, 1893. They had fallen on July 12 to $2,020,483,671, and on October 3 to $1,843,634,167. It is noticeable that

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after this date there was a steady expansion of loans and discounts until October 2, 1894, when the amount was $2,007,122,191.

As the deposits held by national banks are the chief source of supply for the funds from which loans and discounts are made to their customers, and as the law requires the banks, in the interest of depositors, to keep on hand in money a stated proportion of the funds deposited with them for safe-keeping, known as lawful money reserve, this reserve is necessarily affected by the movements of deposits and loans, and an examination of its ebb and flow during the four years under review is of equal interest.

On September 30, 1892, the lawful money reserve of all the banks, consisting of specie, legal money notes, and certificates for legal tenders deposited, amounted to $327,000,000; on December 9, 1892, it was $318,000,000; on March 6, 1893, $313,000,000, and on May 4, 1893, $322,000,000. The variations during this period, it thus appears, were slight; but owing to the extraordinary demands of depositors occurring suddenly and unexpectedly after May 4, the reserve on July 12, 1893, fell to $289,000,000, the banks being compelled to pay $193,000,000 of deposits during that period, $141,000,000 of which were provided by the calling in of loans and discounts, which the banks, under the force of such withdrawals, were compelled to demand.

The drain of deposits continued after July 12, and by October 3, 1893, $105,000,000 additional had been withdrawn, these and prospective withdrawals being provided for by the collection of $177,000,000 of loans and discounts, with the result that the reserve on hand reached on October 3, $346,000,000. After October 3, 1893, with returning confidence, deposits rapidly returned to the banks and there was gradual expansion of loans and discounts, though in smaller proportion. There was again an increase in reserve. From $346,000,000 on October 3 it went to $414,000,000 on December 19, 1893; to $433,000,000 on February 28, 1894, touching on May 4, 1894, $452,000,000, the highest point it has ever reached. It decreased to $439,000,000 on July 18, to $402,000,000 on October 2, and $374,000,000 on December 19, 1894. On July 11, 1895, the amount stood at $382,000,000, after which it fell to $340,000,000 on September 28, 1895, since which time, and up to October 6, 1896, the reserve on hand has not been subject to sudden fluctuations. The variations are measured by a limit of $12,000,000 between the highest and lowest amounts held.

With a more settled condition in business affairs there was seen a greater expansion of loans and discounts and a consequent gradual decrease in the amount of reserve held.

The amount of circulating notes of the national banks outstanding on September 30, 1892, was but $143,423,298. The increase thereof was very slight and gradual, due mainly to the compulsory obligation of new banks to deposit bonds, up to July 12, 1893, when it stood at $155,070,821. Under the stress of a currency famine the issues expanded by October 3, 1893, to $182,959,725, but thereafter steadily decreased, falling to $169,337,071, on December 19, 1894. With the new issue of bonds, the lessened price of bonds, and an apparent increased margin of profit in issuing notes, the volume began to increase, until on October 6, 1896, it amounted to $209,944,019, or about $66,000,000 greater than on September 30, 1892.

In the matter of capital stock, the maximum in the history of the system was reached on December 9, 1892, being $689,698,017 for 3,784 banks. This amount had decreased to $688,701,200 on May 4, 1893, while the number of banks had increased to 3,830, the largest number doing business at any time since the establishment of the system. After May 4,

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1893, there was an almost steady decrease in capital stock as well as in the number of banks, and on October 6, 1896, there were but 3,676 banks doing business with capital of $648,540,325, a falling off of 154 in the number of banks and of over $40,000,000 in capital stock. It is, however, noteworthy that in the face of this substantial decrease in the number of banks and their capital stock, they had, on October 6, 1896, a surplus fund of $247,690,074, and net undivided profits of $88,652,759, making a total of $336,342,833 as compared with an aggregate of $340,524,178 on September 30, 1892, of which $238,871,424 was surplus fund and $101,652,754 net undivided profits.

In view of the heavy losses sustained by the banks during four years of severe liquidation and shrinkage in values, reflected in the figures showing largely reduced net earnings (only 5 per cent for the year ended March 1, 1895, and 5.4 per cent for 1896), these figures bear tribute not only to the efficiency of the law compelling banks to lay aside a certain percentage of earnings as a surplus fund, but also to the prudence and courage of bank managers in strengthening the security of depositors by doing more than the law requires in this respect in the face of a largely reduced earning capacity.

The complaint has been not infrequently heard during the past years that those engaged in banking have been unfair toward the business public in the matter of withholding credit. A careful study of the returns given show that such restriction has resulted from necessity and not from choice. The unsettled currency conditions which have so marked the course of the country of late have made depositors more easily frightened into demanding their deposits, and to meet such calls on demand large amounts of idle money had to be constantly kept in bank. In such case it could not be otherwise than that loans on the one hand should be called in and new credit denied on the other. The profits of banking have thus been curtailed, for such profit arises only where the largest portion of a bank's deposits are in the hands of borrowers. The course pursued resulted in diminished profits to those interested as shareholders, but it in turn afforded the depositor the opportunity of obtaining his deposit whenever desired.

EARNINGS AND DIVIDENDS.

The act of March 3, 1869 (section 5212, Rev. Stat.), provides that each national banking association shall report to the Comptroller within ten days after declaring a dividend the amount of such dividend and the amount of net earnings in excess of such dividend. Abstracts of these reports by semiannual periods from associations in each State, reserve city, and geographical division for the current and prior years, will be found in the appendix, and also a table showing, from March 1, 1870, to March 1, 1896, the number of banks, capital, surplus, dividends, net earnings, and ratios of dividends, etc., to capital, etc., for each year, and the average for twenty-seven years. The average number of banks for the current year was 3,698; capital, $655,960,855; surplus, $248,203,540; net earnings, $48,566,794; dividends paid, $45,551,673. The average rate per cent of dividends paid was 6.9; the per cent of dividends based on capital and surplus, 5; and the per cent of net earnings on capital and surplus, 5.4. A comparison with the reports of the previous year indicates a decrease of 37 in number of banks, $8,751,510 in capital, and $700,872 in dividends paid; while the surplus fund increased $2,597,285 and net earnings $3,006,485. The surplus fund at its maximum, prior to the current year, was $247,732,601 in 1894, when the number of banks was 3,764. This fund now exceeds that amount by $470,939, while the number of banks is 66 less. The maximum rate of dividends paid was 10.5 per cent in the year ended March 1, 1870, and the

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minimum 6.8 per cent in 1894. The aggregate amount of net earnings and dividends paid during the twenty-seven years was $1,475,063,464 and $1,200,699,576, respectively. The average rate of dividends based on capital for that period was 8.3 per cent; net earnings on capital and surplus, 7.9 per cent; and dividends on capital and surplus, 6.4 per cent.

REPORTS FROM STATE BANKS AND BANKING ASSOCIATIONS.

The information obtainable by the Comptroller relative to resources, liabilities, and condition of banks, banking companies, and savings institutions organized under State and Territorial authority is given herewith, and is substantially complete, except from the following-named States and Territories: Delaware, Maryland, South Carolina, Georgia, Alabama, Louisiana, Texas, Arkansas, Tennessee, Washington, Oregon, Utah, Nevada, Idaho, New Mexico, and Indian Territory. To the official returns from State officers is added such information as has been furnished by State banks and bankers doing business in the States and Territories above named.

In view of the fact that reports sought, relative to the condition of State and other banks and in the various investigations undertaken, were not confined to national banks alone, the courtesy of replies received from those without the jurisdiction of the Comptroller is doubly appreciated. The gathering of these reports and the making of these investigations, however, show that very great good might be accomplished if, in the various States of the Union, there could be had uniformity as to date and form of reports of condition of banks, reports of earnings and dividends, and classification of money in bank. With this end in view, it is proposed to send at an early date from this office a circular addressed to the chief executives of the States, requesting them to call the attention of the legislatures to the desirability of taking such action as will bring about this result. At present there is a failure to present in one general report much valuable information as to banks other than national, owing to this want of uniformity in method and time in calling for statistics on the part of the various States. In justification of the suggestion, it is to be said that the Comptroller of the Currency is the only officer who has to do with the gathering of information relative to banks, who is required by law and who attempts to present a general summary of the banking condition of the whole country and of all classes of banks.

CONDITION OF STATE BANKS AND BANKING ASSOCIATIONS.

On or about the close of the fiscal year ended June 30, 1896, the number of banks incorporated under State authority and in operation was 5,708 and the number from which reports have been received 4,956. Reports have also been received from 824 private banks, making a total of 5,780 reporting banks, or 323 less than reported in 1895. Abstracts of the reports by classes and States with the sources of information indicated will be found in the appendix.

The following statement shows the principal items of resources and liabilities of these banks in 1893, 1894, 1895, and 1896:

Items.	1893.	1894.	1895.	1896.
Loans	$2,348,193,077	$2,133,628,978	$2,417,468,494	$2,279,515,283
Bonds	1,009,604,350	1,010,248,230	1,375,026,025	1,210,827,389
Cash	205,645,203	229,373,004	227,743,303	169,198,601
Capital	406,607,240	398,735,390	422,052,618	400,831,399
Surplus and undivided profits	346,206,287	352,424,784	370,397,003	362,602,702
Deposits	3,070,462,680	2,973,414,101	3,185,245,810	3,276,710,916
Resources	3,979,008,533	3,868,474,997	4,138,990,529	4,200,124,955

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An analysis of the foregoing statement shows an increase in the aggregate resources in 1896 over those of 1895 of about $61,000,000; over 1894 of $331,000,000, and over 1893 (from reports received prior to the monetary stringency of that year) of $221,000,000. Loans and discounts, which in 1893 amounted to $2,348,193,077, declined in 1894 to $2,133,628,978, increased in 1895 to $2,417,468,494, and fell in 1896 to $2,279,515,283. The cash held in 1893, amounting to $205,645,203, increased in 1894 to $229,373,004, declined in 1895 to $227,743,303, and to $169,198,601 in 1896. In 1894 the capital stock, which in 1893 amounted to $406,007,240, had declined to $398,735,390, increased to $422,052,618 in 1895, and declined to $400,831,399 in 1896. The deposits in 1896 are greater in amount than at any time during the four years under consideration, being $3,276,710,916. In 1893 deposits amounted to $3,070,462,680. They declined in 1894 to $2,973,414,101, and increased to $3,185,245,810 in 1895.

The number of State banks which reported is 3,708, a decrease of 66 from the number reporting in 1895. The principal items of resources and liabilities of these banks are: Loans, $702,505,798; stocks and bonds, $97,234,561; capital, $240,133,835; deposits, $695,659,914. The aggregate resources amount to $1,107,187,508. These figures compared with those of 1895 show the decrease as follows: Capital, $10,270,460; deposits, $16,750,509; aggregate resources, $40,358,310. Loans and discounts and investments in stocks and bonds have increased $4,817,730 and $5,245,865, respectively.

The reports of dividends paid by State banks and loan and trust companies have been received from 1,310 institutions located in 32 of the States and Territories. State banks to the number of 1,195, with capital of $87,985,913, reported the payment of dividends to the amount of $5,985,222, the average rate being 6.8 per cent; loan and trust companies to the number of 115, with capital of $52,715,402, paid dividends amounting to $5,254,200, an average rate of 9.9 per cent. The aggregate capital of the State banks and loan and trust companies reporting this information is $140,701,315, dividends paid $11,239,422, and the average rate 7.9 per cent.

CONDITION OF SAVINGS BANKS.

Savings-bank reports to the number of 988 have been received, of which 677 are from mutual institutions and 311 from stock savings banks, the latter being operated for the benefit of both shareholders and depositors. The aggregate resources of the latter class of banks are only about 14 per cent of the resources of all reporting savings institutions. With the exception of 4 banks located in Ohio, 5 in Indiana, 1 in Wisconsin, and 1 in West Virginia, the mutual savings banks are confined to the New England and Eastern States. The aggregate resources of this class of banks amount to $1,849,906,921; loans and discounts, $845,788,348; United States bonds, $147,761,264; other bonds and stocks, $717,416,244; surplus and undivided profits; $158,595,655; and deposits, $1,688,190,603. The aggregate resources of both mutual and stock savings banks are $2,143,307,163; loans, $1,055,187,769; United States bonds, $148,525,375; other bonds and stocks, $756,676,312; surplus and undivided profits, $174,714,993; deposits, $1,935,466,468, of which $1,907,156,277 are savings deposit accounts. An increase over 1895 is noted in each of these items, as follows: Loans, $19,590,627; stocks and bonds, $63,393,988; surplus and undivided profits, $605,094; deposits, $91,108,670; total resources, $89,542,835.

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The number of depositors in savings banks has increased since 1895 from 4,875,519 to 5,065,494, and the average deposit from $371.36 to $376.50. In view of the fact that nearly 80 per cent of both number of depositors and amount of deposits in savings banks is represented by banks in the New England States and New York, the following statement is of interest as showing the percentage of population in the States named who are depositors in savings banks:

State.	Number.	Per cent.
Maine	160,216	23.9
New Hampshire	162,444	41.3
Vermont	103,281	30.9
Massachusetts	1,302,479	50.1
Rhode Island	135,252	34.6
Connecticut	346,758	41.5
New York	1,695,787	25.4

It will be noticed from the foregoing table that 23.9 per hundred of the inhabitants of Maine are depositors in the savings banks. The proportion is slightly greater in New York, increases to 30.9 in Vermont, and reaches the maximum, 50.1, in Massachusetts.

On July 1 last reports were received from national banks, and also partial returns from State banks and loan and trust companies, relative to the number of depositors and amount of deposits held by them on that date. The actual deposits being known, the number of depositors in the two latter classes have been estimated. Adding the number of shareholders in building and loan associations (taken from information appearing in the last report of the Commissioner of Labor on building and loan associations) to the number of depositors in the banks and banking institutions, the aggregate is obtained of the number of individuals in the States named who are creditors of these institutions. It is probable that some persons have accounts in more than one bank, but the number presumably is not large enough to materially affect the results.

From a comparison of the figures in the table immediately preceding with those in the one following it will be noticed that the States maintain the same relative positions; that is, the proportion in Maine, 29.7, is the least; New York follows with 35.8; Vermont, 36.3; Rhode Island, 43.9; New Hampshire, 47.1; Connecticut, 47.8, and Massachusetts, 59.2. The average for the seven States is 42.04. The number of depositors and the percentage of the population who are depositors in the various classes of institutions mentioned appear in the following statement:

States.	Number of depositors.	Per cent.
Maine	198,737	29.7
New Hampshire	185,057	47.1
Vermont	121,176	36.3
Massachusetts	1,539,500	59.2
Rhode Island	171,739	43.9
Connecticut	398,857	47.8
New York	2,393,625	35.8
Total	5,008,691	42.04

Similar information relative to the other geographical divisions of the country would be of great value, but from none other are the returns complete enough to enable satisfactory results to be shown. Elsewhere

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in the report, in connection with the statement of cash held by banks on July 1, is shown the number of depositors and amount of deposits of national and such other banks as reported in each State and Territory.

In connection with the usual reports from savings banks an attempt was made to obtain information relative to the number of depositors having to their credit specified amounts, that is, $500 or less, over $500 and less than $1,000, etc. Such information as was obtained relates to Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut, but as the classifications are dissimilar, comparisons are not possible, except with respect to Maine, New Hampshire, and Rhode Island. In Maine 77.52 per cent of the depositors are in the class having to their credit $500 or less; in New Hampshire 74.92, and in Rhode Island 71.26. The class ranging from $500 to $2,000 represents 19.92 in Maine, 21.49 in New Hampshire, and 28.74 in Rhode Island. In Connecticut 87.86 per cent have to their credit less than $1,000; 8.5 per cent over $1,000 and less than $2,000, and 3.64 per cent over $2,000. The returns from Massachusetts are for the year ended October 31, 1894 (none more recent having been compiled), and relate to the number of deposits made in that year. The banking law of Massachusetts restricts deposits, to one individual, to $1,000, but interest may be allowed to accumulate until principal and interest amount to $1,600, beyond which sum interest ceases. The number of deposits in the class of $500 or less represents 97.56 per cent and 70.05 per cent of the amount of deposits; 2.44 per cent of the number of deposits represents 29.95 per cent of the amount of deposits. These figures indicate that wage earners are the principal patrons of savings institutions. The following table shows in detail the foregoing information:

CLASSIFICATION OF DEPOSITS IN SAVINGS BANKS IN THE STATES NAMED.

Classification of deposits.	Depositors.		Deposits.	
	Number.	Per cent.	Amount.	Per cent.
MAINE.				
$500 or less	124,202	77.52	$15,187,629	26.94
Over $500 and less than $2,000	31,918	19.92	30,798,974	54.63
$2,000 and less than $5,000	3,915	2.45	8,850,741	15.70
$5,000 or more	181	.11	1,538,800	2.73
NEW HAMPSHIRE.				
$500 or less	122,763	74.92		
Over $500 and less than $2,000	35,221	21.49		
Over $2,000 and less than $5,000	5,241	3.20		
$5,000 and over	645	.39		
MASSACHUSETTS.				
$500 or less	1,011,406	97.56	50,062,087	70.05
Over $500 and less than $1,000	14,314	1.38	10,078,782	14.10
Over $1,000	10,968	1.06	11,331,324	15.85
RHODE ISLAND.				
$500 or less	96,389	71.26		
Over $500 and less than $1,000	17,689	13.08		
Over $1,000	21,174	15.66		
CONNECTICUT.				
Less than $1,000	304,666	87.86	59,173,835	41.33
Over $1,000 and less than $2,000	29,484	8.50	39,548,150	27.63
Over $2,000	12,608	3.64	44,437,138	31.04

Information with respect to the rate of interest paid by savings banks is but partial, but it is noted that from the returns it is exceedingly difficult to maintain the rate of interest which has been paid during the past few years, and indications are that a reduction in the rate

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is inevitable in the near future. The latest returns indicate that the average rate paid is a fraction less than 4 per cent.

LOAN AND TRUST COMPANIES AND PRIVATE BANKS.

Loan and trust companies to the number of 260 have submitted reports. The principal items of resources and liabilities are as follows: Loans, $462,158,337; United States bonds, $37,400,637; other bonds and stocks, $163,763,914; capital, $111,146,973; surplus and other undivided profits, $84,313,612, and deposits, $586,468,156.

Private banks to the number of 824 have reported, showing an aggregate capital of $22,310,086; undivided profits, $7,799,625; deposits, $59,116,378; loans, $59,663,379; United States bonds, $2,386,416; other stocks and bonds, $4,840,174, and aggregate resources, $94,348,131.

PRINCIPAL ITEMS OF RESOURCES AND LIABILITIES OF ALL BANKS.

A condensed statement is herewith given for the purpose of comparison, exhibiting the principal items of resources and liabilities of each class of banks referred to:

Items.	State banks.	Loan and trust companies.	Savings banks.	Private banks.
Loans	$702,505,798	$462,158,337	$1,055,187,769	$59,663,379
United States bonds	726,888	37,400,637	148,525,375	2,386,416
Other bonds	96,507,673	163,763,914	756,676,312	4,840,174
Cash	101,038,641	26,800,871	35,201,528	6,157,561
Capital	240,133,835	111,146,973	27,240,505	22,310,086
Surplus and profits	95,774,472	84,313,612	174,714,993	7,799,625
Deposits	695,659,914	586,468,156	1,935,466,468	59,116,378
Total resources	1,107,187,508	855,282,153	2,143,307,163	94,348,131

Similar information relative to national banks, banks other than national, and the total of all banks appears in the following table:

Items.	3,676 national banks.	5,780 other banks.	9,456, all banks.
Loans	$1,893,268,839	$2,279,515,283	$4,172,784,122
United States bonds	280,057,145	189,039,316	469,096,461
Other bonds, etc	188,995,353	1,021,788,073	1,210,783,426
Cash	343,143,362	169,198,601	512,341,963
Capital	648,540,325	400,831,399	1,049,371,724
Surplus and profits	336,342,834	362,602,702	698,945,536
Deposits	1,613,062,537	3,276,710,910	4,889,773,447
Total resources	3,263,685,314	4,200,124,955	7,463,810,269

The capital stock of national banks on July 14 and of all other banks at date of latest returns to this Bureau aggregates $1,051,976,254, an average of $14.71 per capita of population. The averages in 1893, 1894, and 1895 were $16.29, $15.61, and $15.44, respectively.

The aggregate banking funds, which include capital, surplus, undivided profits, and individual deposits of national and all other banks, are shown to be $6,695,486,521, an average of $93.69 per capita. The per capita averages in 1893, 1894, and 1895 were $95.68, $93.57, and $95.83, respectively.

The specie and other currency held by national banks on July 14 and by other banks about the same date amounted to $531,856,513. The classification of this amount was but partially made by the returning officers, except as to the national banks, and therefore appeared as follows: Gold, including certificates, $200,980,831; silver and silver certificates, $48,832,667; national-bank notes, legal-tenders, and currency

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certificates, $206,522,953; fractional currency, $999,427; specie, not classified, $2,413,485; cash, not classified, $72,107,150.

The Appendix contains an abstract of the reports of each class of banks by States and geographical divisions for the past and prior years and tables covering in detail the subjects hereinbefore mentioned. These tables are followed by a summary of condition of the Canadian banks on August 31 last, and the latest reports of the loan and trust companies of the District of Columbia.

The Comptroller, through the courtesy of Mr. Albert C. Stevens, editor of Bradstreet's, has been placed in possession of a statement showing the assets and liabilities of the banks other than national which failed in each State during the year ended August 31 last, which also appears in detail in the Appendix.

INVESTIGATION AS TO KINDS OF MONEY AND CURRENCY IN ALL BANKS.

The importance of obtaining a proper classification of the money and currency held by the banks throughout the country led to the sending out of a circular addressed to the individual banks—national and other—together with trust companies, requesting them to furnish this office with a correct classification of the amount and kinds of money held upon the 1st day of July last. The number of banking houses and trust companies inquired of was 12,962, and replies were received from 5,723. The information, while in a measure incomplete, is of such a character as to enable a thoroughly fair and correct result from all to be approximated.

Heretofore in reports received from banks other than national there has seldom been made any attempt to separate into classes the kinds of money held by such banks, and consequently the amount of gold, for instance, has appeared as a very insignificant sum for all of such concerns. In the Comptroller's report for 1895 the returns, as made up from State and other reports, showed the amount to be but $10,000,000 for all banks other than national. The reports received under this request were from 3,458 national banks, 1,494 State banks, 457 savings banks, 230 private banks, and 84 loan and trust companies. The number of each kind not reporting were: National banks, 231; State banks and trust companies, 3,366; savings banks, 307; private banks, 3,322.

The total number of banks, by geographical divisions, the number reporting, and the number not reporting, is as follows:

Geographical division.	Total.	Reporting.	Not reporting.
New England States:			
Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut	1,226	829	397
Eastern States:			
New York, New Jersey, Pennsylvania, Delaware, Maryland, and District of Columbia	2,137	1,275	862
Southern States:			
Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, and Tennessee	2,053	676	1,377
Western States:			
Missouri, Ohio, Indiana, Illinois, Michigan, Wisconsin, Iowa, Minnesota, Kansas, and Nebraska	6,266	2,434	3,832
Pacific States and Territories:			
Nevada, Oregon, Colorado, Utah, Idaho, Montana, Wyoming, New Mexico, North Dakota, South Dakota, Washington, Arizona, Oklahoma, and Indian Territory	1,280	509	771
Total United States	12,962	5,723	7,239

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The total amount of cash in the 5,723 institutions reporting was $413,124,849, divided as follows: Gold coin, $134,077,003; gold certificates, $55,481,338; silver dollars, $8,254,612; fractional silver, $7,399,073; silver certificates, $39,663,596; Treasury notes, 1890, $13,126,018; United States notes, $110,469,375; currency certificates, $20,858,000; national-bank notes, $23,795,834. Of this total cash the 3,458 national banks reporting held $335,174,616, and the 2,265 State, etc., banks $77,950,233. The amount of gold coin and gold certificates held by these national banks was $155,073,604, and by these State, etc., banks $34,484,737. In this connection it may be stated that the total number of national banks, viz, 3,689, held on July 14, the date of the report nearest July 1, $361,658,485 cash, of which amount there was in gold coin and gold certificates $161,853,560.

The total cash and the part thereof of gold and gold certificates held by reporting banks in each geographical division is as follows:

Geographical division.	Total cash.	Amount of gold and gold certificates.
New England States	$35, 689, 272	$15, 403, 768
Eastern States	213, 129, 569	88, 580, 133
Southern States	29, 086, 601	9, 558, 183
Western States	109, 584, 645	56, 410, 427
Pacific States and Territories	25, 634, 762	19, 605, 830
Total	413, 124, 849	189, 558, 341

A comparison of the money holdings in these geographical divisions shows that the 829 reporting banks in the New England States held but $6,602,671 more total cash and $5,845,585 more gold and gold certificates than the 676 reporting banks in the Southern States, not including Missouri; the 1,275 banks in the Eastern States $103,544,924 more total cash and $32,169,706 more gold and gold certificates than the 2,434 banks in the Western States; the 676 banks in the Southern States $3,451,841 more total cash and $10,047,647 less gold and gold certificates than the 509 banks in the Pacific States and Territories; the 829 banks in the New England States $10,054,510 more cash and $4,202,062 less gold and gold certificates than the 509 banks in the Pacific States and Territories. It has been deemed necessary to indicate the location of banks reporting and not reporting in order to give a proper measure by which to estimate the amount and character of cash of banks not reporting. It is a fair estimate to be drawn from reports received, and in view of their general distribution and character, and the proportion of cash of those reporting to total cash held in all such banks, that as 2,265, or 24.4 per cent of all banks and companies other than national banks held $34,484,737 in gold coin and gold certificates, the whole number of banking institutions and companies in operation in the United States on July 1, other than national, viz, 9,260, held on that day in gold coin and gold certificates $140,939,807. Adding to this amount $161,853,560, the total gold coin and gold certificate holdings of the national banks on July 14, as being the same as held by all of them on July 1, the total gold and gold certificate holdings of the banks of the country on that day was $302,793,367.

A comparison of the cash holdings of banks other than national, as shown by the Comptroller's report of 1895, shows that on July 1, 1895, the 6,093 then reporting held in cash $227,743,303. As in this report

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2,265 of such banks report $77,950,233 of cash, it is evident that the importance, capital, etc., of the banks not reporting equals that of those reporting, and the estimate made is fairly borne out. The correctness of this conclusion is further evidenced by the cash holdings of the 5,780 banks of this character reporting to this office on or about the close of the fiscal year ended on July 1 last, the amount being $169,198,601. These figures were not obtained from the special reports of July 1, but from reports of the general condition of the banks made to the Comptroller.

The report of the Treasurer of the United States shows that upon July 2 there was free gold in the Treasury to the amount of $101,648,103. It is evident from all these facts that the available gold and gold certificates in the banks and the free gold in the Treasury on or about July 1 was $404,441,470. On October 31 it was larger, as the free gold in the Treasury amounted to $118,443,021, making the total in the Treasury and in banks $421,236,388.

If the reports heretofore given in the Comptroller's report as to the gold holdings of the banks could have been made from individual reports from the individual banks of the country, as in this instance, the showing would have been as it now is as to the character of the cash held by banks other than national.

NUMBER OF DEPOSITORS IN, AND CASH HOLDINGS OF, REPORTING BANKS.

In order to present in a condensed form the results of the replies received from the 5,723 reporting banks respecting the number of depositors, amount of deposits, and cash holdings, on July 1, 1896, the following table (pp. 24 and 25) is given.

An examination of the returns shows that the total number of depositors in the national banks reporting on July 1 was 2,315,333, with individual deposits aggregating $1,586,087,193. On July 14 the total individual deposits of all the national banks were $1,668,413,508 and the estimated number of depositors 2,435,625. The total number of depositors in the 2,265 reporting banks other than national was 3,614,630, with deposits aggregating $1,668,352,673. In 1894 an investigation showed the number of bank depositors to be about 9,000,000. A conservative estimate, in view of the fact that the number of depositors in national banks shows an increase of about half a million and of savings-bank depositors of over 287,000, would make the total number now not less than 10,000,000, with total deposits aggregating over $5,000,000,000.

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NUMBER OF DEPOSITORS, AMOUNT OF DEPOSITS, AND CASH HELD BY NA

States and Territories.	Number of banks.	Number of depositors.	Amount of deposits.	Cash held.			
				Gold coin.	Gold certificates.	Silver, dollars.	Silver, fractional.
Maine	112	127,742	$51,579,942	$828,844	$17,475	$34,534	$78,009
New Hampshire	81	102,459	44,219,495	305,289	4,050	43,415	43,573
Vermont	60	60,268	21,253,632	453,865	25,310	38,220	45,088
Massachusetts	376	761,906	408,914,212	9,044,474	1,709,718	305,793	549,164
Rhode Island	74	88,637	54,950,634	625,713	163,160	30,138	108,425
Connecticut	126	216,141	110,397,059	1,834,243	391,627	64,696	174,829
Total	829	1,357,153	691,314,974	13,092,428	2,311,340	516,796	999,088
New York	527	1,357,567	1,037,151,799	24,064,623	39,509,357	548,714	1,259,276
New Jersey	128	247,521	91,943,471	1,829,361	258,976	100,929	251,500
Pennsylvania	507	762,684	379,276,515	14,273,939	5,091,534	1,214,631	1,067,104
Delaware	18	84,047	4,215,553	132,632	17,000	28,108	31,875
Maryland	79	74,842	42,275,410	1,840,105	370,410	82,761	130,156
District of Columbia	16	40,808	15,111,725	543,766	648,430	15,143	33,788
Total	1,275	2,567,469	1,569,974,473	42,684,426	45,895,707	1,990,286	2,773,699
Virginia	48	38,904	11,291,467	433,558	28,265	68,256	77,904
West Virginia	37	29,109	7,927,198	396,752	47,325	46,317	31,951
North Carolina	27	13,461	4,714,704	343,969	5,532	55,518	43,577
South Carolina	18	9,368	3,597,979	83,073	900	62,803	38,365
Georgia	44	16,579	7,508,412	311,829	19,440	230,440	60,133
Florida	29	11,910	4,114,805	86,744	950	80,670	39,531
Alabama	25	15,885	5,930,806	433,940	63,010	117,690	32,218
Mississippi	20	8,757	3,081,867	113,107	18,440	60,052	33,073
Louisiana	29	19,901	16,066,083	497,229	145,043	138,113	96,192
Texas	199	158,162	50,184,013	3,266,944	398,674	938,981	356,558
Arkansas	19	8,908	3,035,727	150,448	5,040	48,083	28,458
Kentucky	113	69,792	19,076,172	1,332,922	82,465	118,882	89,329
Tennessee	68	48,587	19,169,755	1,127,509	165,075	181,876	110,411
Total	676	449,323	157,498,988	8,578,024	980,159	2,147,681	1,037,700
Missouri	277	139,262	59,628,361	3,885,106	383,510	366,604	163,181
Ohio	310	244,341	111,260,084	6,084,965	741,555	515,016	331,479
Indiana	159	113,342	36,121,856	4,106,525	232,230	252,405	158,914
Illinois	306	190,115	168,419,810	18,751,083	3,461,075	556,778	510,025
Michigan	175	139,156	60,044,737	3,491,611	186,425	211,522	220,808
Wisconsin	183	80,543	45,881,199	4,054,182	94,150	163,846	121,076
Iowa	355	113,769	41,712,998	2,245,343	193,680	261,931	182,989
Minnesota	161	70,706	49,734,138	4,788,861	253,714	200,303	167,542
Kansas	229	68,269	19,595,899	1,257,286	51,906	199,318	94,442
Nebraska	278	52,376	25,193,967	2,087,455	59,765	201,091	89,182
Total	2,433	1,211,879	617,593,049	50,752,417	5,658,010	2,928,814	2,039,638
Nevada	3	1,060	703,683	81,495	.....	7,475	5,532
Oregon	43	13,794	6,421,392	1,252,419	16,394	46,910	74,095
Colorado	52	40,173	26,907,659	3,997,829	108,870	135,119	81,822
Utah	15	5,107	2,812,619	426,691	5,280	10,356	8,605
Idaho	13	3,050	1,591,513	164,917	270	8,635	4,549
Montana	30	20,291	13,814,713	741,015	5,155	52,600	34,186
Wyoming	14	4,172	1,282,530	169,747	190	10,721	8,392
New Mexico	9	3,406	1,846,922	109,798	7,000	18,592	8,544
North Dakota	47	9,171	3,727,120	184,897	12,190	14,442	11,107
South Dakota	60	4,930	1,542,299	205,898	2,740	11,715	9,651
Washington	55	21,203	7,548,580	954,025	22,015	60,985	32,570
Arizona	6	2,549	1,268,170	172,349	300	6,748	5,641
California	146	210,337	148,503,632	10,446,970	444,668	264,675	253,336
Oklahoma	10	2,607	583,025	24,618	10,230	12,586	2,982
Indian Territory	7	2,289	504,545	37,040	820	9,746	7,936
Total	510	344,139	218,058,382	18,969,708	636,122	671,035	548,948
Grand total	5,723	5,929,963	3,254,439,866	134,077,003	55,481,338	8,254,612	7,399,073

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TIONAL AND OTHER REPORTING BANKS IN EACH STATE, ETC., ON JULY 1, 1896.

Cash held.						States and Territories.
Silver certificates.	Treasury notes of 1890.	Legal-tender notes.	Currency certificates.	National-bank notes.	Total.	
$207,919	$50,649	$243,696	$10,000	$285,815	$1,756,941	Maine.
164,565	56,814	220,865	.....	209,677	1,048,248	New Hampshire.
118,302	31,046	122,139	.....	158,219	992,189	Vermont.
3,210,492	980,043	6,201,991	640,000	2,562,905	25,204,580	Massachusetts.
387,160	48,735	425,203	.....	342,025	2,130,559	Rhode Island.
589,612	288,155	662,088	.....	551,505	4,556,755	Connecticut.
4,678,050	1,455,442	7,875,982	650,000	4,110,146	35,689,272	Total.
9,717,797	3,269,501	56,795,236	13,777,000	4,163,489	153,104,993	New York.
1,133,977	340,546	1,607,531	5,000	442,017	5,969,837	New Jersey.
7,430,614	1,130,182	8,352,521	2,275,000	2,869,570	43,705,095	Pennsylvania.
112,116	17,135	101,865	.....	56,126	496,857	Delaware.
1,375,192	158,527	1,499,130	1,450,000	390,143	7,296,424	Maryland.
701,643	20,434	556,062	10,000	27,097	2,556,363	District of Columbia.
20,471,339	4,936,325	68,912,345	17,517,000	7,948,442	213,129,569	Total.
234,721	27,841	575,876	.....	135,981	1,582,402	Virginia.
137,885	40,880	299,434	.....	97,215	1,097,759	West Virginia.
94,235	40,180	147,974	.....	89,732	820,717	North Carolina.
41,899	7,562	164,065	.....	27,417	426,084	South Carolina.
275,970	70,142	328,188	15,000	294,997	1,606,137	Georgia.
100,399	107,009	143,602	.....	113,381	672,287	Florida.
84,416	84,847	159,467	.....	72,006	1,047,594	Alabama.
70,990	76,136	62,505	.....	28,684	462,987	Mississippi.
628,950	624,835	1,322,234	.....	194,731	3,647,327	Louisiana.
1,107,527	700,978	2,441,139	.....	968,629	10,179,430	Texas.
94,569	29,812	101,466	.....	71,596	529,472	Arkansas.
309,344	84,297	406,165	287,000	336,843	3,047,247	Kentucky.
726,492	435,701	602,542	260,000	357,551	3,967,157	Tennessee.
3,907,397	2,330,220	6,754,657	562,000	2,788,763	29,086,601	Total.
2,024,828	932,493	4,508,633	280,000	676,605	13,220,960	Missouri.
1,744,706	657,864	4,952,119	130,000	1,568,230	16,725,934	Ohio.
643,141	236,893	1,447,147	.....	994,949	8,072,204	Indiana.
3,163,117	978,898	8,752,385	1,494,000	2,396,045	40,063,406	Illinois.
519,992	280,453	1,275,901	.....	539,940	6,726,652	Michigan.
444,699	110,984	1,049,690	.....	310,600	6,349,227	Wisconsin.
494,237	185,987	985,090	.....	496,294	5,045,551	Iowa.
362,560	162,685	834,977	35,000	298,896	7,104,538	Minnesota.
270,943	116,862	535,213	.....	361,161	2,887,131	Kansas.
275,732	105,509	365,453	.....	204,855	3,389,042	Nebraska.
9,943,955	3,768,628	24,706,608	1,939,000	7,847,575	109,584,645	Total.
100	.....	442	.....	2,467	97,511	Nevada.
24,146	8,485	32,684	.....	39,986	1,495,118	Oregon.
262,933	348,197	1,065,429	100,000	360,851	6,461,050	Colorado.
17,838	199	63,825	.....	28,662	561,456	Utah.
14,288	4,050	51,487	.....	23,428	271,624	Idaho.
61,844	131,616	273,651	15,000	111,310	1,426,377	Montana.
8,773	2,541	20,654	.....	15,503	236,521	Wyoming.
14,500	3,654	35,632	.....	34,022	231,742	New Mexico.
34,320	19,451	89,376	.....	56,483	422,266	North Dakota.
17,932	6,543	17,623	.....	34,129	306,231	South Dakota.
52,115	33,231	68,939	55,000	76,301	1,355,182	Washington.
4,107	1,223	3,066	.....	13,935	207,099	Arizona.
117,977	65,958	469,469	20,000	271,789	12,354,842	California.
15,834	6,610	18,541	.....	21,266	112,666	Oklahoma.
16,148	3,645	8,965	.....	10,776	95,076	Indian Territory.
662,855	635,403	2,219,783	190,000	1,100,908	25,634,762	Total.
39,663,596	13,126,018	110,469,375	20,858,000	23,795,834	413,124,849	Grand total.

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CHANGES IN MONEY AND CURRENCY HOLDINGS OF NEW YORK CITY AND OTHER BANKS.

The frequent reference to the relative holdings of moneys by the banks of New York City and elsewhere has led to the preparation of tables bearing upon that subject, which will be found in the Appendix, on pages 569 to 583.

These tables show the different kinds of money held by the national banks of the United States, by geographical divisions, Western, Southern, and Eastern, as compared with the holdings of the national banks of New York City on the same dates, viz, May 7, 1896, and October 6, 1896; the holdings of specie by the New York City banks from February 28, 1890, to October 6, 1896, inclusive, and the amount of silver certificates held by the banks in the late spring and early winter of each year from 1890 to the present time as compared with amounts held on same dates by New York banks. By this last table is shown to some extent the inflow and outflow of the different kinds of money between New York and the different geographical sections of the country.

From the table showing specie held by the national banks of New York from February 28, 1890, to October 6, 1896, inclusive, it is noted that the holdings of gold have always been largely in excess of the amount of silver dollars, silver certificates, and fractional silver coin. It also appears that the holdings of gold Treasury certificates, with slight fluctuations, increased steadily from 1890 to March 1, 1892, but from that time to October 6, 1896, they rapidly decreased (except on February 28, 1894, at which time the financial stringency of 1893 had operated to increase the reserve in banks), owing to the fact that such certificates are no longer issued by the Treasury, until, on October 6, 1896, they amounted to only $8,997,540, as against $70,144,740 on March 1, 1892, and $52,481,770 on February 28, 1894. To offset this marked decrease caused by cessation of issue, the New York Clearing House, for its own convenience, first issued gold clearing-house certificates, and on May 4, 1894, the New York banks held such certificates to the amount of $26,100,000. The amount slightly decreased from that time until October 6, 1896, when it was $22,265,000. Gold coin, on the other hand, has increased since February 28, 1890, when it amounted to $9,007,097, until, on October 6, 1896, it amounted to $13,895,591.15, having fluctuated between those dates, reaching its highest point December 19, 1893, viz, $45,544,117.50.

Standard silver dollars decreased, with slight variations, from $267,449 on February 28, 1890, to $75,699 on October 6, 1896. Silver certificates also decreased from $4,224,685 on February 28, 1890, and $15,559,127 on February 28, 1894, to $3,835,775 on October 6, 1896. Fractional silver increased from $356,433.37 on February 28, 1890, to $492,252.37 on October 6, 1896.

The reports of specie held during this period by the banks of New York City show that, while slightly greater in volume than in 1890, the amount has steadily decreased since 1894, when the highest point was reached, to the present time, silver having increased and decreased in about the same ratio as other kinds of money held.

From the tables showing the different kinds of money held by national banks in the different sections of the country on May 7, 1896, and October 6, 1896, it will be seen that the total holdings had decreased between these two dates $11,500,000, of which $9,000,000 came from the New York City banks, and the balance from banks in the Eastern States.

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The holdings of banks in the Western States had increased $1,000,000 and in the Southern States $700,000. The balance of the withdrawals can be accounted for by the money hoarding on the part of the people, thus withdrawing a large amount from circulation.

MONETARY SYSTEMS AND STOCKS OF MONEY IN THE PRINCIPAL COUNTRIES OF THE WORLD.

Through the courtesy of the Director of the Mint, the Comptroller is enabled to present herewith statements exhibiting (1) the monetary systems, the population, and the approximate stocks of money in the principal countries of the world in 1896, and (2) the approximate stock of gold, silver, and uncovered money in the countries named in 1873 and 1896, and the changes which have occurred between those dates. From the first table it is noted that of the thirty-four countries seventeen are on a gold and silver basis, ten on a gold basis, and seven on a silver basis. The ratio between gold and full-tender silver ranges from 1 to 16½ in Mexico to 1 to 15 in India. The ratio between gold and limited-tender silver ranges from 1 to 15⅞ in Turkey to 12.9 in Russia. The aggregate stock of gold in the countries named is shown to be $4,143,700,000; the total stock of silver is $4,236,900,000, of which $3,616,700,000 is full tender and $620,200,000 limited tender. The amount of uncovered paper is $2,558,000,000. Over 77 per cent, or $3,191,800,000, of the stock of gold is held in five countries, namely: France, $772,000,000; Germany, $675,000,000; United States, $672,200,000; United Kingdom, $584,000,000, and Russia, $488,600,000. Seventy-seven per cent, or $3,272,600,000, of the stock of silver is held by the following-named countries: India, $950,000,000; China, $750,000,000; United States, $631,400,000; France, $492,200,000; Straits Settlements, $242,000,000, and Germany $207,000,000. There is no other country which has a stock of silver in excess of $100,000,000, except Siam, which has $193,300,000.

The South American States, Russia, United States, and Austria-Hungary have outstanding $1,646,100,000, or about 64 per cent of the uncovered paper money. The amount outstanding in each of these countries is as follows: South American States, $550,000,000; Russia, $467,200,000; United States, $424,400,000; Austria-Hungary, $204,500,000.

The second table is of special interest as showing not only the amount of the various kinds of money in each country and in the aggregate in 1873 and 1896, but also the changes between those dates. Information is shown with respect to 13 countries. The amount of gold held by them in 1873 was $1,209,800,000 and in 1896 $3,698,700,000, a net increase of $2,488,900,000. It is noticeable that there has been an increase in every country named, with the exception of Norway, in which the reduction has been slight, namely, $100,000.

The stock of silver has increased from $1,057,700,000 in 1873 to $1,732,300,000 in 1896, a net increase of $674,600,000. The only countries which show a reduction in the amount of stock of silver are France, $7,800,000; Germany, $99,200,000; and Denmark, $2,100,000.

The amount of uncovered paper has decreased from $2,322,500,000 in 1873 to $1,713,900,000 in 1896, a net decrease of $608,600,000. The following countries show an increase: Great Britain, $52,000,000; Germany, $35,300,000; Italy, $80,700,000; Belgium, $37,400,000; Netherlands, $17,200,000; and Norway, $1,500,000. It is noted that Australasia had no uncovered paper money outstanding at either date,

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and that Sweden, which had in 1873 $6,000,000 outstanding, has none in 1896. While there has been a material decrease in the amount of uncovered paper outstanding, the net increase of all kinds of money was $2,554,900,000.

The information, as shown by these tables, with respect to the various kinds of money in the United States on the dates named is of special interest. In 1873, the stock of gold amounted to about $135,000,000, and in 1896, to $672,200,000; silver increased from $6,200,000 to $631,400,000, of which $555,600,000 is full tender, and $75,800,000 limited tender. The amount of uncovered paper has decreased from $749,400,000 to $424,400,000, but the aggregate money supply has increased $837,400,000. The supply has more than kept place with the growth of population, for while the gain of population since 1870 has been 85.2 per cent, the increase of the stock of money has been 94 per cent.

The table exhibiting the monetary systems is herewith given.

MONETARY SYSTEMS, POPULATION, AND APPROXIMATE STOCKS OF MONEY IN THE AGGREGATE IN THE PRINCIPAL COUNTRIES OF THE WORLD IN 1896.

Country.	Monetary system.*	Ratio between gold and full legal-tender silver.	Ratio between gold and limited-tender silver.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.
						Full tender.	Limited tender.	Total.	
		1 to —	*1 to —*	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*
United States *a*	G. and s.	15.98	14.95	71.9	672.2	555.6	75.8	631.4	424.4
United Kingdom	G		14.28	39.3	*c* 584		*c* 121.7	121.7	*c* 111.8
France	G. and s.	15½	14.38	38.4	*c* 772	*c* 434.3	*c* 57.9	492.2	*c* 98
Germany	G		13.957	52.3	*b* 675	*b* 92	*b* 115	207	*c* 126.1
Belgium	G. and s.	15½	14.38	6.3	*b* 50	*b* 50	*b* 7	57	*c* 72.5
Italy	do	15½	14.38	30.9	*c* 100.4	*c* 12.5	*c* 26.5	39	*c* 168.5
Switzerland	do	15½	14.38	3	*c* 16		*c* 2.1	2.1	*c* 14.3
Greece	do	15½	14.38	2.2	*b* .5	*b* .5	*b* 1	1.5	*c* 14.2
Spain	do	15½	14.38	18	*c* 38.6		*c* 49.3	49.3	*c* 103
Portugal	G		14.08	5.1	*c* 5.1		*c* 7.4	7.4	*c* 59.7
Roumania	G. and s.			5.4	*c* 38.6		*c* 10.6	10.6	*c* 11.8
Servia	do			2.3	*c* 1.5		*c* 1.7	1.7	*c* 3
Austria-Hungary	G		13.69	44.5	*c* 167.2	*c* 25	*c* 40	65	*c* 204.5
Netherlands	G. and s.	15⅝	15	4.8	*c* 26.8	*c* 52.9	*c* 3.3	56.2	*c* 32.5
Norway	G		14.88	2	*c* 7.5		*c* 2	2	*c* 3.8
Sweden	do		14.88	4.8	*c* 8.5		*c* 4.9	4.9	
Denmark	do		14.88	2.3	*c* 16.5		*c* 5.4	5.4	*c* 4.6
Russia	S	15½	12.90	126	*c* 488.6	*c* 3.5	*b* 40	43.5	*c* 467.2
Turkey	G. and s.	15⅞	15⅞	22	*b* 50	*b* 30	*d* 10	40	
Australasia	G		14.28	4.9	*b* 130		*b* 7	7	
Egypt	do		15.68	7	*d* 129.3		*d* 5.2	5.2	
Mexico	S	16½		12.6	*b* 5	*c* 97		97	*c* 4
Central American States	do	15½		5.6	*b* .5	*c* 12		12	*c* 8
South American States	do *e*	15½		36	*b* 40	*b* 35		35	*b* 550
Japan *f*	G. and s.	16.18		44	*c* 79.5	*c* 69.2	*c* 18.5	87.7	
India	do	15		296		*h* 950		950	*i* 37
China	S			360		*b* 750		750	
Straits Settlements	do			*g* 3.8		*d* 240	*d* 2	242	
Canada	G		14.28	5.8	*c* 16	*c* 5	*c* 1	6	*c* 35
Cuba	G. and s.	15½		1.8	*b* 15	*b* 1.5		1.5	
Haiti	do	15½		1	*c* 4	*c* 3	*b* 1.5	4.5	*c* 4.1
Bulgaria	do	15½	14.38	3.3	*b* .8	*b* 3.4	*b* 3.4	6.8	
Siam	S			5	*c* .6	*c* 193.3		193.3	
Hawaii	G. and s.	15.98	14.95	.1	*c* 4	*c* 1		1	
Total					4,143.7	3,616.7	620.2	4,236.9	2,558

* G. (gold) S. (silver).

a November 1, 1896; all other countries January 1, 1896.

b Estimate Bureau of the Mint.

c Information furnished through United States representatives.

d Haupt.

e Except Venezuela, and Chile.

f Actually the silver standard.

g Includes Aden and Perim, Ceylon, Hongkong, Labuan, and Straits Settlements.

h F. C. Harrison.

i Indian Currency Committee Report.

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The stock of money and the changes in the amounts, 1873 and 1896, appear in the following table:

APPROXIMATE STOCK OF GOLD, SILVER, AND UNCOVERED PAPER MONEY IN THE PRINCIPAL COUNTRIES OF THE WORLD IN 1873 AND 1896 AND CHANGES BETWEEN THESE DATES.

Country.	Gold.			Silver.			Uncovered paper.		
	1873.	1896.	Increase.	1873.	1896.	Increase.	1873.	1896.	Increase.
	Millions.	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*
United States	$135	$672.2	$537.2	$6.2	$631.4	$625.2	$749.4	$424.4	**$325**
Great Britain	160	584	424	95	121.7	26.7	59.8	111.8	52
France	450	772	322	500	492.2	**7.8**	385.3	98	**287.3**
Germany	160.2	675	514.8	306.2	207	**99.2**	90.8	126.1	35.3
Russia	149.1	488.6	339.5	18.6	43.5	24.9	618.4	467.2	**151.2**
Italy	20	100.4	80.4	23	39	16	87.8	168.5	80.7
Belgium	25	50	25	15	57	42	35.1	72.5	37.4
Netherlands	12	26.8	14.8	37.3	56.2	18.9	15.3	32.5	17.2
Austria-Hungary	35	167.2	132.2	40	65	25	265.8	204.5	**61.3**
Australasia	50	130	80	3	7	4	.....	.....	.....
Denmark	4.1	16.5	12.4	7.5	5.4	**2.1**	6.5	4.6	**1.9**
Sweden	1.8	8.5	6.7	4.3	4.9	.6	6	.....	**6**
Norway	7.6	7.5	**.1**	1.6	2	.4	2.3	3.8	1.5
Total	1,209.8	3,698.7	*2,488.9	1,057.7	1,732.3	*674.6	2,322.5	1,713.9	†**608.6**

* Net increase. † Net decrease.

Figures in bold-faced type signify decrease.

VALUE TO THE PUBLIC OF BANKS AND GROWTH IN NUMBER AND DEPOSITS.

The use of substitutes for money by the public in making payments has resulted from the improved facilities of exchange, brought about by the employment of better methods of banking and the increased deposits gained through the growth in the number of banks. In previous reports from the Comptroller's Office attention has been called to the advantage thereby gained to the general public, but in more than one instance and from more than one section general and sweeping denunciation is made of the whole system. The great body of the people, however, can not but know that since the inauguration of the national banking system there has been a direct and immense money saving to all classes.

It is unnecessary to enter into a detailed discussion of the question, but in a general way it may be stated that this bettered condition has been seen in the saving in heavy discounts on the bank currency prevalent before 1863; the saving in the rates of interest on loans and discounts; the saving in making of exchange, and the saving to customers in charges for making collections. If the subject could be freed from all connection with politics and never enter as an issue into a political campaign all would readily admit these things and insist upon the benefits being enlarged instead of restricted. It is worthy of notice that despite political opposition all sections of the country show a greater public demand for their establishment and a larger use of the agencies which they afford in transacting the daily affairs of life. This statement is best illustrated by the following table, compiled from as accurate statistics as can be obtained, and while the total number of banks set forth together with the total amount of deposits fall short of the actual number and amount, owing to the failure to receive reports from all banks, the figures as given indicate that the increase has been proportionate to the increase in the country's population:

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NUMBER OF NATIONAL AND OTHER BANKS AND THEIR DEPOSITS, IN EACH GEOGRAPHICAL DIVISION, IN THE YEARS 1863, 1870, 1880, 1890, AND 1896.

1863.

Section.	Number.	Deposits.
New England States	892	$173,068,994
Eastern States	587	370,302,227
Southern States	64	14,612,189
Western States	282	28,429,538
Total	1,825	586,412,948

1870.

New England States	.....	$354,027,716
Eastern States	.....	660,382,031
Southern States	.....	17,035,869
Western States	.....	89,168,940
Pacific States and Territories	.....	38,708,768
Total	*2,494	1,159,323,324

1880.

New England States	1,086	$546,242,620
Eastern States	1,957	1,093,842,729
Southern States	677	94,648,937
Western States	2,549	350,102,620
Pacific States and Territories	277	107,795,307
Total	6,546	2,192,632,213

1890.

New England States	1,104	$946,149,713
Eastern States	1,463	1,843,854,667
Southern States	1,073	226,108,277
Western States	4,022	818,096,894
Pacific States and Territories	728	281,806,400
Total	8,390	4,116,015,951

1896.

New England States	1,141	$1,183,448,229
Eastern States	1,682	2,260,500,294
Southern States	1,259	220,416,947
Western States	4,730	930,916,128
Pacific States and Territories	644	279,320,377
Total	9,456	4,874,601,975

* The figures for 1870 include State bank reports for 1873, no figures for 1870 being obtainable. The number of banks other than national in each geographical division is not shown in the reports from which the statement of number of banks and deposits was taken.

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CHANGES IN CLEARING-HOUSE RETURNS.

Upon the same lines have been the changes in the transactions of the clearing houses during the same periods. The early reports of the Comptrollers do not contain information with respect to the operations of any except the clearing house of the city of New York. The clearings and balances for that association, which represent from 55 to 60 per cent of the aggregate clearings of all associations, for the respective years of 1863, 1870, 1880, 1890, and 1896, were as follows:

Year.	Clearings.	Balances.
1863	$14, 867, 597, 849	$677, 626, 483
1870	27, 804, 539, 406	1, 036, 484, 822
1880	37, 182, 128, 621	1, 516, 538, 631
1890	37, 660, 686, 572	1, 753, 040, 145
1896	29, 350, 894, 884	1, 843, 289, 239

The largely increased balances shown as between the years 1880 and 1890 and the year 1896, with a lessened total of clearings, are due to the disturbed monetary conditions characterizing the events of the past year. The general lack of confidence in the stability of business credit could not be better illustrated than by this marked difference, nor could the great and sudden fluctuations in the conditions of the banks be made more manifest.

The clearings for the whole country in 1884, when the statistics were first published in the Comptrollers' reports, were $47,387,408,275. In 1891 they amounted to $56,803,253,957, in 1895 to $50,872,674,108, and in 1896 to $51,977,799,114.

INSOLVENT NATIONAL BANKS, 1896.

The number of banks placed in the hands of receivers during the year was 27, located in 15 States, having an aggregate capital stock of $3,805,000 and circulation of $761,500, of which amount $132,608 has been destroyed and $628,892 is yet outstanding. Of these banks 4 were temporarily closed during the financial stringency of 1893 and subsequently resumed business. Their location and capital stock are shown in the following table:

Name of bank.	Location.	Capital.
First National Bank	Orlando, Fla	$85, 000
First National Bank	Helena, Mont	800, 000
Bellingham Bay National Bank	New Whatcom, Wash.	60, 000
Kittitas Valley National Bank	Ellensburg, Wash	60, 000

The banks which failed during the year are nine less in number than those which were placed in the hands of receivers in 1895, and $1,430,020 less in amount of capital stock, but the nominal assets and the ascertained liabilities are more, the former by $1,638,077 and the latter by $1,965,334.

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The following table sets forth in detail the names, location, capital stock, and condition of the assets of failed banks of the year at the time of the appointment of receivers therefor:

THE NATIONAL BANKS IN EACH STATE AND GEOGRAPHICAL DIVISION WHICH WERE PLACED IN THE HANDS OF RECEIVERS DURING THE YEAR ENDED OCTOBER 31, 1896, WITH THEIR CAPITAL, NOMINAL ASSETS, AND LIABILITIES AT DATE OF SUSPENSION.

Name and location of bank.	Capital.	Assets.				Liabilities.†
		Estimated good.	Estimated doubtful.	Estimated worthless.	Total.*	
Fort Stanwix National Bank, Rome, N. Y.	$150,000	$320,685	$140,493	$494,443	$955,621	$653,041
Yates County National Bank, Penn Yan, N. Y	50,000	58,065	52,842	104,475	215,382	154,525
First National Bank, Springville, N. Y.	50,000	21,210	195,413	54,112	270,735	185,448
Middle States	250,000	399,960	388,748	653,030	1,441,738	993,014
First National Bank, Bedford City, Va.	50,000	24,516	83,920	92,812	201,248	129,243
Chattahoochee National Bank, Columbus, Ga	100,000	107,360	57,812	162,437	327,609	190,557
First National Bank, Orlando, Fla	85,000	74,579	100,801	49,838	225,218	144,691
American National Bank, New Orleans, La	200,000	263,997	68,900	602,408	935,305	761,162
National Bank of Jefferson, Tex	100,000	84,267	156,697	54,323	295,287	172,947
Citizens' National Bank, San Angelo, Tex	100,000	15,982	48,428	100,613	165,023	57,822
City National Bank, Tyler, Tex	100,000	48,978	163,403	63,255	275,636	177,398
Southern States	735,000	619,679	679,961	1,125,686	2,425,326	1,633,820
Farmers' National Bank, Portsmouth, Ohio	250,000	110,639	505,367	111,445	727,451	349,057
First National Bank, Hillsboro, Ohio	100,000	261,906	41,295	74,835	378,036	258,945
First National Bank, Mount Pleasant, Mich	50,000	26,013	83,203	10,567	119,783	57,032
First National Bank, Ithaca, Mich	50,000	62,494	39,999	34,176	136,669	76,760
Sioux National Bank, Sioux City, Iowa	300,000	231,104	383,813	278,638	893,555	599,021
Grand Forks National Bank, Grand Forks, N. Dak	200,000	130,796	318,580	128,069	577,445	375,845
First National Bank, Minot, N. Dak	50,000	22,594	66,618	37,632	126,844	84,439
Humboldt First National Bank, Humboldt, Kans	60,000	17,852	62,428	36,614	116,894	46,877
Sumner National Bank, Wellington, Kans	100,000	15,130	55,734	84,808	155,672	61,621
First National Bank, Larned, Kans	50,000	36,712	56,673	12,781	106,166	47,193
German National Bank, Lincoln, Nebr.	100,000	22,438	135,894	23,861	182,193	82,703
Western States	1,310,000	937,678	1,749,604	833,426	3,520,708	2,039,493
American National Bank, Denver, Colo.	500,000	407,574	639,021	621,874	1,668,469	895,065
First National Bank, Helena, Mont	800,000	2,064,048	1,639,425	463,799	4,167,272	3,175,524
Bellingham Bay National Bank, New Whatcom, Wash	60,000	24,942	138,931	36,611	200,484	105,763
First National Bank, Cheney, Wash	50,000	15,932	56,890	2,463	75,285	19,632
Kittitas Valley National Bank, Ellenburg, Wash	50,000	9,197	47,826	48,138	105,161	54,125
Bennett National Bank, New Whatcom, Wash	50,000	26,090	90,725	24,162	140,977	84,890
Pacific States	1,510,000	2,547,783	2,612,818	1,197,047	6,357,648	4,334,999
United States	3,805,000	4,505,100	5,431,131	3,809,189	13,745,420	9,001,326

* Exclusive of United States bonds on deposit to secure circulation.
† Exclusive of capital, circulation, surplus, and undivided profits.

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The number, capital, assets, and liabilities of national banks, in each State, which failed during the past year are shown in the following table:

State.	Banks.	Assets.					Liabilities.
		Capital.	Estimated good.	Estimated doubtful.	Estimated worthless.	Total.	
New York	3	$250,000	$399,960	$388,748	$653,030	$1,441,738	$993,014
Virginia	1	50,000	24,516	83,920	92,812	201,248	129,243
Georgia	1	100,000	107,360	57,812	162,437	327,609	190,557
Florida	1	85,000	74,579	100,801	49,838	225,218	144,691
Louisiana	1	200,000	263,997	68,900	602,408	935,305	761,162
Texas	3	300,000	149,227	368,528	218,191	735,946	408,167
Ohio	2	350,000	372,545	546,662	186,280	1,105,487	608,002
Michigan	2	100,000	88,507	123,202	44,743	256,452	133,792
Iowa	1	300,000	231,104	383,813	278,638	893,555	599,021
North Dakota	2	250,000	153,390	385,198	165,701	704,289	460,284
Kansas	3	210,000	69,694	174,835	134,203	378,732	155,691
Nebraska	1	100,000	22,438	135,894	23,861	182,193	82,703
Colorado	1	500,000	407,574	639,021	621,874	1,668,469	895,065
Montana	1	800,000	2,064,048	1,639,425	463,799	4,167,272	3,175,524
Washington	4	210,000	76,161	334,372	111,374	521,907	264,410
Total	27	3,805,000	4,505,100	5,431,131	3,809,189	13,745,420	9,001,326

EXISTING BANKS, AND BANK FAILURES.

The number of national banks in existence on October 31, and of all other banks at date of latest returns prior thereto, with the number and per cent of failures of each class and of all, is shown in the following table:

Class.	Number of banks in existence Oct. 31, 1896.	Failures.	
		Number.	Per cent.
National banks	3,679	27	.73
State banks and trust companies	4,944	59	1.01
Savings banks	764	9	1.18
Private banks	3,552	42	1.18
Total	12,939	137	1.06

INSOLVENT NATIONAL BANKS FROM 1863 TO 1896.

From the date of the organization of the first national bank, in 1863, up to and including October 31, 1896, as shown by the table on page 515 of this report, 330 banks, or about 6½ per cent of all created, have failed. They are located by States as follows: In New York, 34; Kansas, 29; Washington, 22; Texas, 21; Pennsylvania, 20; Nebraska, 17; Illinois, 16; Ohio, Indiana, and Montana, 11 each; Missouri and Colorado, 9 each; Iowa and South Dakota, 8 each; Tennessee, Michigan, and North Dakota, 7 each; Virginia, Florida, and Alabama, 6 each; Oregon and California, 5 each; Vermont, Massachusetts, New Jersey, Georgia, Louisiana, Arkansas, and Minnesota, 4 each; New Hampshire, Connecticut, District of Columbia, North Carolina, Wisconsin, and New Mexico, 3 each; Mississippi and Wyoming, 2 each, and South Carolina, Kentucky, Nevada, Utah, and Oklahoma, 1 each, being an average of 10 failures a year.

Thirteen of the 330 associations placed in the hands of receivers as insolvent have been restored to solvency and resumed business, and one permitted to go into voluntary liquidation; the affairs of 154 have been finally closed, and of the remaining, 162 are still open, 32 of which, however, are on the inactive list.

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The total capital stock of all these failed national banks amounted to $55,775,920, circulation to $19,641,909, and the total claims proved against them to $98,322,170.

The receivers appointed to administer upon the assets of such associations reported $65,220,676 as good, $61,329,555 as doubtful, and $43,072,192 as worthless. The total assets aggregated $187,328,774. To this must be added the assessment upon shareholders, amounting to $29,067,070, making an aggregate total of assets and assessments of $216,395,844.

To the creditors of these insolvent associations has been paid in the form of dividends up to the present time the sum of $62,766,144; loans paid and other disbursements, $12,809,437; legal expenses, $2,628,365, and all other expenses, $4,631,801. The amount of offsets allowed and settled amount to $13,569,732, and the losses on assets compounded or sold under order of court aggregate $39,512,525. The nominal value of assets returned to shareholders was $4,902,023. There has been returned to shareholders in cash $1,117,384. The amount in the hands of the Comptroller undistributed is $1,854,798. The nominal value of unliquidated assets is $55,488,836, and the uncollected assessments on shareholders, $17,114,799.

The number of banks which failed during the last four years was 149, having a total capital of $22,745,020, nominal assets amounting to $65,534,381, and claims proved $25,594,603.

PERCENTAGE OF DIVIDENDS PAID BY FAILED NATIONAL BANKS.

The lowest percentage of dividend paid to the creditors of any failed national bank whose affairs are closed was that of fourteen and a fraction to the creditors of the Cook County National Bank, of Chicago, Ill., being No. 38 on the list of banks placed in the hands of receivers. The next lowest percentage of dividend was seventeen and a fraction, to the creditors of the Tennessee National Bank, of Memphis, constituting No. 5 on the list. The average percentage of dividends paid to creditors of insolvent national banks whose affairs are entirely closed is about 75 per cent. Of the total dividends paid to creditors of all the insolvent national banks from the beginning of the national banking system in 1863, amounting, as above stated, to $62,766,144, the sum of $2,451,959 was paid during the past year. The average percentage of all cost of conducting insolvent trusts to assets other than those collected has been 5.51.

The difficulties attendant upon the liquidation of the assets of failed banks during the past four years have arisen through many of such assets being of a character not to be reduced to money in a season of financial depression. Many indeed would be worthless under any financial condition. It is contemplated that real estate beyond an amount needed for banking purposes shall constitute no part of a bank's assets, and yet under the plea of having acquired it for a debt previously contracted, many failed banks are found to have a great amount of it, either wholly unsalable or salable only at a very great sacrifice. The weakness of banks holding assets of this character has been developed during these years, and in consequence a large number of them have passed into the hands of receivers to be dealt with according to law.

CAUSES OF FAILURE OF NATIONAL BANKS AND DUTY OF DIRECTORS.

A careful examination has been made into the causes of failures of national banks and the number failing from each cause, from 1863 to 1896, with the following result:

Three have resulted from defalcation of officers; 22 from defalcation of

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officers and fraudulent management; 1 from defalcation of officers and excessive loans to others; 2 from defalcation of officers and depreciation of securities; 13 from depreciation of securities; 19 from excessive loans to others, injudicious banking, and depreciation of securities; 18 from excessive loans to officers and directors, and depreciation of securities; 6 from excessive loans to officers and directors, and investments in real estate and mortgages; 3 from excessive loans to others, and depreciation of securities; 4 from excessive loans to others, and investments in real estate and mortgages; 1 from excessive loans and failure of large debtors; 4 from excessive loans to officers and directors; 4 from failure of large debtors; 8 from fraudulent management; 15 from fraudulent management, excessive loans to officers and directors, and depreciation of securities; 12 from fraudulent management and depreciation of securities; 24 from fraudulent management and injudicious banking; 8 from fraudulent management, defalcation of officers, and depreciation of securities; 5 from fraudulent management, injudicious banking, investments in real estate and mortgages, and depreciation of securities; 9 from fraudulent management, excessive loans to officers and directors, and excessive loans to others; 19 from injudicious banking; 54 from injudicious banking and depreciation of securities; 12 from injudicious banking and failure of large debtors; 13 from investments in real estate and mortgages and depreciation of securities; 43 from general stringency of the money market, shrinkage in values, and imprudent methods of banking; and 8 were wrecked by the cashiers.

The inevitable conclusion to be drawn from a study of the causes resulting in these failures is that in the great majority of instances those directly responsible for the management of the banks involved, both directors and executive officers, have been negligent of their duties and wanting in insisting upon the employment of methods of ordinary safety and prudence. It follows that every bank failure has caused more or less loss to creditors and shareholders and subjected those connected with these institutions to criticism. The relation which the Comptroller's office bears to the banks and its method of examinations have been so much a matter of public discussion that it seems wise at this time to call the attention of both Congress and the public to these relations and the duties which it is believed rest directly upon and should be discharged by those whose oaths make it obligatory on them to conserve the interests of the bank.

The duties resting upon directors are not in contemplation of law merely formal ones, to be met in a formal manner only. It is expected that they shall be thoroughly conversant, both in general and in detail, with the manner of the conduct of institutions with which connected and the methods employed. Bank directors should know whether the best bookkeeping methods are used in their banks, whether precautionary measures in the verifying of entries upon ledgers and pass books are taken, and whether employees from president to bookkeeper are engaged in speculative enterprises and employing the bank's funds, thus endangering the safety of those trusting the bank. The character of the internal management necessarily makes the institution a safe or an unsafe one. In so far as the Comptroller is concerned, nothing more can be done in this regard than to suggest changes for the better, and by examinations made under his direction ascertain whether or not the capital stock of the bank is impaired either through the taking of worthless paper, overextending credit, or through defalcations. These examinations are made but twice a year, and are in no wise designed to relieve the directors from their responsibility in the premises. It is often assumed that they do, but the assumption is erroneous.

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They but emphasize the necessity of examinations and the duty of directors to make them. The Comptroller, through his examiners, inspects the paper of a bank only after it has been taken. The executive officers and directors should know of its character before it is taken.

The Comptroller can not detail who in the bank shall verify the entries made upon ledgers and pass books of depositors. He can only suggest the wisdom of having another than the one who makes such entries verify them. The frequent changing of bookkeepers from desk to desk and the calling in of pass books at frequent intervals are suggestions sent from this office, but the carrying into effect of them falls upon those who at all times have to do with the active management of the bank. If directors delegate the powers they alone should discharge to the executive officers, the executive officers are apt to delegate them to others, and a condition is reached which, if it does not bring about scandal, results in loss. The security of the bank depositor is certain to be maintained if bank officers and directors cooperate with the supervising officers and insist that both the spirit and the letter of the bank act be carried out. It can never be made absolutely sure, however, if the examining is all done by the governmental officers and none by the directors. Examinations by both, thorough and complete, are essential, and the depositor has a right to demand of the latter as much attention to official duty and official oath as of the former. He is entitled to the very best service of both.

HISTORY OF STATE BANK FAILURES PRIOR TO 1863.

The recent discussion of many questions connected with banking and currency and the probability of still further discussion have made it seem advisable to collect as much data as possible covering the experience of the American people in dealing with banks and methods of banking. It is safe to say that at some time in the history of this country nearly every theory evolved in connection with the business of banking has been tried and its development attempted. It is equally true that at all times in the country's history, in all sections of it, and among all classes false principles of monetary science and bad practices in finance have without exception resulted disastrously to all concerned. A complete history of these experiments, carefully compiled, would furnish a thoughtful field for study on the part of the practical banker, as well as the political economist. If it did not free the country wholly from erroneous notions of banking and finance, it would certainly tend to lessen them.

It is to be regretted that more satisfactory statistics on the subject of early bank failures are not to be obtained. The general history is known, but the specific items of loss in many instances are entirely wanting. At the best, it is but fragmentary. While it is probable that the historical facts here collected are far from complete, they can not but be of some benefit, and with that end in view they are made a part of this report as proper information to be submitted to Congress. They make more complete the history of failed banks in the United States, and added to such as follow, concerning the history of failures from 1863 to the present time, State and national, give material value to the whole record.

The laws of the several States have permitted the widest latitude, but with records so incomplete much of their value is lost, as it is impossible to draw comparisons which can be considered reliable. The great value of public information regarding the banks of the country was early appreciated. During the war of 1812 and the period imme-

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diately following, the suspension of specie payments by most of the banks and the unsatisfactory condition of their circulation drew special attention to their importance as factors in conducting the fiscal operations of the Government and of the communities where located. On March 1, 1819, the House of Representatives passed a resolution directing—

The Secretary of the Treasury to transmit to Congress at an early period in the next session a general statement of the condition of the Bank of the United States and its offices, similar to the return made to him by the bank; and a statement exhibiting as nearly as may be practicable the amount of capital invested in the different chartered banks in the several States and the District of Columbia, the amount of notes issued by those banks and in circulation, the public and private deposits in them, the amount of loans and discount made by them and remaining unpaid, and the total quantity of specie they possess; and also to report such measures as, in his opinion, may be expedient to procure and retain a sufficient quantity of gold and silver coin in the United States, or to supply a circulating medium in place of specie, adapted to the exigencies of the country and within the power of the Government.

On February 12, 1820, the then Secretary of the Treasury, Hon. William H. Crawford, presented his report, which shows the condition of the Bank of the United States in September, 1819, to be as follows:

RESOURCES.

Funded debt of the United States (various)		$7,252,501.34
Bills discounted, viz:		
On personal security	$21,226,128.56	
On personal security and funded debt	229,024.00	
On personal security and bank stock, etc	7,937,515.83	
		29,392,668.39
Bills of exchange, viz:		
Foreign	138,470.66	
Domestic	1,375,087.86	
		1,513,558.52
Baring Brothers & Co., for bills in favor of J. Richards		94,864.37
Offices of discount and deposit		32,267,712.09
State banks		2,964,860.65
Real estate, permanent expenses, and bonus		780,992.59
Expenses		79,936.61
Cash, viz:		
Deficient at Baltimore	$113,451.74	
Notes of the Bank of the United States and branches	10,582,147.09	
Notes of State banks	1,133,923.86	
Specie	3,254,479.91	
		15,117,005.60
Total		89,464,100.16

LIABILITIES.

Capital stock		34,973,828.63
Bank, branch, and post notes		14,392,258.49
Dividends unclaimed		33,814.60
Discount, exchange, and interest		465,088.28
Profit and loss		1,104,932.94
Due the Bank of the United States and offices of discount and deposit		32,101,135.24
Due State banks		675,818.30
Due Baring Brothers & Co., and Thomas Wilson & Co		142,040.03
Premium and damages on bills purchased on account of Baring Brothers & Co		43,410.20
Bills of exchange received of S. Smith & Buchanan		37,355.55
Deposits, viz:		
On account of the Treasurer of the United States	$1,097,163.33	
On account of public offices	1,765,800.81	
On account of individuals	2,631,453.76	
		5,494,417.90
Total		89,464,100.16

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The condition of the other banks in the United States, in the year 1819, is shown in the following tables:

RESOURCES.

State.	Loans and discounts.	Due from other banks.	Specie.	United States stocks.	Other stocks, etc.	Real estate.
Maine	$2,512,716	$251,730	$339,749	.....	$6,294	$90,780
Massachusetts	12,928,188	1,461,303	901,700	$128,844	48,498	421,320
New Hampshire	1,446,089	129,587	153,831	.....	.....	51,112
Vermont	77,326	135,269	49,690	.....	14,714	.....
Rhode Island	3,269,044	288,256	406,307	131,660	91,539	137,474
Connecticut	496,453	52,628	44,645	.....	88,040	10,928
New Jersey	291,405	53,780	21,413	109,600	40,125	2,200
Pennsylvania	13,183,861	1,208,828	1,061,067	411,676	405,631	351,537
Delaware	1.509,999	120,500	115,502	1,285	75,920	91,684
Maryland	127,579	10,835	21,030	.....	.....	2,925
District of Columbia	6,823,374	749,269	265,234	100,443	635,931	301,970
Virginia	7,326,777	250,988	993,672	.....	87,302	330,965
North Carolina	6,355,928	506,328	705,582	.....	152,093	190,620
South Carolina	2,165,639	63,832	245,487	622,811	75,399	76,341
Georgia	1,175,397	136,325	346,445	.....	.....	11,700
Alabama	858,729	353,033	192,708	.....	60,688	4,675
Tennessee	2,214,729	218,660	343,884	.....	18,905	40,423
Kentucky	5,859,262	243,737	693,381	.....	150,610	6,367
Ohio	2,779,314	422,269	433,612	.....	294,765	92,999
Indiana	300,278	395,932	86,350	.....	25,000	2,656
Illinois	206,694	59,332	74,715	.....	6,614	175
Missouri	456.946	447,941	252,583	.....	.....	11,667
Mississippi	1,257,859	56,361	79,608	.....	.....	32,338
	73,623,595	7,616,252	7,828,745	1,516,320	2,278,075	2,262,923
New York	(*)	(*)	2,000,000	(*)	(*)	(*)
			9,828,745			

* Not stated.

LIABILITIES.

State.	Capital paid in.	Notes in circulation.	Deposits.		Due other banks.	Undivided profits.
			Public.	Private.		
Maine	$1,536,666	$1,336,783	$34,609	$253,582	.....	$39,629
Massachusetts	10,475,116	2,474,107	106,341	2,510,194	$4,860	319,134
New Hampshire	1,005,276	589,114	.....	117,441	.....	68,789
Vermont	44,955	185,342	.....	46,121	.....	581
Rhode Island	2,982,026	738,192	38,857	464,654	953	100,059
Connecticut	467,937	138,234	22,348	53,431	1,748	9,116
New Jersey	214,740	110,624	25,417	127,186	15,772	24,784
Pennsylvania	8,595,788	3,919,894	37,322	2,880,928	1,009,565	279,192
Delaware	974,900	405,972	.....	211,454	177,237	145,326
Maryland	86,290	44,435	.....	27,153	1,727	2,763
District of Columbia	5,525,319	838,030	980,510	464,393	765,510	302,460
Virginia	5,212,192	2,733,745	37,396	844,659	88,931	72,780
North Carolina	2,964,887	3,851,919	.....	635,761	142,568	315,476
South Carolina	1,800,000	788,200	.....	377,163	6,047	278,102
Georgia	600,000	705,203	1,165	202,481	109,215	51,801
Alabama	321,112	166,636	888,138	70,243	.....	23,653
Tennessee	1,545,867	898,129	17,003	262,866	29,884	82,253
Kentucky	4,307,431	1,403,404	.....	1,095,653	1,752	205,117
Ohio	1,697,463	1,203,869	191,454	262,999	578,891	88,283
Indiana	202,857	276,288	191,484	25,264	104,737	9,586
Illinois	140,910	52,021	119,036	32,568	.....	2,994
Missouri	250,000	135,258	700,679	72.973	.....	10,207
Mississippi	900,000	275,447	.....	212,980	.....	37,740
	51,851,737	23,270,903	3,391,766	11,192,155	3,039,403	2,469,836
New York	20,488,933	12,500,000	(*)	(*)	(*)	(*)
	72,340,770	35,770,903				

* Not stated.

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In further pursuance of the attempt to obtain information on the subject the House of Representatives, on July 10, 1832, adopted the following:

Resolved, That the Secretary of the Treasury be directed to lay before the House at the next and each successive session of Congress copies of such statements or returns, showing the capital, circulation, discounts, specie, deposits, and condition of the different State banks and banking companies as may have been communicated to the legislatures, governors, or other officers of the several States within the year and made public, and where such statements can not be obtained, such other information as will best supply the deficiency.

In accordance with this resolution, reports were made for the year 1833, from 1835 to 1841, 1846 to 1848, 1850, 1852 to 1859, and from 1861 to 1863. These reports, though of interest in showing the general condition of the banks, are wanting in details which would be of value.

In 1873 the Comptroller of the Currency was charged with the preparation of an annual report on the condition of the banks and banking companies of the several States and Territories. These returns have been given in the reports of this office since that time. While it has been difficult to collect the statistics for going banks of this class, the information concerning the failed banks has been almost unobtainable. In nearly all the States the affairs of insolvent banks are administered by trustees or receivers appointed by the courts, the same as for other insolvent institutions. These receivers make special reports as called for by the appointing court, and a final report when their accounts are settled and they are discharged. Such reports are prepared in various ways, and frequently do not contain detailed information. They are usually filed with the clerk of the court, and from that time are, without special efforts, inaccessible.

With renewed agitation of the subject the Senate again adopted a resolution on July 26, 1892, calling upon the Secretary of the Treasury for information concerning State banks, and directed a report on "the number and names of State banks, banking institutions, or savings banks that have suspended or failed since 1830, and the loss severally of stockholders, note holders, and other creditors of said banks." The response to this resolution was almost entirely confined to information contained in reports to this office. In 1875 the then Comptroller of the Currency, the Hon. John Jay Knox, made an exhaustive effort to secure statistics of failed State banks, and the same appeared in the reports made by him. Further attention was given to the affairs of such banks in the Comptrollers' reports for 1876, 1878, 1879, 1891, 1892, and 1895.

The period prior to the establishment of the national-banking system may be divided into that which pertains to colonial history, and from the Revolutionary war to 1863. It is stated that the first private bank in America was established in 1686, in Massachusetts, while its organizers were "persons of estate and known integrity and reputation." It is reported to have been a failure, resulting in loss to those interested. During the colonial period a number of other banks were established in different colonies, for the purpose of providing currency with which to transact the daily business of the people, but sooner or later the circulating notes of a majority of these institutions were at a discount, and they resulted in loss to creditors and note holders.

Several of the colonies also engaged in the business of loaning money, or, more properly, circulating notes, on real estate or other security, always, however, with certainty, as has been aptly said, "the more the issues the greater the depreciation of the notes." Massachusetts, Rhode Island, Pennsylvania, New Jersey, South Carolina, and Georgia

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participated in this plan of attempting to relieve the business necessities of their citizens; and while at the outset, owing to the great scarcity of metallic money in circulation during this period, the currency of the banks, together with notes of private individuals, were forced into general use and temporary aid furnished, the general effect of the experiment could not from any point of view be considered as a successful one.

From the close of the Revolutionary war to 1863 the amount of circulation issued by the banks varied largely. During the entire period, with now and then a brief interval, the notes, with the exception of those of the banks of New England and a few others, were continually at a discount. Losses to note holders, other creditors, and stockholders were extremely large. The first Bank of the United States did not result in any loss, but its successor, failing to secure a renewal of its charter from Congress, after continuing in business under an act of the legislature of Pennsylvania until 1841, did. At the closing of its affairs in 1856 it appears that the creditors had been paid in full, but the stock investment of $28,000,000 was a total loss.

In 1782 the first State bank in Massachusetts was authorized. From 1805 to 1810 the bank notes in the State were depreciated and very unstable in value, and a number of the banks failed. In 1814 nearly all of the banks outside of New England were compelled to suspend specie payments, and most of them were either closed or continued with great loss to their creditors. In 1829 the Farmers' Bank of Belchertown suspended, with a capital of $100,000; the Sutton Bank, with a capital of $100,000, and the Brighton Bank, with a capital of $150,000, failed. In 1836 the Nahant Bank of Lynn, with a circulation of $242,965, failed. From 1837 to 1840 the Chelsea, the Kilby, Middling, Interest, La Fayette, Franklin, Commonwealth, Middlesex of Cambridge, American, Commercial, Fulton, and Hancock banks failed.

It is claimed that during the period from 1837 to 1844 32 banks suspended, the circulation of which was redeemed, with the exception of the Roxbury Bank; but as the circulating notes were a first lien upon their assets, it is probable, from the information at hand, that other creditors, as well as stockholders, lost their entire interests.

From 1844 to 1855 only two banks failed; in 1857 one more was added, but it is understood that the circulating notes of these three were redeemed in full. The total failures in Massachusetts during the whole period was 52.

The first State bank organized in Rhode Island was in 1791. In 1809 the Farmers' Exchange Bank of Gloucester failed, with a circulation of $580,000 and assets of but $86.46; in 1829 the Farmers and Mechanics' Bank of Pawtucket failed. No loss was sustained because of its circulating notes. In 1832 the Burrillville Bank failed, with a circulation of $49,000, which was finally redeemed without interest. The other creditors and the shareholders received nothing. In 1836 the Scituate Bank failed, but redeemed its circulation in full, and thereafter reopened. In 1843 the Rhode Island Agricultural Bank failed, and a part of its circulating notes was finally redeemed. In 1857 five banks failed, and in 1858 three others, some of which redeemed their circulation in full, while others defaulted. The total failed banks in Rhode Island was 13.

In 1792 the first State bank was organized in Connecticut. In 1825 the Eagle Bank failed, with a circulation of $1,163,237, and assets estimated at the time of failure to be worth $300,000. The result was a large loss to note holders. The Derby Bank also failed, with a circulation of $80,000, entailing almost a total loss.

In 1799 the first bank was organized in Maine. By 1829 the Castine,

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the Hallowell, and Augusta banks, with a total circulation of $460,000, failed. Before this time the Wiscasset, the Kennebec, and the Passamaquoddy banks had also failed. A large amount of the circulation of these banks was a total loss to note holders. From 1837 to 1839 the Globe Bank, the Washington County Bank, the Frankfort Bank, the Stillwater Canal Bank, and the Bank of Oldtown failed, with heavy losses except to note holders. Eleven other banks failed prior to 1854, of which it is stated the circulation was redeemed in full. In that year the Shipbuilders' Bank and the Canton Bank failed, with heavy losses to the holders of their notes. In 1855 the Mousam River Bank and the Grocers' Bank failed. Most of the circulation of these two banks was redeemed. In 1856 one other bank failed, and in 1857 five others, but their circulation was largely redeemed. The total failed banks in Maine during this period was 37.

The Sanford Bank, which failed in 1861, up to January 1, 1863, had only paid a small amount of its circulation; the Norombega Bank of Bangor had redeemed its circulation, but no information is given as to other liabilities; the Atlantic Bank, which failed in February, 1860, had redeemed its circulation, but no other information is given; the Mariners' Bank of Wiscasset had redeemed its circulation, and had remaining some real estate, the proceeds of which could be applied to the payment of other creditors.

The first State bank was organized in New Hampshire in 1792. By 1809 the Cheshire, the Hillsboro, and the Coos banks had failed, with heavy losses on circulation. Between 1839 and 1845 the Concord Bank failed, with a circulation of $88,000 and deposits of $70,000; the Wolfboro Bank, with a circulation of $38,000, and the Lancaster Bank, with a circulation of $48,000, also failed. But a small amount of the circulating notes and no other claims were paid by these banks. During this period 8 other banks failed, some of which redeemed their circulation in full. The total of failures in New Hampshire during the period was 14.

In 1862 the bank officials of New Hampshire reported that the Weare Bank, which had suspended at Hampton Falls, with a capital of $50,000, and with assets amounting to $104,341, from which it had collected about $44,000, had nearly redeemed its circulation. The Exeter Bank, which failed in 1860, was reported to have been nearly liquidated.

In 1806 the first bank was organized in the State of Vermont. It was an institution the capital of which was supplied by the State. In 1812 it failed, causing a loss of over $200,000 to the State, but the note holders and other creditors were paid in full when its affairs were finally closed in 1845. In 1839 the Essex Bank failed, with a circulation of $66,262 and deposits of $3,798. But a small portion of the circulation was paid from the assets of this bank. In 1862 the Black River Savings Bank had paid final dividends amounting to 65.82 per cent on its liabilities, while the affairs of the Middleburry Savings Bank were nearly closed, but with almost a total loss to creditors.

In the State of New York the first bank chartered was in 1791. In the years before 1831 the following banks had failed: In 1819, Bank of Niagara, capital $400,000; 1820, Bank of Hudson, capital $300,000; 1825, Bank of Washington and Warren, capital $400,000; Bank of Plattsburg, capital $300,000; 1827, Aqueduct Association, capital $90,000; 1829, Bank of Columbia, capital $160,000; Middle District Bank, capital $500,000; 1830, Franklin Bank, capital $500,000. While capital stock of these banks is given, no information is at hand as to the amounts which were finally paid to their creditors.

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The failed banks whose liabilities were secured by the safety fund system are as follows:

Bank of Buffalo, capital $200,000, circulation $111,234; Commercial Bank of Buffalo, capital $400,000, circulation $174,782; City Bank of Buffalo, capital $400,000, circulation $127,845; the Wayne County Bank, capital $100,000; Commercial Bank of New York, capital $500,000; Commercial Bank of Oswego, capital $250,000; Watervliet Bank, capital $250,000; Clinton County Bank, capital $200,000; Lafayette Bank, capital $500,000; Bank of Lyons, capital $200,000; Bank of Oswego capital $150,000. All the liabilities, including circulation of the above banks, were paid in full from the safety-fund deposit. The liabilities of the banks amounted to $3,000,000, but only $138,277 was realized from their assets.

Subsequent failures were: The Canal Bank of Albany, with a capital of $300,000, circulation, $185,531. Lewis County Bank, capital, $100,000, circulation, $150,000, with no other liabilities. Yates County Bank, capital, $100,000, circulation, $148,958. Bank of Orleans, capital, $200,000, circulation, $200,000. The Canal Bank paid no creditors except note holders. The Yates County Bank and the Bank of Orleans paid the largest part of the note holders. The failure of the Lewis County Bank was complete.

Under the free-banking system, inaugurated in 1838, there were 57 failures, which resulted as follows, viz:

Name of bank.	Circulation outstanding.	Rate paid.
Tenth Ward Bank	$11,303	94
Bank of Tonawanda	15,485	68
Millers' Bank of Clyde	137,380	94
	45,090	Par.
Farmers' Bank of Seneca County	27,343	74
	22,234	Par.
City Trust and Banking Company	1,200	Par.
Chelsea Bank	695	25
Allegany County Bank	23,346	50
	3,051	36
Bank of America, Buffalo	69,920	76
	6,980	78
Bank of Commerce, Buffalo	65,025	76
Bank of Lodi	31,766	97
	8,846	83
Bank of Olean	50,124	74
	3 224	87
Bank of Western New York	74,393	75
Binghamton Bank	16,325	74
	8,960	79
Cattaraugus County Bank	53,019	77
	6,181	85
Erie County Bank	37,413	60
	19,720	72
Mechanics' Bank, Buffalo	94,396	63
Merchants' Exchange Bank	66,235	65
	47,760	81
Phœnix Bank, Buffalo	27,490	73
Staten Island Bank	19,702	56
St. Lawrence Bank	40,475	50
	19,499	32
Union Bank, Buffalo	46,150	81
United States Bank, Buffalo	41,627	77
Washington Bank, Buffalo	19,235	Par.
New York Banking Company	11,240	42
State Bank of New York, Buffalo	2,890	30
Farmers' Bank of Orleans	24,825	Par.
Clinton Bank	2,582	60
Bank of Brockport	25,000	80
Hamilton Bank	8,245	Par.
Farmers and Drovers' Bank	5,971	Par.
Atlas Bank, Clymer	129,998	75
	48,202	97
Walter Joy's Bank	50,700	Par.

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Name of bank.	Circulation outstanding.	Rate paid.
James Bank	$76,743	91
Bank of New Rochelle	80,000	81
	5,113	Par.
Farmers' Bank of Onondaga	81,000	85
Merchants and Mechanics' Bank, Oswego	88,000	77
Eighth Avenue Bank	100,000	94
Bank of Carthage	53,643	Par.
Empire City Bank, New York	110,464	Par.
Exchange Bank, Buffalo	17,235	Par.
State Bank, Sacketts Harbor	48,462	Par.
Island City Bank	99,528	Par.
Hamilton Exchange Bank	43,016	84
Ontario County Bank	49,063	Par.
Pratt Bank of Buffalo	31,000	94
Chemung County Bank	58,167	Par.
Pine Plains Bank	66,956	Par.
Dairymen's Bank	91,470	Par.
Agricultural Bank, Herkimer	80,528	Par.
Lake Mahopac Bank	40,400	Par.
Cataract Bank	51,556	93
Bank of Albany	65,673	Par.
Bank of the Capitol	73,449	Par.
J. W. Rumsey & Co.'s Bank	31,150	Par.
National Bank of Albany	64,150	Par.
Medina Bank	100,168	Par.
Brockport Exchange Bank	41,516	Par.
Total	3,119,695	.....

Of this total of 57 failed banks under the free banking law of 1838, 29 were within the first five years, and had an aggregate circulation of $12,233,374. Their securities, consisting of stocks, bonds, and mortgages, were sold for $953,371, entailing a loss of $601,966. The avails of these 29 banks were only 74 per cent of the circulation, with nothing for the other creditors. The losses to the note holders occurred only in the case of those banks which had deposited State stocks other than those of New York. Of the entire number failing, but 23 redeemed their circulating notes in full. At the end of 1862, the Reciprocity Bank of Buffalo was in the hands of a receiver. The circulation at date of failure amounted to $159,577 The affairs of the Bank of Orleans and the Yates County Bank were still unsettled.

From 1852 to 1857, and prior to the panic, 51 of the 94 free banks and private institutions in Indiana are reported as having failed, with almost entire absence of payment to note holders or other creditors. The amount of circulation and other liabilities have not been obtained for these banks. During 1863 the circulation of the Bank of North America at Clinton was redeemed at the Southern Bank of Terre Haute at 90 cents. The circulation of the State Stock Bank at Peru was redeemed at the Bank of Goshen at 85 cents, and the circulation of the New York and Virginia State Stock Bank was redeemed at par. The circulation of the following banks was redeemed by the auditor of the State from securities which had been deposited with him: Bank of Albany, at 90 cents; Bank of Albion, at par; Bank of Gosport, at par; Bank of Perryville, at par; Bank of South Bend, at par; Boone County Bank (genuine), at par; Bank of T. Wadsworth, at 91 cents; Bank of Rockport, at par; Central Bank, at par; Farmers' Bank of Jasper, at 91 cents; Kalamazoo Bank, at par; State Bank of Marion, at 90 cents; Savings Bank of Indiana (genuine), at 69 cents; Wayne Bank, at Logansport, at par; Wayne Bank, at Richmond, at par; and Agricultural Bank, at par. In the notice of the auditor of the State it is set forth in italics that persons sending notes "will take particular notice" that no other suspended-bank notes are redeemed at his office.

The bank reports from Minnesota show that on January 1, 1863, the circulation of the Bank of Rochester was being redeemed at 16¼ cents

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on the dollar; Chisago County Bank at 19¼ cents; Filmore County Bank, 20 cents; Bank of Owatonna, 20¾ cents; Exchange Bank, 21¼ cents; Central Bank, 30 cents; Nicollet County Bank, 35 cents; Bank of the State of Minnesota, 70 cents; Bank of St. Paul, 98 cents, while the circulation of the Bank of Redwing was provided for at par.

The banking system of the State of Michigan prior to 1863 was, as practiced, entirely based upon frauds. It is current history that the bank commissioners were carefully watched with a view to transporting specie from banks already examined to those which it was supposed they were about to visit. Gold and silver never before circulated so freely or traveled so rapidly, and if the same well-filled boxes or bags were found in several banks in succession some official was ready to swear that the bona fide ownership was vested in the present possessor. Sometimes it passed the commissioner by rapid transit on the road; sometimes it was transported by night; sometimes, arriving too late, it was handed in at the back door of the banking house while an examination was in progress. But there were some banks that had no amount of even borrowed specie. The Bank of Sandstone, for instance, never had any specie, and although its liabilities exceeded $38,000, it had no assets of any kind at the time when it was reported upon. The Exchange Bank of Shiawassee had in the safe but 7 coppers and a very small amount of paper, while it had bills in circulation to the amount of $22,267. The Jackson County Bank was discovered by the commissioners to have many large and well-filled boxes, but on being opened and examined it was found that while the top was covered with silver dollars there was nothing below but nails and glass. The only box containing silver brought into the room and sworn to by a director present as the property of the bank was afterward the subject of an action by the director against the receiver of the bank for its recovery, claiming it as his own individual property. A settlement of the bank's affairs proved that, with an indebtedness of some $70,000, it had not more than $5,000 of available assets. It was reported by the bank commissioners in December, 1839, that only 3 chartered banks, with 1 branch bank, and 4 organized under the general law out of 60 recently established were then in existence. The report of the attorney-general of the State, made at the same time, enumerates 42 banks under injunction and exhibits the condition of their affairs so far as ascertained. His report is an exhibition of a large amount due creditors, with little or no available assets with which to liquidate. It is estimated that the circulation outstanding, which was a total loss to the note holders of the State, was not less than $1,000,000.

Illinois, Indiana, and Wisconsin passed free-bank laws in 1851, 1852, and 1853, respectively. Few of the banks organized under these laws escaped disastrous failure, either prior to 1857 or in the panics of that year and of 1861. Immense loss was entailed upon all of their creditors. At these two periods most of the banks of the Southern and Western States failed, either because their business was transacted without any actual supply of capital or from reckless management.

It is stated in Elliott's Funding System, page 1176, that in 1841, out of banks having a capital amounting to $317,642,692 and circulation of $121,665,198, fifty five banks, with a total capital of $67,036,265 and a circulation of $23,577,752, failed. In nearly every instance the capital of these banks was entirely lost.

In the financial report for 1838 the balance of public deposits due from banks which had suspended specie payments amounted to $2,345,535, including the Commercial Bank of Buffalo, the Mobile branch of the Bank of Alabama, the Planters' Bank of Mississippi at

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Natchez, the Agricultural Bank of Natchez, the Bank of Kentucky at Louisville, the Franklin Bank of Cincinnati, the State Bank of Indiana, the Bank of Michigan at Detroit, and the Farmers and Mechanics' Bank at Detroit.

The following list of 129 banks, with capital amounting to $24,212,339, and 36 banks of which the capital was not known, are banks enumerated by Hon. Albert Gallatin, previously Secretary of the Treasury, in Considerations on the Currency and Banking System of the United States:

LIST OF THE BANKS WHICH FAILED OR DISCONTINUED BUSINESS FROM JANUARY 1, 1811, TO JULY 1, 1830.

	Capital.
Massachusetts:	
Essex	$300,000
New Bedford	150,000
Northampton	75,000
Farmers' (Belchertown)	100,000
Brighton	150,000
Sutton	70,000
Total (six banks)	845,000
Maine:	
Maine	300,000
Penobscot	150,000
Wiscasset	100,000
Hallowell	150,000
Kennebeck	100,000
Passamaquoddy	50,000
Castine	100,000
Lincoln and Kennebec	200,000
Total (eight banks)	1,150,000
Rhode Island:	
Farmers and Mechanics', Pawtuxet	200,000
Farmers' Exchange, Gloucester	
Total (one bank)	200,000
New Hampshire:	
Coos	100,000
Concord	29,600
Total (two banks)	129,600
Connecticut:	
Eagle	500,000
Derby	100,000
Total (two banks)	600,000
New York:	
J. Barker's Exchange	495,250
Utica Insurance Company	100,000
Columbia	167,650
Hudson	110,000
Niagara	108,000
Plattsburg	300,000
Washington and Warren	400,000
New York Manufacturing Company	700,000
Franklin	510,000
Middle District	487,776
Catskill Aqueduct Association	
Total (ten banks)	3,378,676

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	Capital.
New Jersey:	
Jersey City Bank	$200,000
Paterson	160,000
State Bank, Trenton	92,400
Protection and Lombard	200,000
Franklin	300,000
Monmouth	40,000
Manufacturing	150,000
Salem and Philadelphia	
Hoboken	
Total (seven banks)	1,142,400
Pennsylvania:	
Washington	92,070
Farmers and Mechanics' of Greencastle	74,485
Farmers and Mechanics' of Pittsburg	65,337
Juniata	164,478
Marietta and Susquehanna Trading Company	239,430
Pennsylvania Agricultural and Manufacturing Bank	110,102
Delaware Bridge	99,715
Allegheny	144,807
Beaver	78,985
Swatara	75,075
Center	159,610
Huntingdon	123,122
Northumberland, Union and Columbia	116,980
Northwestern Bank	77,688
Union of Pennsylvania	124,792
Silver Lake	64,882
Fayette, New Salem	
Harmony	
Wilkesbarre Branch	
Total (sixteen banks)	1,811,558
Delaware:	
Farmers and Mechanics' of Delaware	45,000
Total (one bank)	45,000
Maryland:	
Elkton	110,000
Conococheague	157,500
Cumberland	107,862
Somerset & W	90,000
Somerset	195,850
Caroline	103,045
Havre de Grace	132,075
City	838,540
Planters', Prince George County	86,290
Total (nine banks)	1,821,162
District of Columbia:	
Columbia	901,200
Union of Alexandria	340,000
Central	252,995
Franklin	163,265
Total (four banks)	1,657,460
Virginia:	
Ohio County	60,000
Charleston M. and C. Co	32,580
Winchester	122,930
Monongalia	25,000
Farmers and Mechanics', Harpers Ferry	19,480
South Branch	25,000
Farmers, Merchants, and Mechanics', Jefferson County	26,425

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	Capital.
Virginia—Continued.	
Warrentown	$60,000
Leesburg Union	20,000
Loudoun County	30,000
Total (ten banks)	421,415
North Carolina:	
Fayetteville	.....
Bertie	.....
South Carolina:	
Cheraw	20,000
Hamburg	.....
Total (one bank)	20,000
Georgia:	
Darien	480,000
Total (one bank)	480,000
Louisiana:	
Planters' Bank	200,000
Bank of Louisiana	724,000
Total (two banks)	924,000
Alabama:	
Planters and Merchants' Bank	164,175
Tombeckbe	156,937
Steamboat	16,000
Total (three banks)	337,112
Tennessee:	
Fayetteville Transfer	110,000
Farmers and Mechanics' of Nashville	180,200
Nashville and branches	994,560
Tennessee Bank (old)	371,107
Three branches of Tennessee Bank	300,000
Nashville branch of Tennessee Bank	206,775
Rogersville branch of Tennessee Bank	67,140
Total (four banks and five branches)	2,229,782
Kentucky:	
Farmers and Mechanics' of Lexington (stock and notes at par)	489,700
Versailles	111,180
Kentucky and branches	2,756,220
Flemingsburg	61,626
Limestone	135,825
Shepherdsville	55,880
Hinkston Exporting Company	50,120
Newcastle	40,520
Cynthiana	47,900
Center Bank of Kentucky	120,000
Union of Elizabethtown	39,400
Farming and Commercial Bank	37,219
Greenville	46,640
Newport	54,700
Southern Bank of Kentucky	117,222
Farmers' of Harrodsburg	81,000
Farmers' of Somerset	22,379
Lancaster Exporting Company	39,900
Insurance	
Barbersville	
Cumberland Bank of Burkville	
Burlington	
Bank of Columbia	
Frankfort	

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Kentucky—Continued.	Capital.
Georgetown	$
Greensburg	
Green River	
Christian Bank	
Bank of Henderson	
Bank of Washington	
Commercial Bank of Louisville	
Mount Sterling	
Morgantown	
Monticello	
Farmers' Bank of Jessamine	
Owingsville	
Petersburg Steam Mill	
Farmers' Bank of Gallatin	
Farmers and Mechanics' of Logan	
Farmers and Mechanics' of Shelbyville	
Farmers and Mechanics' of Springfield	
Winchester Commercial	
Commonwealth Bank	(2, 000, 000 Nominal.)
Total (eighteen banks)	4, 307, 431
Ohio:	
Miami Exporting Company, Cincinnati	468, 966
Columbia, New Lisbon	50, 000
Granville Alex'n Society	12, 002
Farmers' Bank of New Salem	57, 000
German of Wooster	25, 000
Muskingum	97, 800
Farmers and Mechanics' of Cincinnati	184, 776
Cincinnati	216, 430
Dayton Manufacturing	61, 622
Lebanon-Miami Banking Company	86, 491
Urbana Banking Company	49, 685
Farmers and Mechanics' Manufacturing, Chillicothe	99, 575
Hamilton	22, 707
Zanesville Canal and Manufacturing Company	79, 125
West Union	100, 000
Lake Erie	100, 000
Steubenville	100, 000
Muskingum of Zanesville	100, 000
Jefferson County	.....
Bank of Xenia	.....
Total (eighteen banks)	1, 911, 179
Indiana:	
Farmers and Mechanics' Bank	130, 000
Bank of Vincennes	127, 624
Total (two banks)	257, 624
Illinois:	
Illinois	105, 720
Edwardsville	57, 190
Total (two banks)	162, 910
Missouri:	
Bank of Missouri	250, 000
Bank of St. Louis	150, 000
Total (two banks)	400, 000
Michigan:	
Monroe	10, 000

RECAPITULATION.

One hundred and twenty-nine banks	24, 212, 339
Thirty-six banks	Not known

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In the Comptroller's report for 1878 an estimate is made that the losses upon all of the currency issued by State and private banks amounted annually to 5 per cent, but no estimate had been made as to the losses to other creditors and shareholders. As in most cases prior to 1863 the noteholders were preferred creditors, undoubtedly the loss to depositors and shareholders must have been enormous.

STATEMENT EXHIBITING THE NUMBER OF BANKS, WITH CIRCULATION, DEPOSITS, AND AMOUNTS DUE TO OTHER BANKS, BY STATES, FOR THE NINE YEARS PRIOR TO JANUARY, 1863.

State.	Date.	No.	Circulation.	Deposits.	Due to other banks.
Maine	1854	71	$5,691,815	$2,914,601	$172,628
	1855	75	5,077,248	2,011,028	118,975
	1856	76	4,641,646	1,994,782	145,083
	1857	70	2,964,327	1,743,939	139,304
	1858	68	3,886,539	2,382,910	189,271
	1859	68	4,149,718	2,411,022	02,392
	1860	71	4,313,005	2,869,871	151,437
	1861	71	4,047,780	3,367,628	83,601
	1862	69	6,488,478	5,076,107	128,578
New Hampshire	1854	36	3,079,548	775,410	.....
	1855	46	3,589,482	958,474	.....
	1856	49	3,677,689	1,058,803	.....
	1857	47	2,289,939	875,789	.....
	1858	52	3,115,643	1,069,920	.....
	1859	52	3,271,183	1,187,991	.....
	1860	51	3,332,010	1,234,628	.....
	1861	52	2,994,408	1,376,853	.....
	1862	52	4,192,034	1,725,866	.....
Vermont	1854	40	3,986,709	745,170	15,715
	1855	42	3,704,341	801,039	4,788
	1856	41	3,970,720	797,535	7,348
	1857	41	4,275,517	746,547	1,639
	1858	41	3,024,141	615,874	5,441
	1859	46	3,882,983	787,834	19,132
	1860	43	3,784,673	814,623	15,042
	1861	40	2,522,687	715,207	.....
	1862	40	5,621,851	925,627	.....
Massachusetts	1854	143	24,803,758	18,783,281	6,930,098
	1855	169	23,116,024	21,478,717	5,947,835
	1856	172	26,544,315	23,437,256	4,807,601
	1857	173	18,104,827	17,631,190	4,106,694
	1858	174	20,839,438	30,538,153	7,654,234
	1859	174	22,086,920	27,804,699	6,937,042
	1860	176	22,086,920	27,804,699	6,937,042
	1861	183	19,517,306	33,956,711	8,000,526
	1862	183	28,957,630	44,737,490	17,413,850
Rhode Island	1854	87	5,035,073	2,772,357	1,046,658
	1855	92	5,404,104	2,914,596	1,192,449
	1856	98	5,521,909	3,141,657	1,475,221
	1857	93	3,192,661	2,510,108	1,661,204
	1858	90	3,318,681	3,130,475	936,081
	1859	91	3,558,295	3,553,104	1,022,277
	1860	90	3,772,242	3,717,234	1,396,184
	1861	90	3,306,530	3,742,171	965,208
	1862	88	6,413,404	5,376,414	1,605,121
Connecticut	1854	63	11,219,566	3,910,160	1,008,655
	1855	68	6,871,102	3,433,081	945,844
	1856	71	9,197,762	4,090,835	875,287
	1857	74	10,590,421	4,688,843	1,020,711
	1858	76	5,380,247	4,140,088	684,997
	1859	74	7,561,519	5,574,900	926,308
	1860	74	7,702,436	5,506,507	1,166,778
	1861	75	6,918,018	6,142,754	964,752
	1862	75	13,842,758	8,890,237	1,387,274
New York	1854	329	31,507,780	84,970,840	21,081,456
	1855	338	31,340,003	88,852,395	26,045,439
	1856	311	34,019,633	96,907,970	29,014,125
	1857	294	23,899,964	83,043,353	21,268,562
	1858	300	28,507,960	110,465,798	35,134,049
	1859	303	29,959,506	104,070,273	28,807,429
	1860	306	28,239,950	114,845,272	29,102,678
	1861	302	30,553,020	146,215,488	34,431,615
	1862	308	39,182,819	200,824,756	57,389,106
New Jersey	1854	32	3,552,585	3,290,462	483,875
	1855	35	4,285,079	3,994,541	616,321
	1856	46	4,759,855	4,891,970	1,438,658
	1857	47	3,395,939	3,696,605	507,077
	1858	46	4,054,770	4,239,235	770,935
	1859	49	4,811,832	5,741,465	1,141,664
	1860	50	4,164,799	5,117,817	559,579

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STATEMENT EXHIBITING THE NUMBER OF BANKS, ETC.—Continued.

State.	Date.	No.	Circulation.	Deposits.	Due to other banks.
New Jersey	1861	51	$3,927,535	$5,687,923	$450,572
	1862	52	8,172,398	9,599,269	853,193
Pennsylvania	1854	64	16,739,069	21,076,464	3,930,665
	1855	71	16,883,199	25,340,814	4,955,485
	1856	71	17,368,096	27,593,534	4,215,515
	1857	76	11,610,458	18,924,113	5,847,970
	1858	87	11,980,480	26,054,568	4,569,625
	1859	90	13,132,892	26,167,843	3,837,554
	1860	89	15,830,033	27,032,104	4,118,925
	1861	111	16,384,643	28,986,370	3,979,824
	1862	94	27,689,504	43,038,218	8,447,311
Delaware	1854	10	1,380,991	859,010	127,510
	1855	11	1,192,204	852,163	125,303
	1856	11	1,394,094	868,414	147,250
	1857	11	1,240,370	609,179	72,297
	1858	12	960,846	832,657	86,180
	1859	12	1,135,772	976,226	102,166
	1860	12	1,080,822	818,201	105,948
	1861	6	445,619	405,362	53,009
	1862	5	678,340	509,381	7,652
Maryland	1854	29	4,118,197	7,268,888	1,511,970
	1855	31	5,297,983	8,370,345	1,924,756
	1856	31	5,155,096	9,611,324	1,895,284
	1857	31	4,041,021	7,541,186	4,194,677
	1858	32	3,977,971	9,028,664	1,725,807
	1859	31	4,106,869	8,874,180	1,324,740
	1860	31	3,558,247	9,086,162	2,108,920
	1861	28	3,794,295	7,637,602	1,167,555
	1862	32	6,649,030	13,779,279	1,799,287
Virginia	1854	58	10,834,963	5,615,666	815,830
	1855	57	13,014,926	6,204,340	663,995
	1856	57	12,685,627	7,397,474	729,507
	1857	62	10,347,874	6,971,325	899,796
	1858	63	10,340,342	7,401,701	982,354
	1859	65	9,819,197	7,729,652	1,138,327
	1860	66	19,817,148	7,157,270	1,310,068
North Carolina	1854	26	6,667,762	1,130,329	234,832
	1855	28	5,750,092	1,101,113	307,168
	1856	28	6,301,262	1,170,020	.....
	1857	28	5,699,427	1,037,457	.....
	1858	28	6,202,626	1,502,312	184,356
	1859	30	5,594,057	1,487,273	100,139
	1860	31	5,218,598	2,034,391	105,631
South Carolina	1854	19	6,739,623	2,871,095	1,197,949
	1855	20	6,504,679	3,068,188	1,100,299
	1856	20	10,654,652	3,502,733	3,518,962
	1857	20	6,185,825	2,955,854	3,074,740
	1858	20	9,170,333	3,897,840	3,746,604
	1859	20	11,475,634	4,165,615	1,490,218
	1860	20	6,089,036	3,334,037	1,312,659
Georgia	1855	24	10,092,809	2,525,256	1,334,098
	1856	23	9,147,011	3,126,530	1,663,429
	1857	30	5,518,425	2,215,853	533,819
	1858	28	11,687,582	5,317,923	1,727,995
	1859	29	8,798,100	4,738,289	1,287,268
	1860	28	8,311,728	3,846,176	1,389,011
Florida	1859	2	183,640	129,518	5,144
	1860	2	116,250	108,606	.....
Alabama	1854	4	2,382,176	1,278,022	181,558
	1855	4	3,467,242	2,837,556	481,289
	1856	4	3,177,234	2,423,269	703,443
	1857	6	2,581,791	1,408,837	571,556
	1858	6	6,651,117	3,830,607	1,006,832
	1859	8	7,477,976	4,851,153	874,800
	1860	8	5,055,222	3,435,685	2,250,855
Louisiana	1854	19	6,586,601	11,688,236	1,154,538
	1855	19	7,222,614	14,747,470	1,687,531
	1856	19	9,194,139	13,478,729	965,555
	1857	15	4,336,624	11,638,120	1,340,519
	1858	12	9,094,009	21,822,538	2,198,982
	1859	13	11,579,313	19,777,812	1,165,875
	1860	13	6,181,374	17,056,860	753,359
	1862	6	8,876,519	5,810,251	352,463
Mississippi	1854	1	221,760	42,738	.....
	1855	1	324,080	35,606	.....
	1856	1	556,345	83,435	.....
	1857	2	169,400	49,781	31,792
Tennessee	1854	32	5,850,562	2,413,418	211,681
	1855	45	8,518,545	3,740,101	467,070
	1856	40	8,401,948	4,875,346	944,917
	1857	45	6,036,982	4,545,194	1,617,610
	1858	39	6,472,822	4,659,809	1,073,269
	1859	34	5,538,378	4,324,799	264,627

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STATEMENT EXHIBITING THE NUMBER OF BANKS, ETC.—Continued.

State.	Date.	No.	Circulation.	Deposits.	Due to other banks.
Tennessee	1860	35	$4,285,174	$2,998,063	$335,923
	1862	14	4,540,906	1,125,633	91,136
Kentucky	1854	34	8,628,946	3,011,719	2,577,824
	1855	33	12,634,533	3,608,757	2,555,953
	1856	35	13,682,215	4,473,378	2,983,373
	1857	37	8,884,225	3,232,132	3,195,352
	1858	37	14,345,696	5,144,879	4,338,364
	1859	45	13,520,207	5,662,892	3,259,717
	1860	43	10,873,630	3,725,828	3,073,919
	1861	44	7,405,015	4,369,218	1,352,737
	1862	44	9,035,724	7,676,305	2,829,898
Missouri	1854	6	1,460,650	1,247,651	284,776
	1855	6	2,805,660	1,331,126	172,425
	1856	6	2,780,380	1,188,982	111,984
	1857	10	1,718,750	1,482,442	242,117
	1858	22	6,069,120	3,123,622	579,830
	1859	38	7,884,888	3,357,176	1,200,010
	1860	42	8,204,845	3,360,384	1,247,335
	1861	42	6,511,851	2,068,473	1,450,723
	1862	42	4,037,277	3,434,262	546,896
Illinois	1854	29	2,283,526	1,286,102	.....
	1855	36	3,429,985	1,267,234	.....
	1856	42	5,534,945	1,002,399	210,483
	1857	45	5,238,930	658,521	19,662
	1858	48	5,707,045	640,058	15,621
	1859	74	8,981,723	697,037	26,533
	1860	94	11,010,837	807,763	64,200
	1861	19	1,415,076	.....	.....
	1862	25	619,286	400,213	110,739
Indiana	1854	59	8,165,856	2,289,605	803,849
	1855	46	4,516,422	1,957,097	379,804
	1856	46	4,731,705	1,852,742	272,815
	1857	40	3,363,976	1,417,966	380,569
	1858	37	5,379,936	1,723,840	176,366
	1859	37	5,390,246	1,700,479	80,530
	1860	39	5,755,201	1,841,051	117,868
	1861	37	6,844,700	2,076,548	162,890
	1862	37	6,782,890	3,017,597	110,126
Ohio	1854	66	8,074,132	5,450,556	949,727
	1855	65	9,080,589	7,101,325	1,712,040
	1856	61	9,153,629	6,543,420	1,202,961
	1857	49	6,201,286	3,915,781	280,786
	1858	53	8,040,304	4,389,831	488,878
	1859	52	7,983,889	4,039,614	790,568
	1860	55	8,143,611	4,046,811	3,206,589
	1861	55	9,217,520	5,762,355	450,035
	1862	55	9,057,837	11,697,818	1,014,752
Michigan	1854	6	500,942	1,170,974	95,597
	1855	4	573,840	1,366,958	53,425
	1856	4	670,549	1,347,956	118,962
	1857	4	364,676	310,479	78,975
	1858	3	331,978	555,693	35,165
	1859	4	222,197	375,397	13,969
	1860	2	47,510	436,837	4,777
	1861	4	120,124	749,828	125,623
	1862	4	131,087	1,420,852	19,218
Wisconsin	1854	23	740,764	1,482,053	.....
	1855	32	1,060,165	2,806,341	.....
	1856	49	1,702,570	3,365,562	.....
	1857	66	2,913,071	2,077,862	.....
	1858	98	4,695,170	3,022,384	.....
	1859	108	4,429,855	3,085,813	.....
	1860	110	4,310,175	4,083,131	.....
	1861	60	1,419,423	2,341,112	.....
	1862	64	1,643,200	3,318,007	.....
Minnesota	1858	2	48,643	13,131	.....
	1860	3	8,702	54,065	10
	1861	4	81,236	.....	.....
	1862	7	198,494	92,876	3,100
Iowa	1859	12	563,806	527,378	16,689
	1860	13	689,600	1,154,925	50,504
	1861	14	1,281,453	809,387	47,876
	1862	14	1,249,000	1,287,273	48,603
Kansas	1858	1	8,895	2,695	.....
	1860	2	5,443	14,783	24
	1861	1	2,770	6,330	.....
Nebraska	1856	4	353,796	125,291	1,749
	1857	6	41,641	3,673	.....
	1858	2	23,346	23,748	4,418
	1860	1	16,007	10,717	.....

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STATEMENT EXHIBITING BY YEARS THE NUMBER OF BANKS, AMOUNT OF CIRCULATION, AND DEPOSITS FOR THE ENTIRE UNITED STATES FROM JANUARY, 1834, TO JANUARY, 1863.

Date.	No. of banks.	Circulation.	Deposits.	Date.	No. of banks.	Circulation.	Deposits.
1834	506	$94,840,000	$75,667,000	1851	879	$155,165,000	$128,957,000
1835	704	103,692,000	83,081,000	1852	.....	.....	.....
1836	713	140,301,000	115,104,000	1853	.....	146,072,000	145,553,000
1837	758	149,186,000	127,397,000	1854	1,208	204,689,000	188,188,000
1838	829	116,139,000	84,691,000	1855	1,307	187,000,000	190,400,000
1839	840	135,171,000	90,240,000	1856	1,398	195,747,000	212,706,000
1840	907	107,000,000	75,696,000	1857	1,416	214,779,000	230,351,000
1841	784	107,290,000	64,890,000	1858	1,422	155,208,000	185,932,000
1842	692	83,734,000	62,408,000	1859	1,570	193,307,000	259,568,000
1843	691	58,564,000	56,168,000	1860	1,562	207,102,000	253,802,000
1844	696	75,168,000	84,550,000	1861	1,601	202,005,000	257,229,000
1845	707	89,608,000	88,021,000	1862	1,496	183,938,000	297,127,000
1846	707	105,552,000	96,913,000	1863	1,466	238,677,000	393,686,000
1847	715	105,500,000	91,812,000				
1848	751	128,506,000	103,227,000	Average for 29 years	.....	142,416,000	142,901,000
1849	782	114,740,000	91,182,000				
1850	824	131,367,000	109,586,000				

RESULTS OF INVESTIGATION RELATIVE TO INSOLVENT STATE BANKS FROM 1863 TO 1896.

In my annual report for the year 1895 certain information then obtained respecting insolvent State banks was given. It was, however, so meager and fragmentary as to be highly unsatisfactory. In order to supply the defects, and to gather reliable data, on August 6 of the present year an inquiry was instituted regarding the condition of insolvent banks other than national subsequent to February 25, 1863, the date when the original national-bank act went into effect. The following information was requested: Name and location of the bank; date of failure; liabilities not including capital stock, surplus, and undivided profit; dividends paid; estimate of further dividends.

In view of the difficulty experienced last year in prosecuting this inquiry, it was decided to have the investigation made through national-bank examiners exclusively, and a letter, of which the following is a copy, was sent to each one of the 58 national-bank examiners in the United States:

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, D. C., August 6, 1896.

SIR: In October, 1895, this office made an attempt to secure certain information, for incorporation into the annual report of the Comptroller of the Currency, relative to failed banks other than national in the different States, and the banking officials of such States, together with a number of the examiners, were requested to aid me in this respect.

The information received, however, was not of sufficient completeness to warrant its insertion in the report, and I have now undertaken to secure the desired information through the national-bank examiners exclusively, using that obtained last year as a basis upon which to begin work.

To this end I send you inclosed herewith a tabulated list of the information received concerning the State of ————, covered in part by your territory, and the request that you endeavor, either by personal call upon those possessed of the facts while visiting a place for the purpose of examining a national bank or by correspondence whenever necessary, to verify this information, and add anything more you may be able, going back, if possible, to the year 1863.

I will send you by mail a supply of blanks to be used for the purpose mentioned, and you will please observe the headings and give the information as indicated therein.

It is understood that the receivers of these State banks are appointed by the various State courts, their reports being filed with the clerks of the courts appointing them. It would appear that the desired information could be obtained either

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from the receiver of each of the banks or from the clerk of the court, from whom it ought to be obtainable without necessitating the payment of fees.

I shall look to you for this information, in as complete form as it is possible for you to obtain it, not later than October 1, 1896.

Please acknowledge receipt of this letter, and advise me from time to time of the progress you are making.

Very respectfully, JAMES H. ECKELS, *Comptroller.*

As a result of the effort to collect information on this subject, reports were received as to 1,164 banks, having an aggregate capital of $53,187,259. The nominal assets reported amounted to $212,725,771.58, the liabilities to $218,833,563.86, and the dividends paid to $99,711,330.75. In addition to this, 70 failures are reported in the various States, with no information as to dates of closing. The capital of these 70 banks amounted to $445,000, nominal assets $1,586,419, liabilities $1,796,424.41, and dividends paid, $377,396.20. The total failures, therefore, reported from 1864 to October 31, 1896, aggregate 1,234; capital $53,632,259, nominal assets $214,312,190.58, liabilities $220,629,988.27, dividends paid $100,088,726,95. This information is shown, by years, in the following table:

NUMBER OF FAILURES, CAPITAL, ASSETS, LIABILITIES, AND DIVIDENDS PAID BY BANKS OTHER THAN NATIONAL WHICH FAILED IN EACH YEAR FROM 1864 TO 1896.

Year.	Number of failures.	Capital.	Nominal assets.	Liabilities.	Dividends paid.
1864	2	.....	.....	.....	.....
1865	5	$125,000.00	$245,401.97	$225,662.14	$145,592.25
1866	5	275,000.00	1,206,035.00	890,112.00	.....
1867	3	260,000.00	222,075.00	138,821.00	138,821.00
1868	7	276,381.00	182,002.30	148,886.00	.....
1869	6	100,000.00	77,861.00	361,961.73	82,844.74
1870	1	.....	.....	50,000.00	.....
1871	7	220,000.00	2,314,871.90	2,654,187.15	974,256.96
1872	10	470,000.00	2,126,124.18	3,059,318.06	1,906,573.00
1873	33	907,000.00	4,644,889.91	6,938,653.01	3,420,016.33
1874	40	770,000.00	4,125,731.00	4,562,879.00	2,022,498.51
1875	14	2,413,900.00	9,190,283.98	12,365,475.25	4,143,941.97
1876	37	961,000.00	7,312,218.73	9,206,429.34	5,178,020.98
1877	63	2,491,250.00	13,137,835.47	15,223,785.49	7,004,558.27
1878	70	3,250,193.00	26,001,949.67	27,269,520.51	19,485,717.87
1879	20	1,370,465.00	5,102,691.94	5,253,307.22	4,235,808.85
1880	10	452,200.00	1,629,146.61	1,311,799.49	288,494.74
1881	9	436,750.00	585,653.06	1,785,890.45	851,755.00
1882	19	545,000.00	2,765,951.10	2,608,489.57	1,221,737.29
1883	27	870,000.00	2,813,915.19	3,193,747.39	1,408,047.99
1884	54	1,718,596.00	12,900,819.05	15,508,389.70	9,671,860.25
1885	32	1,099,400.00	2,982,879.51	4,883,454.27	2,361,320.01
1886	13	254,000.00	1,300,536.30	1,140,824.48	673,579.10
1887	19	931,590.00	2,865,300.30	3,074,622.29	1,610,527.45
1888	17	745,500.00	2,805,326.52	3,342,336.52	1,924,773.68
1889	15	363,250.00	1,279,900.68	2,147,059.18	1,026,682.73
1890	30	2,169,568.00	10,692,385.98	11,385,584.64	3,884,577.99
1891	44	2,071,300.00	7,190,824.69	6,365,198.77	3,090,597.48
1892	27	578,840.00	2,719,410.75	3,227,608.56	803,860.76
1893	261	16,641,637.00	54,828,690.65	46,766,818.80	17,912,270.45
1894	71	3,112,447.00	7,958,284.18	7,218,319.51	1,456,522.87
1895	115	3,906,350.00	11,276,529.99	9,010,584.93	2,251,708.93
1896	78	3,400,642.00	10,240,244.97	7,513,837.41	534,363.30
Total	1,164	53,187,259.00	212,725,771.58	218,833,563.86	99,711,330.75
Not dated	70	445,000.00	1,586,419.00	1,796,424.41	377,396.20
Grand total	1,234	53,632,259.00	214,312,190.58	220,629,988.27	100,088,726.95

The following table shows the number of failures, capital, assets, liabilities, and dividends paid by banks in each State and Territory. It will be observed that some States have suffered from failures to an extent greater than others, but this is partially explained by the fact

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that some of the examiners had better opportunities and showed greater diligence than others, and, in addition to this, the information in certain sections was more readily obtainable, and in others the difficulties encountered were almost insurmountable. In some cases it was impossible, for various reasons, to get all of the desired information, or even to get the exact number of failures during the period covered by this investigation, and those States, necessarily, show fewer failures than have actually taken place:

NUMBER OF FAILURES, CAPITAL STOCK, ASSETS, LIABILITIES, AND DIVIDENDS PAID BY BANKS OTHER THAN NATIONAL WHICH FAILED IN EACH STATE AND TERRITORY FROM 1863 TO 1896.

States and Territories.	No. of failures.	Capital.	Nominal assets.	Liabilities.	Dividends paid.
Alabama	3	.....	.....	.....	.....
Arizona	3	$150,000 00	$634,265.17	$223,197.70	$60,841.65
Arkansas	1	12,500.00	47,889.00	35,389.00	.....
California	16	2,193,341.00	19,764,350.00	15,998,267.00	9,382,517.56
Colorado	38	958,500.00	3,212,218.12	2,311,136.74	598,940.79
Connecticut	15	211,600.00	6,549,391.00	6,456,528.00	3,926,751.83
Delaware	1	.....	119,969.25	229,112.81	119,138.65
Florida	7	291,500.00	725,413.08	610,164.18	169,791.00
Georgia	9	786.750 00	1,357,074.00	2,568,714.52	907,295.36
Idaho	7	100.000.00	255,161.90	483,576.22	75,180.00
Illinois	121	8,012,500.00	23.346,830.73	25,821,825.77	10,099,813.25
Indiana	77	1,185,000.00	2,346,928.49	2,930,450.05	1,305,061.54
Iowa	43	917,500.00	2,640,214.16	7.418,540.75	1,527,737.72
Kansas	30	1,067,876.00	1,919,681.14	1,449,064.49	448,318.63
Kentucky	12	2,177,600.00	4,575.681.69	3,143,708.63	1,629,808.30
Louisiana	7	830.000.00	585,351.66	353,482.76	72.803 53
Maine	8	75.000 00	1,460,939.00	1,376,014.00	1,038,306.33
Maryland	2	.....	59,928.00	59,928.00	29,964.00
Massachusetts	15	.....	10,681,994.99	10,459,630.09	7,781,886.40
Michigan	7	491,000.00	1,954,338.73	1,339,714.68	558.946.30
Minnesota	31	2,408,000.00	7,555,474.62	5,792,294.32	1,257 831.36
Mississippi	5	575,000.00	966,000.00	801.000.00	161 980.00
Missouri	74	2,925,940.00	8 100,911.67	7,040,659.90	2,666,280.95
Montana	5	42,500.00	170,924.23	125,562.54	58,002.59
Nebraska	105	2,406,740.00	6,259,172.15	4,002,308.74	599,021.85
Nevada	1	30.000.00	259,861.00	234,861.00	.....
New Hampshire	22	150,000.00	4,843,072.20	4,807,508.62	2,676,639.43
New Jersey	10	1,555,340.00	2,371.208.83	2,109,274.46	1,700,573.16
New Mexico	12	485,000.00	1,171,714.96	1,097,438.00	453,420.87
New York	92	6,563,000.00	46,167,165.40	40,526,572.11	24,469,470.34
North Carolina	2	300,000.00	1,307,786.00	1,276,415.00	357,396.20
North Dakota	13	444,633.00	1,139,058.00	570,944.00	62,635.35
Ohio	112	1,296,070.00	4,703 949.29	13,746,531.23	5,001,060.15
Oklahoma	7	10,000.00	27,732.83	68,129.54	22,006.04
Oregon	10	582,100.00	3,671,920.69	3,062,730.30	1,502,168.08
Pennsylvania	162	7,148,895.00	15,992,361.47	28,671,527.64	11,800,028.67
Rhode Island	10	77,225.00	2,832,742.66	3,733,448.47	2,293,563.60
South Carolina	4	155,000.00	.....	.....	.....
South Dakota	27	539,982.00	1,466,263.65	1,140.814.57	251,844.49
Tennessee	5	224,900.00	1,555,723.27	1,419,871.53	412,917.66
Texas	11	908,000.00	3,347,454.39	2,597,574.17	1,345,636.75
Utah	5	407,105.00	900,202.91	606,702.97	114,445.07
Vermont	2	100,000.00	763,173.36	657,608.62	383,321.49
Virginia	13	659,000.00	2,008,821.93	1,733,330.23	360,744.60
Washington	32	2,251,300.00	4,484,206.47	2,761,440.32	221,573.81
West Virginia	1	70,000.00	125,000.00	120,000.00	19,400.00
Wisconsin	31	1,541,813.00	8,699,179.16	7,963,527.08	1,920,821.80
Wyoming	8	314,049.00	1,183,489.33	793,467.52	242,839.80
Total	1,234	53,632,259.00	214,312,190.58	220,629,988.27	100,088,726.95

PERCENTAGE OF DIVIDENDS PAID BY STATE BANKS.

The reports of insolvent State banks show that 158 banks paid dividends to creditors of 100 per cent; 128 paid 75 per cent and over, but less than 100 per cent; 184 paid 50 per cent and over, but less than 75 per cent; 203 paid 25 per cent and over, but less than 50 per cent, and 192 made payment of less than 25 per cent.

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Herewith is given a tabulated statement of all of such banks, and their location by States:

NUMBER OF FAILED BANKS IN EACH STATE AND TERRITORY WHICH PAID DIVIDENDS AT THE RATES INDICATED.

States and Territories.	100 per cent.	75 and less than 100 per cent.	50 and less than 75 per cent.	25 and less than 50 per cent.	Less than 25 per cent.
Alabama				1	1
Arizona			1		1
Arkansas					
California		2	3	2	6
Colorado	5	1	3	7	7
Connecticut	1	9	1	2	
Delaware			1		
Florida				2	1
Georgia	2		2	1	1
Idaho			1	33	
Illinois	8	10	27	16	27
Indiana	20	17	15	9	5
Iowa	7	1	6	5	6
Kansas	1		5	6	8
Kentucky	1	1	2	1	2
Louisiana	1			2	
Maine	1	4	3		
Maryland			1		1
Massachusetts		10	3	1	1
Michigan	1		2		2
Minnesota	1		2	9	4
Mississippi			1	1	2
Missouri	8	15	11	10	17
Montana	3			1	
Nebraska	7	1	9	3	13
Nevada					
New Hampshire	4	7	8	3	
New Jersey	4	2	1	3	
New Mexico	3		3	1	2
New York	15	14	18	14	5
North Carolina				2	
North Dakota	2		1		
Ohio	15	10	20	13	22
Oklahoma				1	1
Oregon			2	3	1
Pennsylvania	30	15	14	29	32
Rhode Island	1	4	2	2	1
South Carolina				1	1
South Dakota	3	1	2	3	7
Tennessee			1	2	1
Texas	1	1	4	4	
Utah	1				1
Vermont			2		
Virginia		1	3		4
Washington	4	1		2	3
West Virginia					1
Wisconsin	3	1	3	7	3
Wyoming	5		1	1	2
Total	158	128	184	203	192

STATE BANKS PAYING NO DIVIDENDS.

In the States and Territories regarding which information concerning failed banks was received, 282 associations, with an aggregate capital stock of $12,067,869, assets amounting to $30,698,307, and liabilities aggregating $26,351,087, are reported as having paid no dividends to creditors. Of these associations one is reported in Alabama, amount of capital, assets, and liabilities not being given; Arizona, one, capital $50,000, assets $81,033, liabilities $32,405; Arkansas, one, capital $12,500, assets $47,889, liabilities $35,389; California, three, capital $159,600, assets $513,548, liabilities $266,969; Colorado, nine, capital $240,000, assets $812,888, liabilities $608,264; Connecticut, two, captial $51,600, assets $81,799, liabilities $29,599; Florida, four,

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capital $41,500, assets $17,571, liabilities $40,194; Georgia, three, capital $400,000, assets $1,041,161, liabilities $725,895; Idaho, three, capital $50,000, assets $126,678, liabilities $280,527; Illinois, twenty-five, capital $991,000, assets $2,138,106, liabilities $2,480,779; Indiana, nine, capital $310,000, assets $290,992, liabilities $403,759; Iowa, nine, capital $170,000, assets $641,112, liabilities $961,322; Kansas, seven, capital $105,000, assets $276,090, liabilities $273,686; Kentucky, five, capital $545,000, assets $1,180,466, liabilities $863,461; Louisiana, two, capital $283,000, assets $72,346, liabilities $65,000; Michigan, two, capital $251,000, assets $641,067, liabilities $247,184; Minnesota, ten, capital $1,188,000, assets $2,693,551, liabilities $1,920,281; Mississippi, one, no information regarding capital, assets, and liabilities; Missouri, twelve, capital $102,500, assets $1,259,224, liabilities, $1,183,027; Nebraska, fifty-seven, capital $1,427,740, assets $3,965,655, liabilities $2,541,458; Nevada, two, capital $30,000, assets $259,435, liabilities $234,861; New Mexico, three, capital $15,000, assets $5,000, liabilities $117,000; New York, twelve, capital $1,305,000, assets $4,586,431, liabilities $3,220,963; North Dakota, ten, capital $432,133, assets $1,030,334, liabilities $503,259; Ohio, twenty-one, capital $275,565, assets $552,656; liabilities $1,688,752; Oklahoma, two, capital not given, assets $2,000, liabilities $18,500; Oregon, four, capital $50,000, assets $34,500, liabilities $146,200; Pennsylvania, nineteen, capital $600,000, assets $170,950, liabilities $1,472,092; South Carolina, two, capital $35,000, assets and liabilities not given; South Dakota, ten, capital $142,000, assets $248,060, liabilities $272,921; Tennessee, one, capital $30,000, assets $50,000, liabilities $20,000; Texas, one, capital $5,000, assets $43,848, liabilities $27,782; Utah, three, capital $210,000, assets $485,710, liabilities $375,257; Virginia, three, capital $504,000, assets $1,355,000, liabilities $949,000; Washington, twenty-two, capital $1,491,300, assets $3,479,287, liabilities $2,215,641, and Wisconsin, eleven, with capital stock of $564,431, assets $2,513,920, and liabilities $2,129,660.

INSOLVENT STATE BANKS HAVING NO CAPITAL STOCK.

In the States of California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Minnesota, Montana, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, Wisconsin, and Oklahoma Territory there are 233 insolvent banks reported as having no capital stock. Their total nominal assets are given as $33,458,225 and their aggregate liabilities, $53,742,095. The reports from Massachusetts, New Hampshire, and Ohio did not give the capital stock of the various insolvent associations in those States.

TIME REQUIRED TO CLOSE INSOLVENT STATE BANKS.

An effort has been made to ascertain from the information at hand the average time required to close the affairs of these insolvent associations, with the following results: The longest time the affairs of any insolvent association was open is reported as twenty-four years. There is one association reported as continuing twenty-two years; two for twenty-one years; two for eighteen years; three for seventeen years; one for sixteen years; one for fifteen years; two for fourteen years; four

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for thirteen years; ten for twelve years; thirteen for eleven years; four for ten years; fifteen for nine years; eleven for eight years; seventeen for seven years; fourteen for six years; twenty-six for five years; twenty-eight for four years; and forty-six for three years. The average time required to close the affairs of 353 of the 1,234 failed banks was four and three-fourths years. The affairs of the remaining 881 banks are either still unsettled, or, if settled, the reports do not so state.

RESULT OF INVESTIGATION ON EXTENT OF THE USE OF CREDIT INSTRUMENTS IN DAILY PAYMENTS.

From time to time there have been carried on through the office of the Comptroller of the Currency investigations tending to make more complete the information afforded Congress and the public on the extent to which the use of instruments of credit enter into the settlement of wholesale and retail transactions in daily life. The importance of these investigations has been augmented by the growing demand for such legislation upon the subject of banking as will give to the country a bank-note issue adequate to meet the needs of the business world, absolutely sound, and so regulated as to make it continually and automatically responsive at any and all seasons of the year and under all conditions of trade and commerce.

It can not be expected that such bank or other currency system can be evolved without the legislative branch of the government and others who have to deal with it having complete knowledge of the matters which most affect and enter into the making of transfers of property from seller to buyer. It was with this end in view that the investigation, the result of which is herewith given, was undertaken. The hope at the outset was that it would be more exhaustive in its scope than any previous one, and it is believed in many respects the results gathered justify the expectation had when the investigation was entered upon.

In the tabulation and analysis of these returns the services of David Kinley, Ph. D., professor of political economy at the University of Illinois, have been largely availed of. He has had as an assistant Mr. N. A. Weston, a member of the faculty of the same university. The facts obtained being so thorough in character, it was desired to present them, together with the deductions to be drawn therefrom, in a manner equally complete and accurate. Professor Kinley, having aided in elaborating the results of the investigation of 1894 and being fully conversant with the whole subject and the manner of dealing with the statistics gathered, was therefore again called upon.

IMPORTANCE OF THE INQUIRY.

The important bearing of bank notes upon the transactions of the commercial world is emphasized by the constant attempt made to regulate their issue by legislation. In the first instance, to the largest degree, such desired legislative control arose from a pronounced hostility toward the bank note on the part of the lawmaking powers and the public. The greater the misinformation upon the subject the greater the hostility evidenced against bank-note currency. Fifty years ago among every class of people were found large numbers who looked upon the notes of a bank as a tool which the banks could and generally did use contrary to the public welfare. It was also believed that their issue was the most important business of the bank.

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These ideas are by no means extinct to-day. It was in consequence of holding to this belief concerning bank notes that legislation at that time was so largely directed in this and other countries toward efforts to control the banks in their powers to issue them. The course of banking, however, notwithstanding the attempt to thus control it by legislation, has developed upon entirely different lines, and the feature of modern-day banking in the United States and England is the deposit and not the note issue feature. The note-issuing function is but the incident and not the principle in its operations. The check, and not the note, is the symbol of banking progress, and its extensive use is the best proof of a high plane of industrial and commercial life. The check system is therefore a subject of interest and importance in our business world—of so much interest and so much importance that knowledge of the extent and influence of it is necessary to a proper understanding of the machinery of exchange. The fact that it has been a matter of inquiry on many different occasions is evidence of the value attached to any data that can be secured concerning it. It is a matter of scientific interest as giving a clearer idea of exchange in modern communities, and of practical importance because of its bearing upon the question of the determination of the volume of money needed under given social and economic conditions.

The quantity of money necessary to a country to transact its business and the possibility of determining this quantity have long been subjects of discussion and investigation, though not a few writers have taken the position that both are questions of little importance. If it be true that the quantity of money has an important part in determining the level of prices, obviously the monetary policy of the country would be clearer if it were possible to determine the quantity of money needed under existing conditions. It is believed, however, that the importance of this level of prices through long periods has been greatly overestimated. So, too, in some quarters, it is evident that the influence of the quantity of money on prices has been equally exaggerated, while in others that influence has been belittled. Correspondingly, too much or too little importance has been attached to the use of credit instruments* in payments, by one authority or another, according as he was influenced by his previous theory.

In the Report of the Comptroller of the Currency for 1892, Volume I, page 32, the following statement appears:

> Over 90 per cent of all business transactions are done by means of credit. When the public loses confidence and credit is impaired and refused over 90 per cent of the business transacted is directly affected. It is easy to realize how unprofitable it is for the remaining 10 per cent of money to carry on the business of the country without business stringency and financial distress.

Similar or different views have been expressed by students of monetary problems in this country and abroad, all tending to show from the conflicting opinions entertained that any facts which can be obtained upon the subject must be regarded of great value.

PRICES AND QUANTITY OF MONEY.

The relation between the quantity of money and prices can not be here discussed, but certainly the factors which determine the price level are numerous, and the amount of money which the country requires depends not on one but on many circumstances. A careful study,

* In this connection the term "credit instrument" is used as a convenient term for all classes of bank paper that are used in making payments and are not commonly called money.

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however, of the amount of the country's trade, the number and frequency of payments to be made, the commercial and domestic habits of the people, and other factors enumerated by economic writers, show that they may be reduced to three or four groups, or that there are two or three so important as to exert a determining influence upon the leveling of prices. Of these the extent of credit operations and the use of credit instruments in exchanges occupy no unimportant position. Without undertaking to formulate a relation between the quantity of money and prices, and therefore between the extent of credit instruments and prices, it is proper to assume that a relation does exist. On that assumption it is designed that the present investigation shall furnish some information concerning the character and influence of one of these factors.

The problem is so exceedingly complex as to render it difficult to arrive at conclusions of absolute accuracy, but the difficulty of the inquiry only makes it more necessary that it should be investigated. It is undoubtedly true that there is no known way of directly determining the quantity of money necessary in a country at any given time, nor is it certain that there is any indirect method available. It is, however, not unreasonable to assume that so far as actual payments are concerned the quantity of money and the quantity of credit instruments are complementary, allowing for velocity of circulation, and that if the latter can be determined approximately and approximate data of the total trade of the country can also be secured, some information will be obtained, although, possibly, it may be slight, upon the subject

PREVIOUS INVESTIGATIONS MADE OF SUBSTITUTES FOR MONEY.

It will be interesting and proper in this connection to review briefly the history of previous attempts to determine the amount of credit instruments used in business. The first information of importance published on this subject was that furnished in a report of the committee of the House of Commons on the crisis of 1857. That report contains an analysis of the operations of the banking house of Mr. Slater for 1856, in which he gives the following table,* showing the proportion in which each million of receipts and expenditures were made in money and the various forms of credit:

RECEIPTS.		
In bankers' drafts and mercantile bills payable after date	£533,596	
Checks payable on demand	357,715	
Country bankers' notes	9,627	
		£900,938
Bank of England notes	68,554	
Gold	28,089	
Silver and copper	1,486	
Post-office orders	933	
		99,062
Total		1,000,000
PAYMENTS.		
By bills of exchange	302,674	
Checks on London bankers	663,672	
		966,346
Bank of England notes	22,743	
Gold	9,427	
Silver and copper	1,484	
		33,654
Total		1,000,000

*The table is taken from McLeod's Theory and Practice of Banking.

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This table shows that in the operations of this banking house gold and silver entered to an extent of less than 3 per cent, Bank of England notes to 7 per cent, credit instruments 90 per cent. Of the payments, gold and silver formed 1 per cent, bank notes 2 per cent, credit instruments 97 per cent.

The next data of importance on the subject given to the public were furnished by Sir John Lubbock in his article "Country clearing," published in the Journal of the London Statistical Society, September, 1865. The account, as follows, is taken from the report of the Comptroller of the Currency for 1881:

	Pounds sterling.	Per cent.
Clearing	16,346,000	70.8
Checks and bills which did not pass through the clearing house	5,394,000	23.4
Bank notes	1,137,000	4.9
Coin	139,000	.6
Country notes	79,000	.3
Total	23,095,000	100

It would appear from this that out of £1,000,000 rather more than £700,000 passes through the clearing house. The second account given above, £5,394,000, includes, of course, the transfers made in our own books from the account of one customer to that of another. These amount to £3,603,000, the remainder, £1,791,000, representing the checks and bills on bankers which did not clear.

In order to ascertain the proportion of payments made in bank notes and coin in town, I have taken the amount, £17,000,000, paid in by our London customers. This was made up as follows:

	Pounds sterling.	Per cent.
Checks and bills on clear in bankers	13,000,000	77.4
Checks and bills on ourselves	1,600,000	9.5
Checks and bills on other bankers	1,400,000	8.3
Bank of England notes	674,470	4.
Country bank notes	9,570	.1
Coin	117,960	.7
Total	16,802,000	100

The above amount of bank notes, small as it is, must, I think, be still further reduced. All the clearing bankers have accounts at the Bank of England, and as we require notes to supply our till, we draw them from the Bank of England, crediting the bank in our books. Out of the above amount of £674,470, £266,000 were notes drawn by us from the bank to replenish our till, and did not represent the amount paid in by our customers to their credit. On the other hand, we must add the amount of notes paid in for collection, and deduct the loans on security which pass through the different set of books, and which represent the sum of £2,460,686.

Making these alterations, we find that out of £19,000,000 credit to our town customers, £408,000 consisted of bank notes, £79,000 of country bank notes, and £118,000 of coin.

	Pounds sterling.	Per cent.
Checks and bills	18,395,000	96.8
Bank notes	408,000	2.2
Country notes	79,000	.4
Coin	118,000	.6
Total	19,000,000	100

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It has been objected that Sir John Lubbock's statistics do not fairly represent the proportion of payments made in England with ready money, on the ground that his bank did not afford accurate indications of the character of the commercial transactions of all England. The objection, it would seem, is well founded. Certainly the returns did not furnish a sufficient basis for safe conclusions.

Among the returns obtained in the present investigation was a statement from a Chicago banking house of its total transactions for the first six months of 1896, which showed that only twenty-two one-hundredths of 1 per cent of the whole six months' business was in "currency." It would hardly be fair to conclude that the business of all similar houses was performed on an equally small basis of money. Indeed, in no case among the returns of the present investigation is there a similar instance.

The next data on this subject were gathered in this country by the Treasury Department at the request of President Garfield, then in the House of Representatives. In his speech on resumption, November 16, 1877, he stated that when he was chairman of the Committee on Banking and Currency in 1871 he requested the Comptroller of the Currency to secure for him data on the subject from 52 selected banks. He goes on to say:

> I selected three groups; the first was the city banks, the second consisted of banks in cities of the size of Toledo and Dayton in the State of Ohio. In the third group, if I may coin a word, I selected the "countriest" banks, the smallest that could be found, at points away from railroads and telegraphs. The order was that those banks should analyze all their receipts for six consecutive days, putting into one list all that can be called cash—either coin, greenbacks, bank notes, or coupons—and into the other list all drafts, checks, or commercial bills. What was the result? During those six days $157,000,000 were received over the counters of the 52 banks, and of that amount $19,370,000—12 per cent only—was in cash, and 88 per cent, that vast amount representing every grade of business, was in checks, drafts, and commercial bills.

Following this effort to secure data on the subject was the one made by the Comptroller of the Currency in 1881. On two dates, June 30 and September 17 of that year, he asked the national banks for classified returns of their receipts and payments. As shown by the tables incorporated in this report, returns were received in June from 1,966 of the 2,106 national banks in operation, and for September 17 returns were received from 2,132, being all the national banks in operation at that date. It will be seen by the tables that the gold coin in the returns on the first date amounted to sixty-five hundredths of 1 per cent of the total receipts, and the silver coin to sixteen one-hundredths of 1 per cent; the paper money was 4.6 per cent and checks and drafts were 91.77 per cent. The Comptroller gives 95.13 per cent as the total percentage of credit instruments used for payments, according to these returns. In this, however, he includes clearing-house certificates. The same thing was done in subsequent reports in 1890 and 1892. Inasmuch, however, as these clearing-house certificates are really certificates of deposit of currency, they can not be properly classed with checks and drafts. They should therefore be left out in figuring the total percentage of credit instruments. On September 17 of the same year gold coin formed 1.38 per cent of the receipts of the national banks; silver coin, seventeen hundredths of 1 per cent; paper, 4.36 per cent; checks and drafts, 91.85 per cent. The Comptroller includes clearing-house certificates again, and so makes the total per cent of credit instruments 94.09. Other totals may be gathered from the tables, which are inserted in the report for the purpose of comparison.

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TABLE I.—ANALYSIS OF NATIONAL-BANK RECEIPTS, JUNE 30 AND SEPTEMBER 17, 1881.

Items.	June 30—1,966 banks.		Sept. 17—2,132 banks.	
	Amount.	Per cent.	Amount.	Per cent.
Checks, drafts, and bills	$261, 271, 666	91.77	$271, 036, 525	91.85
Clearing-house certificates	9, 582, 500	3.36	6, 592, 337	2.24
Paper money	11, 554, 747	4.06	13, 026, 570	4.36
Gold coin	1, 864, 105	.65	4, 078, 044	1.38
Silver coin	440, 998	.16	500, 301	.17
Total	284, 714, 016	100	295, 233, 779	100

In his report for 1881 the Comptroller also discusses the use of checks in France, England, Scotland, and Ireland. In France, as is well known, "the use of deposits, bank accounts, and checks is still in its infancy." In the past ten years, however, their use has doubtless increased. The Bank of France for several years made an effort to persuade the public to use them to a larger extent, and offered advantages to those who kept current accounts, in the shape of better facilities for "transfer from one place to another free of cost for all sums proceeding from discount operations or the encashment of documents on demand. We have desired to proceed further with this plan, and we have just completed the first arrangement by giving to all those who had current accounts with us, without exception, a means of disposing by open checks of the whole of the sums which stand to their credit. These checks * * * will be delivered gratuitously when they are drawn against the proceeds or discounts of drafts on demand encashed by the bank, and they will be made payable in all our establishments indifferently."*

In England banking has reached a high stage of development, and the percentage of credit instruments used in transactions in that country probably runs as high as it does in our own. The London Banker's Magazine for November, 1881, gives data from which the Comptroller of the Currency in that year reported that the percentage of checks in the receipts of London banks averaged 97.23, in the banks of Edinburg 86.78, in the banks of Dublin 89.90, and in the country banks, in 261 places, 72.86.

In the same report of the Comptroller is given a table showing the percentage of bank notes, coin, and checks used in the transactions of several English banking houses. In one case 90 per cent of the total receipts consisted of bills and checks, and 97 per cent of the payments were of the same character. Two banks of Manchester showed 47 per cent, 58 per cent, and 68 per cent of total payments in credit instruments in the years 1859, 1864, and 1872, respectively. In still another case, the transactions of an English banking house for six working days in each month for a period of seven months in 1878 and 1879 showed 96.5 per cent of the total receipts in credit instruments and 96.9 per cent of the total payments in paper of the same character. The foreign data, however, are small and insignificant when compared with those which have been obtained from investigations in this country.

The subject was investigated again in 1890 and 1892. In the former year, on July 1, checks, drafts, etc., constituted 91.46 per cent of the total receipts of 3,364 banks. In September the percentage for 3,474

* Report of the Bank of France for 1880, as quoted in report of the Comptroller for 1881.

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banks was 90.3. Tables II and III show the details. If clearing-house certificates are included, the per cents are 92.5 and 91.04 for 1890 and 90.61 for 1892.

TABLE II.—ANALYSIS OF NATIONAL-BANK RECEIPTS, JULY 1 AND SEPTEMBER 17, 1890.

Items.	July 1—3,364 banks.		Sept. 17.—3,474 banks.	
	Amount.	Per cent.	Amount.	Per cent.
Checks, drafts, etc	$189,408,708	44.90	$168,803,756	51.58
Exchanges for clearing house	194,290,203	46.06	126,596,873	38.68
Miscellaneous	2,138,022	.50	135,562	.04
		91.46		90.30
Gold coin	3,726,605	.89	3,702,772	1.13
Silver coin	1,352,647	.32	1,399,991	.43
Gold Treasury certificates	6,427,973	1.52	6,159,305	1.88
Silver Treasury certificates	6,442,638	1.53	5,908,714	1.81
Legal-tender notes	7,881,786	1.87	7,665,666	2.34
National-bank notes	5,244,967	1.25	4,371,778	1.34
Legal-tender certificates	520,000	.12	105,000	.03
Clearing-house certificates	4,391,177	1.04	2,428,834	.74
Total	421,824,726	100	327,278,251	100

TABLE III.—ANALYSIS OF NATIONAL-BANK RECEIPTS, SEPTEMBER 15, 1892.

[3,473 banks.]

Items.	Amount.	Per cent.
Checks, drafts, etc	$154,959,059	46.79
Exchange for clearing houses	141,873,266	42.83
Miscellaneous	586,367	.18
		89.80
Gold coin	2,907,017	.88
Silver coin	1,372,054	.41
Gold Treasury certificates	3,407,340	1.03
Silver Treasury certificates	6,537,015	1.97
Legal-tender notes	8,531,514	2.58
Treasury notes	2,675,269	.81
National-bank notes	3,454,483	1.04
Legal-tender certificates	2,210,000	.67
Clearing-house certificates	2,691,829	.81
Total	331,205,213	100

The Comptroller notes as a conspicuous change the increase in the percentage of credit instruments returned by country banks from 14.11 per cent in June, 1881, to 25.28 per cent in September, 1892. He summarizes the results as follows:

The variations in the percentage of the different kinds of money, checks, drafts received, as shown in the statistics for September 15, 1892, do not essentially vary from those of 1890 and 1891. The percentage shows a decrease for each of the three years reported and a corresponding increase in the amount of cash received by the banks over their counters.

A study of the results of the investigations thus far discussed shows that although they are very valuable as throwing light on the extent to which the credit instruments enter into payments for all classes of transactions, they are not satisfactory as a means of determining the percentage of such paper used in the actual trade of the country.

In the first place, the figures obtained show the total receipts of the banks. The receipts of a bank during a given day may be very different

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from its deposits, inasmuch as the receipts will usually include bills for collection, checks presented for cashing, notes discounted, and various other items which go to swell the total per cent of credit paper. In the second place, the results received furnish no satisfactory means of distinguishing between the credit paper that passed in consequence of speculative transactions and that which represents real trade. Still further, no measures were taken to have the returns classified on the basis of the different classes of business. And, finally, no investigation was made into incidental influences affecting the use of checks.

In consequence of these and other defects, the inquiry of 1894 was instituted. This investigation was confined entirely to retail trade. It called for the deposits received by the national banks from certain classes of retail traders instead of for the total receipts of the banks. The banks were requested to specify the amount of each of the different kinds of money and the amount of checks and other instruments of credit in the deposits of retail grocers, butchers, clothiers, furniture dealers, and fuel dealers. The day selected for securing the data was the settling day nearest the 30th of June. These five classes of retail dealers were selected for the reason that the purchase of their products represents the principal part of the expenses of living of the people at large. Hence, any data received concerning the mode of payment in transactions of this kind it was thought would be valuable as showing the extent to which credit paper actually was used in trade payments. "Settling day" was selected on the supposition that the returns on such a day would be more likely than any other to show the normal volume of trade and the normal volume of checks deposited.

Information was also sought concerning the length of period of credit in retail trade; the length of the wages period; the method of payment of wages, whether by checks or in money, and the extent to which wage checks are cashed by merchants. The purpose of this last was to secure some information whereby correction could be made for the deposit by merchants of pay checks which they had simply cashed instead of receiving in payment for goods. The results of the investigation are given in the general comparative table presented in the present report (table No. XVI).* It appeared from the returns that about 58 per cent of the deposits of the traders concerned was in checks and other instruments of credit, and that from the investigation 50 per cent is a fair average for the amount of credit paper entering into the transactions of the dealers reporting on the date mentioned.

The investigation of 1894, too, was unsatisfactory, for several reasons. In the first place, returns were asked for only a part of retail trade, expenditures in which constitute about 67 per cent of the total expenses of an average family. In the second, the returns came from the national banks only, and in this respect were defective, like all previous reports. Still further, there were no figures in existence to permit a comparison to be made with those obtained. And, finally, the reports were for but one day. For this last reason it was thought they were liable to serious error, because the deposits made by the traders on the day in question probably represented sales made throughout the period of credit common to their community, while the money deposits probably did not include payments for all the cash sales made during that period

* The data received in 1894 have been gone over again since the publication of the Comptroller's report and certain corrections made. These appear in this table. The general average is only slightly changed.

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Some effort has been made in the present investigation to meet this difficulty.

As a result of these obvious difficulties it seemed best to make another investigation on a much larger scale and with more careful attention to the form of the returns. It was desirable to secure comparative data to test the figures previously obtained, and to take advantage of previous experience in order to eliminate sources of error. These sources of error, as has been noted, came principally from the paucity of the returns, the small industrial field covered by them, and the nonclassification of depositors.

THE PRESENT INQUIRY.

In pursuance of these ideas a circular was sent out asking for the necessary information, in the following form:

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, D. C., June 15, 1896.

The CASHIER
———— *Bank,*
————.

SIR: In 1894, in response to the special request issued by the Comptroller of the Currency, the national banks made reports to this office showing the extent of the use of credit instruments in retail transactions by their customers, the results being shown in the annual report issued from this Bureau in that year. It is now desired for purposes of comparison, and also to increase the fund of information relative to the use of credit instruments, to extend the scope of inquiry to cover not only retail but wholesale transactions, and as well transactions of other depositors in all banks. With this end in view, I inclose herewith a blank form on which you are requested to state, as of the "settling day" in your community nearest to July 1, the amount and character of deposits made in your bank on the day selected by (1) retail dealers, (2) wholesale dealers, and (3) all other depositors. Your attention is also called to the three inquiries following the statement of deposits with respect to "proportion of checks," etc., "payment of wages by checks," and "time of payment of wages."

Information is also desired respecting the number of your depositors, total deposits in bank, and all actual cash on hand, classified as indicated, at the close of business on the day selected for this and the statement above called for.

In order to make the investigation as complete as possible, this request has been sent to every banking institution in the United States—national, State, savings, and private banks, and trust companies. These statistics will be of sufficient value, it is believed, to warrant urging upon you to aid in making them thoroughly complete.

In making a request for returns from those who are not conducting banks under the national-bank act, it is hoped the responses will be as general and complete as from those who are connected officially with this office. Such courtesy will be greatly appreciated, and the assurance is given that the publication of the information submitted will be confined entirely to a general summary of the returns. The subject is of wide and general interest and will give an amount of statistical information that will be of benefit to the public.

As the compilation of these returns will involve considerable time and labor, I trust that you will transmit your report to me as promptly as possible after July 1.

Very respectfully,

JAMES H. ECKELS, *Comptroller.*

———— BANK,
————, *July —, 1896.*

The COMPTROLLER OF THE CURRENCY,
Washington, D. C.

SIR: In compliance with your special request, dated June 15, 1896, I append hereto statements showing (A) the amount and character of deposits made in this bank on July —, (1) by retail dealers, (2) by wholesale dealers, and (3) by all other depositors; and (B) number of depositors, total amount of deposits, and cash on hand, classified as indicated.

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(A) *Deposits made in this bank on July —, 1896.*

Depositors.	Deposits.				
	Gold coin.	Silver coin.	Paper currency.	Checks, drafts, orders, etc.	Total.
Retail dealers					
Wholesale dealers					
All other depositors					
Total					

Q. 1. Does the above statement show about the usual proportion of checks, drafts, etc., to total deposits? If not, please indicate how much it differs therefrom.
A. 1. ————.
Q. 2. Is it customary in your community to pay wages by checks?
A. 2. ————.
Q. 3. Are wages, as a rule, paid weekly or monthly in your community?
A. 3. ————.

(B) *Total number of depositors, amount of individual deposits, and cash on hand in this bank on July —, classified as indicated.*

Number of depositors .....
Total deposits ..... $
Cash on hand, viz:
Gold coin .....
Gold certificates .....
Silver, dollars .....
Silver, fractional .....
Silver certificates .....
Treasury notes, 1890 .....
United States notes .....
Currency certificates .....
National-bank notes .....

Total cash .....

Respectfully yours,

————, *Cashier.*
———— *Bank.*
————.

It is to be noted that the circular called for deposits, not receipts. Obviously the deposits would be less in volume, as has already been stated, than the receipts, but they would represent more accurately the real business transactions of the country. The circular, it will further be noticed, called also for a classification of depositors into "retail dealers," "wholesale dealers," and "all others," together with the usual classification of the deposits. The date selected was the settlement day nearest the 1st of July. A settlement day was selected for reasons already given. Midsummer was chosen merely as a matter of convenience. Further, the circular asked for certain incidental information. It asked whether the percentage returned was an average one, whether wages were usually paid by checks in the community, and what was the length of the wage period. Information on the two latter points is of considerable value in determining whether or not the percentage of checks returned in any given community is due, to a large extent, to these special causes.

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Those who are familiar with statistical investigations need not be told that it is quite impossible to prepare a form so phrased as to preclude the likelihood of misinterpretation, or to secure information so accurate as to cover all possible variations in the conditions that it seeks to investigate. It almost seems as if common words were turned into stumbling blocks by the mere fact of being used in a formal way. It is exceedingly difficult to get uniform interpretation of even very simple questions and terms. The present investigation is no exception to this experience. In interpreting the results obtained we must allow for errors due to various causes of this kind.

In the first place, it is difficult in some cases to draw the line between retail merchants and wholesale merchants. Where, for example, some asked, Shall we class the jobber, or the lumber merchant? The answer depends upon the community, the extent of the business, and the point of view. Ordinarily the retail merchant is regarded as one who sells directly to consumers; yet there are many dealers who sell both to consumers and to jobbers. One or two Boston banks were unable to classify the returns of some merchants in Faneuil Hall market for this very reason.

Again, in a bank with a very large number of depositors, many of them are personally unknown to the officers of the bank. In such a case a proper classification can not be made. The best that could be done under these circumstances was for the bank to return the statistics of deposits of all who were known to be retail dealers. This was done in some cases. The omissions, however, such as they were, can have no effect of any importance on the average results, for the dealers included were, in all likelihood, representative. Moreover, there can not have been many omissions, for the difficulty arose only in a few of the larger cities.

In the next place, the returns, although more complete than any ever before obtained, are, after all, partial. Of the nearly 13,000 banking institutions of all kinds in the country, 5,700 sent replies, of which 5,530 were available. Of these 3,474 were from national banks and the remainder State and private banks, savings banks, and loan and trust companies.

However, allowance can probably be made for any error due to the partial character of the returns. The results as obtained are tabulated hereinafter. There are three sets of tables of totals. The first set consists (1) of the deposits of retail dealers returned by the national banks in each State and Territory; (2) those of wholesale traders returned by the same banks; (3) the deposits of all the other depositors returned by the same banks; (4) the total deposits of all three classes of customers as returned by the same banks. The second set of tables contains the data, similarly arranged, returned by banks other than national. The third set of tables, also consisting of four, presents the total deposits of each class of dealers as returned by all the banks that made replies.

The returns are presented in this detail for several reasons. First, inasmuch as the returns of the previous investigations came from national banks alone, it is desirable to present by themselves the data now received from them for purposes of comparison. Such a comparison will enable it to be determined how far the allowances made at previous times for omissions now supplied were good. In the next place, the presentation of the tables in so great detail will enable it to be distinguished more clearly the real business transactions from those that are purely speculative; and, finally, it will give some information as to

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the use of the different classes of banks by the people, and the comparative influence of national and other banks in the business transactions of the country.

The tables are as follows:

TABLE IV.—RETAIL DEPOSITS OF 3,474 NATIONAL BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Specie.	Currency.	Checks.	Total.	Per cent specie.	Per cent currency.	Per cent checks.
Alabama	22	$8,151	$20,234	$38,366	$66,751	12.2	30.3	57.4
Arizona	5	2,872	2,891	17,306	23,069	12.4	12.5	75
Arkansas	9	3,601	11,462	24,937	40,000	9	28.7	62.3
California	30	64,664	8,315	239,086	312,065	20.7	2.6	76.6
Colorado	40	51,398	120,322	538,628	710,348	7.2	16.8	75.8
Connecticut	77	10,324	175,444	293,431	479,199	2.2	36.6	61.2
Delaware	17	4,610	23,512	46,784	74,906	6.1	31.4	62.4
District of Columbia	12	2,156	60,355	93,185	155,696	1.4	38.7	59.8
Florida	17	10,225	21,995	51,414	83,634	12.2	26.3	61.4
Georgia	24	18,008	27,409	71,081	116,498	15.4	23.5	61
Idaho	10	4,654	3,512	12,061	20,227	23	17.4	59.6
Illinois	212	57,602	412,084	1,062,378	1,532,064	3.8	26.9	69.3
Indiana	105	26,646	119,463	266,037	412,146	6.5	29	64.5
Indian Territory	8	655	2,637	3,681	6,973	9.4	37.8	52.7
Iowa	165	32,811	139,040	285,663	457,514	7	30.4	62.6
Kansas	105	20,358	51,929	141,911	214,198	9.5	24.2	66.2
Kentucky	67	9,743	45,995	99,974	155,712	6.3	29.5	64.2
Louisiana	20	14,131	30,305	100,492	144,928	9.8	20.9	69.3
Maine	79	5,994	88,070	142,222	236,286	2.5	37.3	61.2
Maryland	67	12,749	172,405	256,573	441,727	2.9	39	58
Massachusetts	254	45,322	668,468	1,451,895	2,165,685	2.1	30.8	67
Michigan	86	17,868	112,375	245,598	375,841	4.7	30	65.3
Minnesota	72	27,989	82,958	276,067	387,014	7.2	21.4	71.3
Mississippi	10	2,474	12,838	16,644	31,956	7.8	40.1	52.1
Missouri	64	32,496	146,026	818,836	997,358	3.3	14.6	82.1
Montana	34	16,787	24,533	111,126	152,446	11	16.1	72.9
Nebraska	105	28,703	62,815	140,698	232,216	12.4	27.1	60.5
Nevada	.....	.....	.....	.....	.....	.....	.....	.....
New Hampshire	49	3,952	63,956	77,919	145,827	2.7	43.9	53.4
New Jersey	96	19,995	308,724	*567,212	895,931	2.2	34.5	63.3
New Mexico	6	1,950	3,976	24,699	30,625	6.4	13	80.6
New York	320	47,861	783,301	2,352,834	3,183,996	1.5	24.6	73.8
North Carolina	22	8,974	22,166	49,757	80,897	11.1	27.4	61.5
North Dakota	26	3,633	19,370	36,376	59,379	6.1	32.6	61.2
Ohio	236	88,757	445,163	964,419	1,498,339	5.9	29.7	64.3
Oklahoma	5	905	3,628	2,664	7,197	12.6	50.4	37
Oregon	32	30,967	4,405	53,205	88,577	34.9	5	60
Pennsylvania	398	97,874	833,983	1,965,663	2,897,520	3.4	28.8	67.8
Rhode Island	57	3,647	115,869	130,216	249,732	1.5	46.4	52.1
South Carolina	12	2,920	6,098	25,469	34,487	8.5	17.7	73.8
South Dakota	29	8,833	18,206	59,589	86,628	10.2	21	68.7
Tennessee	47	14,117	45,057	111,170	170,344	8.3	26.4	65.2
Texas	182	43,069	132,634	265,419	441,122	9.8	30.1	60.1
Utah	9	7,839	2,659	22,484	32,982	23.8	8	68.1
Vermont	47	4,160	49,945	115,913	170,018	2.5	29.4	68.1
Virginia	31	5,908	30,107	57,427	93,442	6.3	32.2	61.5
Washington	39	37,827	22,562	77,877	138,266	27.3	16.3	56.3
West Virginia	30	4,670	25,643	69,216	99,529	4.7	25.8	69.5
Wisconsin	75	19,936	94,330	239,464	353,730	5.6	26.7	67.7
Wyoming	10	3,542	4,350	20,742	28,634	12.4	15.2	72.4
Whole country	3,474	994,327	5,683,524	14,135,808	20,813,659	4.8	27.3	67.9

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TABLE V.—WHOLESALE DEPOSITS OF 3,474 NATIONAL BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Specie.	Currency.	Checks.	Total.	Per cent specie.	Per cent currency.	Per cent checks.
Alabama	22	$2,720	$6,879	$122,866	$132,465	2.1	5.2	92.7
Arizona	5	175	360	1,205	1,740	10	21	69
Arkansas	9	1,535	4,574	36,647	42,256	3.6	10.7	85.6
California	30	39,875	3,167	439,167	482,209	8.3	.7	91
Colorado	40	8,719	22,177	670,316	701,212	1.2	3.2	95.5
Connecticut	77	2,481	35,681	405,380	443,542	.6	8	91.3
Delaware	17	241	5,352	87,249	92,842	.3	5.8	93.9
District of Columbia	12	1,346	20,649	53,814	75,809	1.8	27.2	70.9
Florida	17	2,529	9,283	83,900	95,712	2.7	9.8	87.4
Georgia	24	7,327	19,004	142,015	168,346	4.3	11.3	84.4
Idaho	10	444	362	8,880	9,686	4.6	3.7	91.6
Illinois	212	14,804	193,496	6,265,381	6,473,681	.2	3	96.8
Indiana	105	9,361	43,330	544,396	597,087	1.5	7.2	91.2
Indian Territory	8	.....	110	161	271	.....	40.6	59.4
Iowa	165	6,795	17,907	293,924	318,626	2.2	5.6	92.1
Kansas	105	3,584	8,187	89,952	101,723	3.5	8.1	88.4
Kentucky	67	2,217	9,766	267,012	278,995	.8	3.5	95.6
Louisiana	20	2,578	32,144	480,891	515,613	.5	6.2	93.3
Maine	79	1,896	19,780	311,853	333,529	.6	5.9	93.5
Maryland	67	3,410	66,541	1,077,451	1,147,402	.3	5.9	93.8
Massachusetts	254	9,588	193,743	4,241,786	4,445,117	.2	4.4	95.4
Michigan	86	11,065	35,318	481,518	527,901	2.1	6.7	91.2
Minnesota	72	6,900	16,942	1,365,185	1,389,027	.5	1.2	98.3
Mississippi	10	576	1,393	28,526	30,495	1.9	4.6	93.5
Missouri	64	13,304	54,490	2,096,868	2,164,662	.6	2.6	96.8
Montana	34	1,200	2,614	30,032	33,846	3.6	7.8	88.6
Nebraska	105	3,004	5,989	160,729	169,722	1.8	3.5	94.7
Nevada	.....	.....	.....	.....	.....	.....	.....	.....
New Hampshire	49	940	11,889	114,800	127,629	.8	9.3	89.9
New Jersey	96	8,001	116,548	821,809	946,358	.9	12.3	86.8
New Mexico	6	330	537	20,545	21,412	1.5	2.5	95.9
New York	320	15,357	480,011	24,398,702	24,894,070	.6	1.9	97.5
North Carolina	22	3,288	9,540	63,547	76,375	4.3	12.5	83.2
North Dakota	26	50	2,380	21,398	23,828	.2	10	89.8
Ohio	236	21,823	275,053	2,495,142	2,792,018	.8	9.8	89.3
Oklahoma	5	263	1,640	6,791	8,694	3	18.9	78.1
Oregon	32	2,418	325	58,676	61,419	3.9	.5	95.5
Pennsylvania	398	27,492	332,034	4,092,483	4,452,009	.6	7.5	91.9
Rhode Island	57	2,045	32,740	266,318	301,103	.7	10.9	88.4
South Carolina	12	187	1,152	28,138	29,477	.7	3.9	95.4
South Dakota	29	408	1,430	11,441	13,279	3.1	10.7	86.1
Tennessee	47	4,390	24,274	324,227	352,891	1.3	6.9	91.7
Texas	182	8,695	19,519	324,646	352,860	2.5	5.5	92
Utah	9	3,807	2,040	31,670	37,517	10.2	5.4	84.4
Vermont	47	288	5,360	162,958	168,606	.2	3.2	96.6
Virginia	31	760	4,967	73,407	79,134	1	6.2	92.7
Washington	39	12,416	4,464	124,248	141,128	8.8	3.2	88
West Virginia	30	1,351	11,617	70,846	83,814	1.6	13.8	84.6
Wisconsin	75	4,263	30,743	675,588	710,594	.6	4.4	94.9
Wyoming	10	58	606	1,620	2,284	2.5	26.3	71.2
Whole country	3,474	276,304	2,198,007	53,976,104	56,450,415	.5	3.9	95.6

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TABLE VI.—ALL OTHER DEPOSITS OF 3,474 NATIONAL BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Specie.	Currency.	Checks.	Total.	Per cent specie.	Per cent currency.	Per cent checks.
Alabama	22	$7,598	$31,367	$196,601	$235,566	3.2	13.3	83.4
Arizona	5	2,662	2,752	15,495	20,909	12.7	13.2	74.1
Arkansas	9	3,227	5,750	76,744	85,721	3.7	6.7	89.5
California	30	80,509	12,327	593,542	686,378	11.7	1.8	86.4
Colorado	40	21,408	49,809	944,206	1,015,423	2.1	4.9	92.9
Connecticut	77	5,717	114,742	1,493,346	1,613,805	.4	7.1	92.5
Delaware	17	1,096	9,732	159,366	170,194	.6	5.7	93.6
District of Columbia	12	2,445	107,485	361,155	471,085	.5	22.8	76.6
Florida	17	2,698	9,520	163,632	175,850	1.5	5.4	93
Georgia	24	9,911	21,368	137,253	168,532	5.8	12.7	81.4
Idaho	10	4,116	2,296	34,325	40,737	10.1	5.6	84.2
Illinois	212	40,600	457,236	7,359,910	7,857,746	.5	5.8	93.6
Indiana	105	17,510	121,351	713,077	851,938	2.1	14.2	83.7
Indian Territory	8	681	2,383	18,838	21,902	3.1	10.9	86
Iowa	165	20,317	94,444	626,094	740,855	2.7	12.7	84.5
Kansas	105	14,470	52,777	660,638	727,885	1.9	7.2	90.8
Kentucky	67	8,405	50,655	442,320	501,380	1.7	10.1	88.2
Louisiana	20	9,692	74,507	726,718	810,917	1.2	9.2	89.6
Maine	79	2,088	67,638	656,139	725,865	.3	9.3	90.4
Maryland	67	5,373	181,258	4,537,039	4,723,670	.1	3.8	96
Massachusetts	254	20,760	621,939	17,703,447	18,346,146	.1	3.4	96.4
Michigan	86	9,804	93,127	1,046,952	1,149,883	.9	8.1	91
Minnesota	72	18,763	105,866	1,941,042	2,065,671	.9	5.1	93.9
Mississippi	10	934	4,975	75,047	80,956	1.2	6.1	92.7
Missouri	64	28,821	136,010	1,833,106	1,997,937	1.4	6.8	91.7
Montana	34	15,697	23,820	293,261	332,778	4.7	7.2	88.1
Nebraska	105	37,713	95,600	1,340,629	1,473,942	2.6	6.5	90.9
Nevada								
New Hampshire	49	1,659	53,656	739,623	794,938	.2	6.7	93
New Jersey	96	24,681	249,699	3,562,510	3,836,890	.6	6.5	92.8
New Mexico	6	1,937	4,732	86,566	93,235	2.1	5.1	92.8
New York	320	42,946	1,781,035	87,039,796	88,863,777	.05	2	97.9
North Carolina	22	2,487	21,173	147,007	170,667	1.5	12.4	86.1
North Dakota	26	2,064	11,842	96,517	110,423	1.8	10.7	87.5
Ohio	236	51,212	428,435	3,868,577	4,348,224	1.1	9.9	88.9
Oklahoma	5	406	2,910	23,592	26,908	1.5	10.8	87.6
Oregon	32	29,744	5,135	150,181	185,060	16.1	2.7	81.1
Pennsylvania	398	61,747	804,777	18,007,915	18,874,439	.3	4.2	95.4
Rhode Island	57	3,418	72,907	874,624	950,949	.3	7.6	91.9
South Carolina	12	1,754	7,414	72,770	81,938	2.1	9	88.8
South Dakota	29	3,839	8,285	89,666	101,790	3.8	8.1	88.1
Tennessee	47	10,043	54,084	539,564	603,691	1.6	9	89.4
Texas	182	29,958	82,639	596,674	709,271	4.2	11.6	84.1
Utah	9	7,032	5,727	153,052	165,811	4.2	3.4	92.3
Vermont	47	1,275	30,697	303,285	335,257	.4	9.1	90.4
Virginia	31	4,607	27,644	510,659	542,910	.8	5.1	94.1
Washington	39	29,083	11,646	221,666	262,395	11.1	4.4	84.4
West Virginia	30	2,654	22,049	176,399	201,102	1.3	10.9	87.7
Wisconsin	75	13,887	132,974	989,676	1,136,537	1.2	11.7	87
Wyoming	10	1,886	2,909	16,687	21,482	8.8	13.5	77.6
Whole country	3,474	721,334	6,373,103	162,416,928	169,511,365	.4	3.7	95.8

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TABLE VII.—ALL DEPOSITS OF 3,474 NATIONAL BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Specie.	Currency.	Checks.	Total.	Per cent specie.	Per cent currency.	Per cent checks.
Alabama	22	$18,469	$58,480	$357,833	$434,782	4.2	13.5	82.3
Arizona	5	5,709	6,003	34,006	45,718	12.5	13.1	74.4
Arkansas	9	8,363	21,786	138,328	168,477	5	12.9	82.1
California	30	185,048	23,809	1,271,795	1,480,652	12.5	1.6	85.9
Colorado*	40	81.525	192,308	2,153,150	2,426,983	3.3	7.9	88.8
Connecticut	77	18,522	325,867	2,192,157	2,536,546	.7	12.9	86.4
Delaware	17	5,947	38,596	293,399	337,942	18	11.4	86.8
District of Columbia	12	5,947	188,489	508,154	702,590	.9	26.8	72.3
Florida	17	15,452	40,798	298,946	355,196	4.3	11.5	84.2
Georgia	24	35,246	67,781	350,349	453,376	7.8	14.9	77.3
Idaho*	10	11,864	6,920	57,140	75,924	15.6	9.1	75.3
Illinois	212	113,196	1,063,783	14,703,461	15,880,440	.7	6.7	92.6
Indiana	105	53,606	285,713	1,525,958	1,865,277	3	15.2	81.8
Indian Territory	8	1,336	5,130	22,680	29,146	4.6	17.6	77.8
Iowa	165	59,923	251,391	1,205,681	1,516,995	3.9	16.6	79.5
Kansas*	105	39,986	125,004	937,490	1,102,480	3.6	11.3	85
Kentucky	67	20,365	106,416	809,306	936,087	2.2	11.4	86 3
Louisiana	20	32,001	144,256	1,308,101	1,484,358	2.1	9.8	88.1
Maine	79	9,978	175,488	1,110,214	1,295,680	.8	13.5	85.6
Maryland*	67	22,262	439,429	6,673,839	7,135,530	.3	6.2	93.5
Massachusetts	254	75,670	1,484,150	23,397,128	24,956,948	.3	5.9	93 8
Michigan	86	38,737	240,820	1,774,068	2,053,625	1.9	11.8	86.3
Minnesota	72	53,652	205,766	3,582,294	3,841,712	1.4	5.4	93 2
Mississippi	10	3,984	19,206	120,217	143,407	2.8	13.4	83 8
Missouri	64	74,621	336,526	4,748,810	5,159,957	1.5	6.5	92
Montana	34	33,684	50,967	434,419	519,070	6.5	9.8	83.7
Nebraska*	105	69,575	164,989	1,642,178	1,876,742	3.6	8.8	87.6
Nevada	.....	.....	.....	.....	.....	.....	.....	.....
New Hampshire	49	6,551	129,501	932,342	1,068,394	.6	12.2	87.2
New Jersey	96	52,677	674,971	4,951,531	5,679,179	1	11.9	87.1
New Mexico*	6	4,441	9,780	152,751	166,972	2.7	5.9	91.4
New York*	320	107,542	3,065,325	115,865,984	119,038,851	.1	2.6	97.3
North Carolina	22	14,749	52,879	260,311	327,939	4.5	16.1	79.3
North Dakota*	26	6,207	35,742	159,313	201,262	3.1	17.7	79.2
Ohio*	236	165,130	1,180,379	7,836,743	9,182,252	1.8	12.9	85.2
Oklahoma	5	1,574	8,178	33,047	42,799	3.7	29.1	77.2
Oregon	32	63,129	9,855	262,063	335,047	18.8	3	78.2
Pennsylvania*	398	187,377	1,977,019	24,088,375	26,252,771	.7	7.5	91.8
Rhode Island	57	9,110	223,516	1,271,158	1,503,784	.6	14	84.5
South Carolina	12	4,861	14,664	126,377	145,902	3.3	10.1	86.6
South Dakota	29	13,080	27,921	160,696	201,697	6.4	13.9	79.7
Tennessee	47	28,550	123,415	974,961	1,126,926	2.5	11	86.5
Texas	182	81,722	234,792	1,186,739	1,503,253	5.5	15.6	78.9
Utah	9	18,678	10,426	207,206	236,310	7.9	4.4	87.7
Vermont	47	5,723	86,002	582,156	673,881	.9	12.8	86.3
Virginia*	31	11,716	64,418	649,477	725,611	1.6	8.8	89.6
Washington	39	79,326	38,672	423,791	541,789	14.6	7.2	78.2
West Virginia	30	8,675	59,309	316,461	384,445	2.3	15.4	82.3
Wisconsin	75	38,086	258,047	1,904,728	2,200,861	1.8	11.7	86.5
Wyoming	10	5,486	7,865	39,049	52,400	10.5	15	74.5
Whole country	3,474	2,009,058	14,362,547	234,036,360	250,407,965	.8	5.7	93.4

* The sum of these totals is larger than the sum of the corresponding columns in Tables 4, 5, and 6, because in some cases only grand totals were returned by the banks.

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TABLE VIII.—RETAIL DEPOSITS OF 2,056 STATE AND OTHER BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Specie.	Currency.	Checks.	Total.	Per cent specie.	Per cent currency.	Per cent checks.
Alabama	3	$1,450	$1,267	$5,938	$8,655	16.8	14.6	68.6
Arizona								
Arkansas	9	1,117	2,488	6,975	10,580	10.5	23.5	65.9
California	116	204,125	7,189	158,498	369,812	55.2	1.9	42.8
Colorado	12	1,655	2,481	16,289	20,425	8.1	12.2	79.7
Connecticut	45	1,002	15,857	15,016	31,875	3.1	49.7	47.1
Delaware								
District of Columbia	4							
Florida	13	674	1,582	7,850	10,106	6.7	15.7	77.6
Georgia	15	1,287	3,701	10,262	15,250	8.5	24.2	67.2
Idaho	3	35	52	821	908	3.8	5.7	90.4
Illinois	96	9,218	64,965	186,344	260,527	3.5	24.9	71.5
Indiana	53	7,580	26,657	51,039	85,276	8.9	31.2	59.9
Indian Territory								
Iowa	169	13,701	49,999	105,657	169,357	8	29.5	62.5
Kansas	60	4,385	14,465	44,849	63,699	6.9	22.7	70.4
Kentucky	46	9,454	28,753	221,290	259,497	3.7	11.1	85.2
Louisiana	9	2,519	3,824	34,951	41,294	6.1	9.3	84.6
Maine	32	169	6,425	15,333	21,927	2.9	27.2	69.9
Maryland	7	2,323	11,637	32,890	46,850	4.3	25.5	70.2
Massachusetts	106	3,873	63,712	54,967	122,552	3.2	52	44.8
Michigan	84	9,886	67,088	135,865	212,839	4.8	31.4	63.8
Minnesota	84	16,322	44,630	166,584	227,536	11.5	15.3	73.2
Mississippi	7	2,166	1,765	6,235	10,166	18.7	20	61.3
Missouri	213	21,003	100,313	258,826	380,142	5.6	26.3	68.1
Montana	4	2,344	5,384	9,039	16,767	16.7	29.4	53.9
Nebraska	159	10,828	26,753	57,529	95,110	11.2	28.4	60.4
Nevada								
New Hampshire	25	410	9,419	10,086	19,915	4.4	45	50.6
New Jersey	30	868	25,386	55,668	81,922	1.6	30.4	68
New Mexico	3	25	183	309	517	5	35.3	59.7
New York	190	24,343	494,459	1,354,166	1,872,968	1.4	26.3	72.3
North Carolina	4	889	2,825	6,676	10,390	5.8	30	64.2
North Dakota	18	1,046	7,036	11,597	19,679	6.1	35	58.9
Ohio	70	11,539	70,161	154,727	236,427	5	29.6	65.4
Oklahoma	4	267	667	4,223	5,157	5.3	12.9	81.8
Oregon	11	2,596	321	2,153	5,070	51.3	6.3	42.4
Pennsylvania	105	16,608	157,540	402,641	576,789	2.8	27.4	69.8
Rhode Island	17	30	1,141	915	2,086	1.7	54.6	43.7
South Carolina	2	547	520	4,408	5,475	10	9.5	80.5
South Dakota	31	1,824	7,262	9,977	19,063	10.4	36.8	52.8
Tennessee	21	2,554	12,313	21,075	35,942	7.8	33.3	58.9
Texas	11	2,336	5,752	23,106	31,194	6.6	19.3	74.1
Utah	6	1,180	581	10,791	12,552	9.7	4.6	85.7
Vermont	15	282	6,306	20,136	26,724	2.5	22.2	75.3
Virginia	17	2,238	9,770	16,635	28,643	7.3	34.5	58.2
Washington	17	8,527	3,274	15,806	27,607	31	11.7	57.3
West Virginia	7	765	3,848	7,662	12,275	5.7	32	62.3
Wisconsin	97	13,312	62,667	130,680	206,659	6.4	30.4	63.2
Wyoming	3	915	40	419	1,374	67.5	2.1	30.4
Whole country	2,056	420,217	1,432,458	3,866,903	5,719,578	7.4	25	67.6

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TABLE IX.—WHOLESALE DEPOSITS OF 2,056 STATE AND OTHER BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Specie.	Currency.	Checks.	Total.	Per cent specie.	Per cent currency.	Per cent checks.
Alabama	3							
Arizona								
Arkansas	9	$96	$415	$9,625	$10,136	0.9	4	94.9
California	116	62,142	9,697	360,130	431,969	14.3	2.2	83.3
Colorado	12							
Connecticut	45	242	3,392	79,232	82,866	.2	4	95.6
Delaware								
District of Columbia	4							
Florida	13			281	281			
Georgia	15	130	2,292	40,650	43,072	.3	5.3	94.3
Idaho	3							
Illinois	96	3,077	28,106	716,120	747,303	.4	3.7	95.8
Indiana	53	753	9,231	113,902	123,886	.6	7.4	91.9
Indian Territory								
Iowa	169	1,466	5,501	58,230	65,197	2.2	8.4	89.3
Kansas	60	107	726	13,041	13,874	.8	5.3	93.9
Kentucky	46	432	1,784	64,061	66,277	.7	2.7	96.6
Louisiana	9	1,646	5,481	90,724	97,851	1.7	5.6	92.7
Maine	32	13	205	187	405	3.2	50.6	46.1
Maryland	7	10	1,370	16,207	17,587		7.8	92.1
Massachusetts	106	905	6,929	67,520	75,354	1.2	9.1	89.6
Michigan	84	1,453	6,674	138,960	147,087	1	4.5	94.4
Minnesota	84	2,853	10,141	349,521	362,515	.8	2.8	96.4
Mississippi	7	49	125	8,123	8,297	.6	1.5	97.9
Missouri	213	2,086	18,211	563,412	583,709	.4	3.1	96.4
Montana	4							
Nebraska	159	89	230	7,228	7,547	1.2	3	95.7
Nevada								
New Hampshire	25	4	343	2,155	2,502	.2	13.7	86.1
New Jersey	30	207	5,349	55,700	61,256	.3	8.7	90.9
New Mexico	3	80	10	764	854	9.3	1.2	89.4
New York	190	7,671	179,097	2,560,999	2,747,767	.3	6.5	93.2
North Carolina	4	220	726	10,169	11,115	1.9	6.7	91.4
North Dakota	18	80	95	5,028	5,203	1.6	1.8	96.6
Ohio	70	2,728	17,158	148,042	167,928	1.8	10.1	88.1
Oklahoma	4	10	80	189	279	3.7	28.6	67.7
Oregon	11	115			115			
Pennsylvania	105	3,342	40,777	386,757	430,876	.8	9.5	89.7
Rhode Island	17							
South Carolina	2	100	428	518	1,046	9.6	40.9	49.5
South Dakota	31	309	244	2,169	2,722	11.5	8.9	79.6
Tennessee	21	375	8,152	106,759	115,286	.5	6.9	92.6
Texas	11							
Utah	6							
Vermont	15			4,815	4,815			
Virginia	17	1,139	4,017	23,346	28,502	4.3	13.8	81.9
Washington	17	2,952	1,264	27,574	31,790	10.2	3.1	86.7
West Virginia	7	65	536	21,561	22,162	.4	2.4	97.2
Wisconsin	97	1,399	6,703	106,574	114,676	1.1	6	92.9
Wyoming	3							
Whole country	2,056	98,345	375,489	6,160,273	6,634,107	1.7	5.5	92.8

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TABLE X.—ALL OTHER DEPOSITS OF 2,056 STATE AND OTHER BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Specie.	Currency.	Checks.	Total.	Per cent specie.	Per cent currency.	Per cent checks.
Alabama	3	$449	$688	$5,639	$6,776	6.6	10.2	83
Arizona	.....	.....	.....	.....	.....	.....	.....	.....
Arkansas	9	401	1,324	37,937	39,662	1	3.3	95.6
California	116	550,328	13,780	609,754	1,173,862	46.9	1.2	51.9
Colorado	12	758	1,940	21,039	23,737	3.2	8.2	88.6
Connecticut	45	912	34,930	207,609	243,451	.3	14.3	85.2
Delaware	.....	.....	.....	.....	.....	.....	.....	.....
District of Columbia	4	316	16,507	70,400	87,223	.3	18.9	80.7
Florida	13	208	692	9,115	10,015	.2	6.9	91
Georgia	15	632	5,636	86,584	92,852	.6	6	93.2
Idaho	3	721	405	2,734	3,860	18.7	10.5	70.8
Illinois	96	12,957	156,391	1,617,488	1,766,836	.7	7.6	91.5
Indiana	53	3,804	28,515	196,957	229,276	1.3	12.6	85.9
Indian Territory	.....	.....	.....	.....	.....	.....	.....	.....
Iowa	169	11,779	43,251	187,781	242,801	4.9	17.6	77.3
Kansas	60	1,886	9,340	107,342	118,568	1.7	8.4	90.5
Kentucky	46	1,319	9,683	119,606	130,608	1	7.6	91.5
Louisiana	9	254	4,146	38,186	42,586	.6	9.6	89.4
Maine	32	359	21,614	25,094	47,067	.8	4.7	53.3
Maryland	7	82	4,646	2,725	7,453	1.4	60.9	36.5
Massachusetts	106	4,891	206,855	985,074	1,196,820	.4	17.2	82.3
Michigan	84	4,321	60,951	272,851	338,123	1.2	18.1	80.6
Minnesota	84	8,554	29,735	519,800	558,089	1.6	5.3	93.1
Mississippi	7	539	1,217	7,884	9,640	5.6	12.6	81.7
Missouri	213	26,275	135,512	1,410,941	1,572,728	1.6	8.6	89.7
Montana	4	6	851	1,708	2,565	.5	33	66.5
Nebraska	159	4,995	16,227	84,651	105,873	5.1	15	79.9
Nevada	.....	.....	.....	.....	.....	.....	.....	.....
New Hampshire	25	203	20,370	76,815	97,388	.6	20.6	78.8
New Jersey	30	2,072	71,578	370,788	444,438	.4	16.2	83.4
New Mexico	3	27	85	873	985	2.8	8.6	88.6
New York	190	36,204	912,021	23,734,665	24,682,890	.2	3.8	96
North Carolina	4	413	935	13,313	14,661	2.8	6.4	90.8
North Dakota	18	509	4,755	11,128	16,392	3.2	29	67.8
Ohio	70	10,189	64,574	257,875	332,638	3	19.5	77.5
Oklahoma	4	144	271	556	971	15.8	27.9	57.2
Oregon	11	2,111	192	4,291	6,594	32.7	2.9	64.4
Pennsylvania	105	12,328	150,086	844,428	1,006,842	1.4	14.8	83.8
Rhode Island	17	202	9,415	26,793	36,410	1.4	25	73.6
South Carolina	2	462	457	5,792	6,711	7	6.8	86.3
South Dakota	31	733	2,044	22,627	25,404	3	8	89
Tennessee	21	912	16,165	168,685	185,762	1.2	8.6	90.2
Texas	11	525	14,651	26,495	41,671	.8	35.7	63.5
Utah	6	995	266	7,475	8,736	12	3	85.7
Vermont	15	420	10,202	9,590	20,212	2.6	50	47.4
Virginia	17	2,849	14,031	64,171	81,051	3.7	17.2	79.1
Washington	17	6,867	3,102	37,195	47,164	14.7	6.5	78.8
West Virginia	7	1,355	6,033	22,609	29,997	4.7	20	75.3
Wisconsin	97	7,182	41,250	268,508	316,940	2.4	12.9	84.7
Wyoming	3	180	115	1,902	2,197	8.3	5.2	86.5
Whole country	2,056	723,628	2,127,434	32,605,573	35,456,635	2.1	6	91.9

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TABLE XI.—TOTAL DEPOSITS OF 2,056 STATE AND OTHER BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Specie.	Currency.	Checks.	Total.	Per cent specie.	Per cent currency.	Per cent checks.
Alabama	3	$1,899	$1,955	$11,577	$15,431	12.3	12.7	75
Arizona	.....	.....	.....	.....	.....	.....	.....	.....
Arkansas	9	1,662	4,686	55,191	61,539	2.7	7.7	89.6
California*	116	821,893	30,831	1,143,384	1,996,108	41.2	1.5	57.3
Colorado	12	2,558	4,886	44,381	51,825	5	9.4	85.6
Connecticut	45	2,156	54,179	301,857	358,192	.7	15.1	84.2
Delaware	.....	.....	.....	.....	.....	.....	.....	.....
District of Columbia	4	316	16,507	70,400	87,223	.3	1.9	80.7
Florida	13	882	2,274	17,246	20,402	4.3	11.2	84.5
Georgia	15	2,049	11,629	137,496	151,174	1.4	7.7	90.9
Idaho	3	756	457	3,555	4,768	16	9.5	74.5
Illinois*	96	24,905	234,589	2,556,068	2,815,562	.9	8.3	90.8
Indiana	53	12,462	67,231	368,409	448,102	2.8	15	82.2
Indian Territory	.....	.....	.....	.....	.....	.....	.....	.....
Iowa	169	26,946	101,738	363,424	492,108	5.4	20.7	73.9
Kansas*	60	14,516	28,164	174,050	216,730	6.7	13	80.3
Kentucky*	46	11,292	40,410	406,619	458,321	2.4	8.9	88.7
Louisiana	9	4,419	13,451	163,861	181,731	2.5	7.4	90.1
Maine	32	541	28,394	40,654	69,589	.8	40.8	58.4
Maryland	7	2,415	17,653	51,822	71,890	3.4	24.6	72
Massachusetts*	106	9,950	309,473	2,176,588	2,496,011	.4	12.4	87.2
Michigan*	84	15,910	138,801	576,044	730,755	2.2	19	78.8
Minnesota	84	27,818	85,116	1,038,914	1,151,848	2.4	7.4	90.2
Mississippi	7	2,754	3,107	22,242	28,103	9.8	11.1	79.1
Missouri*	213	50,021	255,795	2,250,374	2,556,190	2	10	88
Montana	4	2,350	6,235	10,747	19,332	12.2	32.3	55.5
Nebraska*	159	15,917	43,384	152,963	212,264	7.5	20.5	72
Nevada	3	.....	.....	.....	.....	.....	.....	.....
New Hampshire	25	617	30,132	89,056	119,805	.5	25.2	74.3
New Jersey*	30	3,174	107,285	482,645	593,104	.5	18.1	81.4
New Mexico*	3	653	910	4,572	6,135	10.7	14.8	74.5
New York*	190	77,212	2,079,612	29,395,662	31,552,486	.2	6.8	93
North Carolina	4	1,522	4,486	30,158	36,166	4.2	12.5	83.3
North Dakota	18	1,635	11,886	27,753	41,274	4	28.8	67.2
Ohio	70	24,456	151,893	560,644	736,993	3.3	20.5	76.2
Oklahoma	4	414	963	2,158	3,535	11.7	27.3	61
Oregon	11	4,822	513	6,444	11,779	40.9	4.4	54.7
Pennsylvania*	105	259,453	567,882	2,235,507	3,062,842	8.5	18.6	72.9
Rhode Island	17	567	19,262	61,909	81,738	.7	23.6	75.7
South Carolina	2	1,109	1,405	10,718	13,232	8.3	10.7	81
South Dakota	31	2,866	9,550	34,773	47,189	6.1	20.3	73.9
Tennessee	21	3,947	37,019	298,751	339,717	.9	11.2	87.6
Texas*	11	2,957	20,718	49,817	73,492	4.1	28.2	67.8
Utah	6	2,175	847	18,266	21,288	10.2	4	85.7
Vermont*	15	702	16,508	34,541	51,751	1.4	31.9	66.7
Virginia	17	6,972	31,318	79,826	118,116	5.9	26.6	67.5
Washington	17	18,346	7,640	80,575	106,561	17.2	7.2	75.6
West Virginia	7	2,185	10,417	51,832	64,434	3.4	16.2	80.4
Wisconsin	97	21,893	110,620	505,762	638,275	3.4	17.4	79.2
Wyoming	3	1,095	155	2,321	3,571	30.7	4.3	64.9
Whole country	2,056	1,495,159	4,721,966	46,201,556	52,418,681	2.9	9	88.1

* The sum of these totals is larger than the sum of the corresponding columns in Tables VIII, IX, and X, because in some cases only grand totals were returned by the banks.

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TABLE XII.—TOTAL RETAIL DEPOSITS OF 5,530 BANKS ON JULY 1, 1896.

State or Territory.	Number of replies.	Gold coin.	Silver coin.	Specie.	Currency.	Checks.	Total.	Per cent gold.	Per cent silver.	Per cent currency.	Per cent checks.
Alabama	25	$367	$9,234	$9,601	$21,501	$44,304	$75,406	0.5	12.2	28.5	58.7
Arizona	5	2,376	496	2,872	2,891	17,306	23,069	10.3	2.6	12.5	74.9
Arkansas	18	715	4,003	4,718	13,950	31,912	50,580	1.4	7.8	27.6	63
California	146	248,013	32,776	268,789	15,504	397,584	681,877	36.4	4.8	22.7	58.2
Colorado	52	33,245	19,808	53,053	122,803	554,917	730,773	4.5	2.7	16.8	75.9
Connecticut	122	539	10,787	11,326	191,301	308,447	511,074	.1	2.2	37.4	60.3
Delaware	17	147	4,463	4,610	23,512	46,784	74,906	.2	5.9	31.4	62.4
District of Columbia	16	145	2,011	2,156	60,355	93,185	155,696	.1	1.3	38.8	59.8
Florida	30	458	10,441	10,899	23,577	59,264	93,740	.5	11.1	25.1	63.2
Georgia	39	354	18,941	19,295	31,110	81,343	131,748	.3	14.4	23.5	61.7
Idaho	13	3,822	867	4,689	3,564	12,882	21,135	18.2	4.1	16.8	60.8
Illinois	308	11,847	54,973	66,820	477,049	1,248,722	1,792,591	.6	3.1	26.6	69.7
Indiana	158	2,295	31,931	34,226	146,120	317,076	497,422	.5	6.4	29.5	63.5
Indian Territory	8	59	596	655	2,637	3,681	6,973	.9	8.5	37.8	52.7
Iowa	334	17,444	29,068	46,512	189,039	391,320	626,871	2.7	4.6	30.4	62.2
Kansas	165	6,028	18,715	24,743	66,394	186,760	277,897	2.2	6.7	23.8	67.2
Kentucky	113	689	18,508	19,197	74,748	321,264	415,209	.2	4.4	17.9	77.4
Louisiana	29	124	16,526	16,650	34,129	135,443	186,222	.07	8.9	18.3	72.7
Maine	111	266	5,897	6,163	94,495	157,555	258,213	.1	2.2	36.6	61
Maryland	74	396	14,676	15,072	184,042	289,463	488,577	.08	3	37.6	59.3
Massachusetts	360	1,708	47,487	49,195	732,180	1,506,862	2,288,237	.07	2.1	32	65.8
Michigan	170	4,154	23,600	27,754	179,463	381,463	588,680	.7	4	30.5	64.7
Minnesota	156	24,436	19,875	44,311	127,588	442,651	614,550	4	3.2	20.8	72
Mississippi	17	40	4,600	4,640	14,603	22,879	42,122	.1	10.9	34.6	54.3
Missouri	277	13,620	39,879	53,499	246,339	1,077,662	1,377,500	1	2.8	17.9	78.2
Montana	38	12,037	7,094	19,131	29,917	120,165	169,213	7.1	4.1	17.7	71
Nebraska	264	16,257	23,274	39,531	89,568	198,227	327,326	4.9	7.1	27.4	60.5
Nevada	*3	270	159	429	35	3,229	3,693	7.4	4.3	.9	87.3
New Hampshire	74	90	4,272	4,362	73,375	88,005	165,742	.5	2.5	44.2	53.2
New Jersey	126	1,297	19,566	20,863	334,110	622,880	977,853	.1	2	34.2	63.7
New Mexico	9	1,395	580	1,975	4,159	25,008	31,142	4.4	1.8	13.4	80.3
New York	510	8,158	64,046	72,204	1,277,760	3,707,000	5,056,964	.2	1.2	25.2	73.3
North Carolina	26	458	9,405	9,863	24,991	56,433	91,287	.5	10.3	27.3	61.8
North Dakota	44	2,735	1,944	4,679	26,406	47,973	79,058	3.4	2.4	33.4	60.7
Ohio	306	20,774	79,522	100,296	515,324	1,119,146	1,734,766	1.2	4.1	30	64.5
Oklahoma	9	325	847	1,172	4,295	6,887	12,354	2.6	6.8	34.8	55.7
Oregon	43	28,102	5,461	33,563	4,726	55,358	93,647	30	5.8	5	59.2
Pennsylvania	503	15,563	98,919	114,482	991,523	2,368,304	3,474,309	.5	2.9	28.3	68.2
Rhode Island	74	205	3,472	3,677	117,010	131,131	251,818	.1	1.4	46.4	52
South Carolina	14	35	3,432	3,467	6,618	29,877	39,962	.1	8.5	16.8	74.6
South Dakota	60	7,360	3,297	10,657	25,468	69,566	105,691	6.9	3.1	24.1	65.8
Tennessee	68	414	16,257	16,671	57,370	132,245	206,286	.2	7.9	27.8	64.1
Texas	193	10,272	35,133	45,405	138,386	288,525	472,316	2.2	7.5	29.3	61
Utah	15	7,018	2,001	9,019	3,240	33,275	45,534	15.4	4.4	7.2	73
Vermont	62	315	4,127	4,442	56,251	136,049	196,742	.2	2.1	28.3	69.2
Virginia	48	234	7,912	8,146	39,877	74,062	122,085	.2	6.5	32.6	60.7
Washington	56	37,435	8,919	46,354	25,836	93,683	165,873	22.6	5.4	15.6	56.4
West Virginia	37	522	4,913	5,435	29,491	76,878	111,804	.5	4.4	26.4	68.7
Wisconsin	172	14,493	18,755	33,248	156,997	370,144	560,389	2.6	3.3	28	66
Wyoming	13	3,260	1,197	4,457	4,390	21,161	30,008	10.9	4	14.6	70.5
Whole country	5,530	562,311	852,662	1,414,973	7,116,017	18,005,940	26,536,930	2.4	3.2	26.7	67.4

* One national and two others. It was not thought worth while to give their returns separately.

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TABLE XIII.—TOTAL WHOLESALE DEPOSITS OF 5,530 BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Gold coin.	Silver coin.	Specie	Currency.	Checks.	Total.	Per cent gold.	Per cent silver.	Per cent currency.	Per cent checks.
Alabama	25	$185	$2,535	$2,720	$6,879	$122,866	$132,465	0.14	1.9	5.19	92.7
Arizona	5	145	30	175	360	1,205	1,740	8.3	1.7	20.7	69.2
Arkansas	18	720	911	1,631	4,989	46,272	52,892	1.4	1.7	9.43	87.4
California	146	92,461	9,556	102,017	12,864	799,297	914,178	10.1	1.04	1.41	87.4
Colorado	52	6,638	2,081	8,719	22,177	670,316	701,212	.93	.29	3.2	95.5
Connecticut	122	183	2,540	2,723	39,073	484,612	526,408	.03	.48	7.42	92.06
Delaware	17	5	236	241	5,352	87,249	92,842	.005	.25	5.76	93.9
Dist. Columbia	16	.....	1,346	1,346	20,649	53,814	75,809	.....	1.8	27.2	70.9
Florida	30	55	2,474	2,529	9,283	84,181	95,993	.05	2.5	9.67	87.6
Georgia	39	115	7,342	7,457	21,296	182,665	211,418	.05	3.4	10.7	86.4
Idaho	13	350	94	444	362	8,880	9,686	3.6	1	3.74	91.7
Illinois	308	4,848	13,033	17,881	221,602	6,981,501	7,220,984	.1	.2	3.06	96.7
Indiana	158	2,452	7,662	10,114	52,561	658,298	720,973	.3	1.1	7.3	91.3
Indian Territory	8	.....	.....	.....	110	161	271	.....	.....	40.6	59.4
Iowa	334	3,011	5,220	8,261	23,408	352,154	383,823	.08	1.4	6.1	91.7
Kansas	165	1,165	2,526	3,691	8,913	102,993	115,597	1	2.2	7.7	89.1
Kentucky	113	280	2,369	2,649	11,550	331,073	345,272	.1	.7	3.34	95.8
Louisiana	29	20	4,204	4,224	37,625	571,615	613,464	.....	.7	6.1	93.2
Maine	111	73	1,836	1,909	19,985	312,040	333,934	.02	.6	5.98	93.4
Maryland	74	90	3,330	3,420	67,911	1,093,658	1,164,989	.....	.3	5.8	93.9
Massachusetts	360	232	10,261	10,493	200,672	4,309,306	4,520,471	.....	.2	4.43	95.3
Michigan	170	6,170	6,348	12,518	41,992	620,478	674,988	.9	.9	6.22	91.9
Minnesota	156	6,158	3,595	9,753	27,083	1,714,706	1,751,542	.4	.2	1.54	97.9
Mississippi	17	5	620	625	1,518	36,649	38,792	.....	1.6	3.91	94.5
Missouri	277	4,845	10,545	15,390	72,701	2,660,280	2,748,371	.2	.4	2.65	96.8
Montana	38	730	470	1,200	2,614	30,032	33,846	2.2	1.4	7.72	88.7
Nebraska	264	1,670	1,423	3,093	6,219	167,957	177,269	.9	.8	3.51	94.8
Nevada	3	500	60	560	10	3,346	3,916	12.8	1.5	.26	85.4
New Hampshire	74	.....	944	944	12,232	116,955	130,131	.....	.7	9.39	89.9
New Jersey	126	1,030	7,178	8,208	121,897	877,509	1,007,614	.1	.7	12.09	87.08
New Mexico	9	95	315	410	547	21,309	22,266	.4	1.4	2.45	95.7
New York	510	3,874	19,154	23,028	659,108	26,959,701	27,641,837	.01	.1	2.38	97.5
North Carolina	26	75	3,433	3,508	10,266	73,716	87,490	.6	3.4	11.7	84.2
North Dakota	44	80	50	130	2,475	26,426	29,031	.2	.3	8.52	91.02
Ohio	306	6,015	18,536	24,551	292,211	2,643,184	2,959,946	.4	.6	9.87	89.3
Oklahoma	9	10	263	273	1,720	6,980	8,973	.2	2.9	19.1	77.8
Oregon	43	1,905	628	2,533	325	58,676	61,534	3.2	.9	.53	95.3
Pennsylvania	503	4,291	26,543	30,834	372,811	4,479,240	4,882,885	.3	.5	7.63	91.7
Rhode Island	74	90	1,955	2,045	32,740	266,318	303,103	.1	.5	10.8	87.8
South Carolina	14	.....	287	287	1,580	28,656	30,523	.....	.1	5.17	93.9
South Dakota	60	488	229	717	1,674	13,610	16,001	3	.6	10.46	85.05
Tennessee	68	115	4,650	4,765	32,426	430,986	468,177	.1	.9	6.92	92.05
Texas	193	2,165	6,530	8,695	19,519	324,646	352,860	.6	1.9	5.53	92
Utah	15	3,390	417	3,807	2,040	31,670	37,517	8.9	1.3	5.44	84.4
Vermont	62	125	163	288	5,360	167,773	173,421	.1	.2	3.09	96.7
Virginia	48	48	1,851	1,899	8,984	96,753	107,636	.01	1.7	8.34	89.9
Washington	56	12,555	2,813	15,368	5,728	151,822	172,918	7.5	1.4	3.31	87.8
West Virginia	37	175	1,241	1,416	12,153	92,407	105,976	.4	1	11.4	87.2
Wisconsin	172	2,500	3,162	5,662	37,446	782,162	825,270	.3	.5	4.5	94.7
Wyoming	13	40	18	58	606	1,620	2,284	1.6	.8	26.5	70.9
Whole country	5,530	172,202	203,007	375,209	2,573,506	60,139,723	63,088,438	.3	.4	4	95.3

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TABLE XIV.—TOTAL OF ALL OTHER DEPOSITS OF 5,530 BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Gold coin.	Silver coin.	Total specie.	Currency.	Checks.	Total.	Per cent gold.	Per cent silver.	Per cent currency.	Per cent checks.
Alabama	25	$240	$7,807	$8,047	$32,055	$202,240	$242,342	0.1	3.2	13.2	83.4
Arizona	5	1,765	897	2,662	2,752	15,495	20,909	8.4	4.3	13.1	74.1
Arkansas	18	1,115	2,513	3,628	7,074	114,681	125,383	.9	2	5.8	91.3
California	146	613,811	17,026	630,837	26,107	1,203,296	1,860,240	33	1	1.4	64.6
Colorado	52	15,938	6,228	22,166	51,749	965,245	1,039,160	1.6	.6	5	92.8
Connecticut	122	604	6,025	6,629	149,672	1,700,955	1,857,256	.03	.3	8	91.6
Delaware	17	50	1,046	1,096	9,732	159,366	170,194	.03	.6	5.7	93.6
District of Columbia	16	40	2,721	2,761	123,992	431,555	558,308	.....	.5	22.2	77.2
Florida	30	10	2,896	2,906	10,212	172,747	185,865	.....	1.6	5.5	92.9
Georgia	39	165	10,378	10,543	27,004	223,837	261,384	.06	4	10.3	85.6
Idaho	13	4,199	638	4,837	2,701	37,059	44,597	9.4	1.5	6.1	83
Illinois	308	9,931	43,626	53,557	593,627	8,977,398	9,624,582	.1	.5	6.2	93.2
Indiana	158	3,438	17,876	21,314	149,866	910,034	1,081,214	.3	1.6	13.9	84.2
Indian Territory	8	520	161	681	2,383	18,838	21,902	2.4	.7	10.9	86
Iowa	334	16,962	15,134	32,096	137,695	813,875	983,666	1.7	1.5	14	82.7
Kansas	165	6,797	9,559	16,356	62,117	767,980	846,453	.8	1.1	7.3	91.8
Kentucky	113	1,558	8,166	9,724	60,338	561,926	631,988	.2	1.3	9.5	88.9
Louisiana	29	164	9,782	9,946	78,653	764,904	853,503	.02	1.1	9.2	89.6
Maine	111	163	2,284	2,447	89,252	681,233	772,932	.02	.3	11.5	88.1
Maryland	74	625	4,830	5,455	185,904	4,539,764	4,731,123	.01	.1	4	95.8
Massachusetts	360	2,353	23,298	25,651	828,794	18,688,521	19,542,966	.01	.1	4.2	95.6
Michigan	170	2,285	11,840	14,125	154,078	1,319,803	1,488,006	.2	.8	10.3	88.6
Minnesota	156	16,476	10,841	27,317	135,601	2,460,842	2,623,760	.6	.4	5.9	93
Mississippi	17	193	1,280	1,473	6,192	82,931	90,596	.2	1.4	6.7	91.6
Missouri	277	6,098	48,998	55,096	271,522	3,244,047	3,570,665	.2	1.4	7.6	90.8
Montana	38	11,804	3,899	15,703	24,671	294,969	335,343	3.5	1.2	7.4	87.9
Nebraska	264	30,248	12,460	42,708	111,827	1,425,280	1,579,815	1.9	.8	7.1	90.2
Nevada	3	945	225	1,170	40	58,206	59,416	1.6	.4	.07	97.9
New Hampshire	74	20	1,842	1,862	74,026	816,438	892,326	.....	.2	8.3	91.5
New Jersey	126	1,571	25,182	26,753	321,277	3,933,298	4,281,328	.03	.6	7.5	91.8
New Mexico	9	1,150	814	1,964	4,817	87,439	94,220	1.2	.9	5.1	92.8
New York	510	14,623	64,527	79,150	2,693,056	110,774,461	113,546,667	.01	.06	2.4	97.5
North Carolina	26	245	2,655	2,900	22,108	160,320	185,328	.1	1.4	11.9	86.5
North Dakota	44	1,740	833	2,573	16,597	107,645	126,815	1.4	.7	13.1	84.8
Ohio	306	17,791	43,610	61,401	493,009	4,126,452	4,680,862	.4	.9	10.5	88.1
Oklahoma	9	105	445	550	3,181	24,148	27,879	.4	1.6	11.4	86.5
Oregon	43	27,819	4,036	31,855	5,327	154,472	191,654	14.5	2.1	2.8	80.5
Pennsylvania	503	14,259	59,816	74,075	954,863	18,852,343	19,881,281	.07	.3	4.8	94.8
Rhode Island	74	390	3,230	3,620	82,322	901,417	987,359	.04	.3	8.4	91.2
South Carolina	14	.....	2,216	2,216	7,871	78,562	88,649	.....	2.5	8.9	88.6
South Dakota	60	2,935	1,637	4,572	10,329	112,293	127,194	2.3	1.3	8.1	88.2
Tennessee	68	120	10,835	10,955	70,249	708,249	789,453	.....	1.4	8.9	89.7
Texas	193	4,899	25,584	30,483	97,290	623,169	750,942	.6	3.4	13	82.9
Utah	15	5,365	2,662	8,027	5,993	160,527	174,547	3.1	1.6	3.5	91.7
Vermont	62	280	1,415	1,695	40,899	312,875	355,469	.01	.4	11.5	88
Virginia	48	122	7,334	7,456	41,675	574,830	623,961	.02	1.1	6.7	92.1
Washington	56	28,079	7,871	35,950	14,748	258,861	309,559	9.1	1.5	4.8	83.6
West Virginia	37	298	3,711	4,009	28,082	199,008	231,099	.1	1.6	12.2	86.1
Wisconsin	172	9,066	12,003	21,069	174,224	1,258,184	1,453,477	.6	.9	12	86.5
Wyoming	13	1,795	271	2,066	3,024	18,589	23,679	7.6	1.1	12.8	78.4
Whole country	5,530	881,189	564,943	1,446,132	8,500,577	195,080,607	205,027,316	.4	.2	4.1	95.1

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TABLE XV.—GRAND TOTAL OF DEPOSITS OF 5,530 BANKS, JULY 1, 1896.

State or Territory.	Number of replies.	Gold coin.	Silver coin.	Total specie.	Currency.	Checks.	Total.	Per cent gold.	Per cent silver.	Per cent currency.	Per cent checks.
Alabama	25	$792	$19,576	$20,368	$60,435	$369,410	$450,213	1.7	2.8	13.5	82
Arizona	5	4,286	1,423	5,709	6,003	34,006	45,718	9.3	3.2	13.2	74.3
Arkansas	18	2,550	7,475	10,025	26,472	193,519	230,016	1.1	3.3	11.5	84.1
California	146	958,985	47,956	1,006,941	54,640	2,415,179	3,476,760	27	2	1.6	69.4
Colorado	52	55,921	28,162	84,083	197,194	2,197,531	2,478,808	2.2	1.2	8	88.6
Connecticut	122	1,326	19,352	20,678	380,046	2,494,014	2,894,738	.4	.3	13.1	86.2
Delaware	17	202	5,745	5,947	38,596	293,399	337,942	.5	1.3	11.4	86.8
District of Columbia	16	185	6,078	6,263	204,996	578,554	789,813	.2	.6	26	73.2
Florida	30	523	15,811	16,334	43,072	316,192	375,598	1.4	2.9	11.5	84.2
Georgia	39	634	36,661	37,295	79,410	487,845	604,550	1	5.2	13.2	80.6
Idaho	13	10,771	1,849	12,620	7,377	60,695	80,692	13.3	2.3	9.2	75.2
Illinois	308	26,636	121,465	138,101	1,298,372	17,259,529	18,696,002	1.4	5.6	7.0	92.3
Indiana	158	8,308	57,760	66,068	352,944	1,894,367	2,313,379	.3	2.6	15.3	81.8
Indian Territory	8	579	757	1,336	5,130	22,680	29,146	1.9	2.7	17.7	77.7
Iowa	334	37,447	49,422	86,869	353,129	1,569,105	2,009,103	1.8	2.4	17.5	78
Kansas	165	21,727	32,775	54,502	153,168	1,111,540	1,319,210	1.6	2.6	11.6	84.2
Kentucky	113	2,525	29,132	31,657	146,826	1,215,925	1,394,408	.1	2.2	10.6	87.1
Louisiana	29	1,908	34,512	36,420	157,707	1,471,962	1,666,089	.1	2.1	9.5	88.3
Maine	111	502	10,017	10,519	203,882	1,150,868	1,365,269	.3	.5	15	84.2
Maryland	74	1,111	23,566	24,677	457,082	6,725,661	7,207,420	.1	.3	6.3	93.3
Massachusetts	360	4,303	81,317	85,620	1,793,623	25,573,716	27,452,959	.1	.2	6.5	93.2
Michigan	170	12,609	42,038	54,647	379,621	2,350,112	2,784,380	.4	1.6	13.6	84.4
Minnesota	156	47,155	34,315	81,470	290,882	4,621,208	4,993,560	.9	.9	5.7	92.5
Mississippi	17	238	6,500	6,738	22,313	142,459	171,510	1.3	2.6	13	83.1
Missouri	277	24,763	99,879	124,642	592,321	6,999,184	7,716,147	.3	1.3	7.7	90.7
Montana	38	24,571	11,463	36,034	57,202	445,166	538,402	4.6	2.1	10.6	82.7
Nebraska	264	48,175	37,317	85,492	208,373	1,795,141	2,089,006	2.3	1.8	10	85.9
Nevada	3	7,772	444	8,216	85	101,285	109,586	7	.4	.1	92.5
New Hampshire	74	110	7,058	7,168	159,633	1,021,398	1,188,199	.1	.5	13.5	85.9
New Jersey	126	3,898	51,953	55,851	782,256	5,434,176	6,272,283	.1	.8	12.5	86.6
New Mexico	9	3,125	1,969	5,094	10,690	157,323	173,107	1.8	1.2	6.2	90.8
New York	510	29,902	154,852	184,754	5,144,937	145,261,646	150,591,337	.1	.2	3.4	96.4
North Carolina	26	783	15,493	16,271	57,365	290,469	364,105	.4	4.1	15.8	79.7
North Dakota	44	4,815	3,027	7,842	47,628	187,066	242,536	2	1.2	19.7	77.1
Ohio	306	46,072	143,514	189,586	1,332,272	8,397,387	9,919,245	.5	1.4	13.5	84.6
Oklahoma	9	440	1,548	1,988	9,141	35,205	46,334	.1	4.2	19.7	76
Oregon	43	57,826	10,125	67,951	10,368	268,507	346,826	16.7	3	3	77.3
Pennsylvania	503	258,077	188,753	446,830	2,544,901	26,323,882	29,315,613	.7	.8	8.7	89.8
Rhode Island	74	1,020	8,657	9,677	242,778	1,333,067	1,585,522	.1	.5	15.4	84
South Carolina	14	35	5,935	5,970	16,069	137,095	159,134	.1	3.7	10.1	86.1
South Dakota	60	10,783	5,163	15,946	37,471	195,469	248,886	4.4	2	15.1	78.5
Tennessee	68	649	31,848	32,497	160,434	1,273,712	1,466,643	.1	2.1	11	86.8
Texas	193	17,366	67,313	84,679	255,510	1,236,556	1,576,745	1.2	4.2	16.2	78.4
Utah	15	15,773	5,080	20,853	11,273	225,472	257,598	6.2	1.9	4.4	87.5
Vermont	62	720	5,705	6,425	102,510	616,697	725,632	.1	.8	14.2	84.9
Virginia	48	472	18,216	18,688	95,736	729,303	843,727	.1	2.1	11.4	86.4
Washington	56	78,069	19,603	97,672	46,312	504,366	648,350	12	3.1	7.2	77.7
West Virginia	37	995	9,865	10,860	69,726	368,293	448,879	.3	2.2	15.5	82
Wisconsin	172	26,059	33,920	59,979	368,667	2,410,490	2,839,136	.9	1.2	12.9	85
Wyoming	13	5,095	1,486	6,581	8,020	41,370	55,971	8.8	3	14.3	73.9
Whole country	5,530	1,868,589	1,643,844	3,512,433	19,084,598	280,339,201	302,936,232	.6	.5	6.3	92.5

From the face of the returns the conclusion to be drawn is that 67.4 per cent of the retail trade of the country is transacted by means of credit paper; that 95.3 per cent of the wholesale trade is so carried on; 95.1 per cent of business other than mercantile, and 92.5 per cent of all business.

In retail trade the national banks have 80 per cent of the deposits. The percentage of credit instruments in these deposits varies from 52 in Rhode Island to 87.3 in Nevada.* According to the returns of two years ago South Dakota stood lowest, with 37.6 per cent. It appears from the tables covering retail trade that the per cent of checks shown by the two investigations, in 1894 and 1896, is very nearly the same in Arkansas, Kansas, Maine, Maryland, Montana, and New Mexico,

* The returns from Nevada are so small in the aggregate that they are not a safe basis for inference.

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although the percentages for the last two are probably too high; that the present returns give higher percentages for Arizona, California, Colorado, Connecticut, Delaware, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Missouri, Minnesota, New Jersey, New York, North Carolina, North Dakota, Ohio, Pennsylvania, South Dakota, Tennessee, Utah, Vermont, West Virginia, Wisconsin, and Wyoming, and that in every case but three—Arizona, Delaware, and Wyoming—the number of banks reporting is much larger than in 1894. There seems to be no sufficient explanation of the higher per cent except that being deduced from a much larger volume of trade it is more truly representative.

Indiana and Ohio, whose percentages were clearly abnormal in the returns of 1894, take their obviously proper place now with Illinois, Pennsylvania, and other adjoining States. The per cents in the present tables for Wyoming and Arizona are doubtless abnormally high. The deposits reported from Wyoming are $26,000 less than two years ago, although four more banks sent in replies. The deposits reported from Arizona are in all only $23,000 from five banks, as against $77,000 from four banks two years ago. The percentage this time is less than in 1894 for Alabama, Florida, Georgia, Mississippi, Nebraska, New Hampshire, New Mexico, Rhode Island, Texas, Virginia, and Washington; the returns from New Mexico, with two more banks reporting than there were two years ago, show $7,000 less of deposits, and the percentages in both cases, 83.6 and 80.3, are evidently too high. The other changes all seem to place the States concerned in a more probably correct position. The changes one way and the other have affected the average for the whole country by only 8.9 per cent.

The average per cent of credit instruments in the retail deposits is almost identical for the returns of both sets of banks, despite the great disproportion of the total deposits. The national banks yield an average of 67.9; the other banks, an average of 67.3.

The most remarkable difference in the averages of the two sets of tables are in the cases of California and Idaho. The national-bank average for the former is 76.6 per cent, while the average of other banks is only 42.8 per cent. The difference is in the large amount of gold coin evidently in deposits of other State and private banks. A difference of 30.8 per cent exists in the averages for Idaho, but the larger of the averages is clearly too high on account of being based on too few returns. The averages work out practically the same from the two sets of returns for the States of Illinois, Idaho, Michigan, Nebraska, New York, North Carolina, North Dakota, Ohio, Pennsylvania, and Washington. It seems pretty certain that errors due to too few replies in either class of banks are offset by the fullness of the other set in most cases.

The high per cent in States like Missouri and New Mexico does not necessarily mean that checks are so much more largely used there than, for example, in Massachusetts. It probably shows rather that banks are used by a smaller per cent of the population, but by that part of the people which in any community uses checks most. The trade by this part of the population is doubtless much larger in proportion to their number than is that transacted by the rest. Hence the per cent, while too large, is probably not so much too large as at first thought might appear.

There are certain points that need to be cleared up, and certain omissions that must be allowed for, before it is certain that the result obtained is accurate.

In the first place, are the checks deposited by the retail dealers received wholly in payment of purchases made by them? Doubtless

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not. In communities where wages are paid by check, merchants are often called on to cash these checks. In so far as their deposits include checks thus cashed, credit instruments would appear to represent too large a proportion of the business receipts of the depositors. But in most cases probably the checks thus cashed by the merchants are presented by customers who carry accounts with them. The amount owed by the owner of the check to the merchant would be deducted from the amount of the check and the balance turned over to him. It is proper enough, therefore, to regard even such checks as representing to a certain extent payments by credit paper. In so far as the checks cashed by merchants are cashed in full, they would make the proportion of checks in their deposits too large if their deposits are assumed to represent the extent of their trade. All things considered, the error due to this cause is probably too insignificant to deserve notice.

The second point to be considered, and one of more importance on its face, is the question whether the proportion of cash and credit paper in bank deposits may be properly regarded as that which exists in actual payments by customers. This has been denied, on the ground that a business man is likely to use part of the cash he receives in the interval between its receipt and the time of its deposit. The answer to this objection, however, is not difficult. The business man who is accustomed to using checks is as likely to give his check for such a payment as to make the payment in cash; moreover, it seems pretty well established that the cash in a tradesman's till is relatively constant, even allowing for such payments.

The next question to consider is, What allowance should be made for deposits in banks from which no replies were received? The correction due to this failure ought not to be difficult. There is no reason to think that the deposits of banks which did not answer would be any different in character from those of the banks which did answer. It has been asserted that the banks from which no answers come in such investigations are those outside of the large cities, and that the average obtained is therefore too high. The returns do not show this to be wholly true. Many banks in large places, such as Nashville, Tenn., failed to report. The returns of small State and private banks average about the same as others. Even if the assertion were true, however, allowance could be made for the partial nature of the returns by adding for the banks not replying amounts in the proportion of their number to the total number of banks in country districts. As has been said, the total number of banking institutions to which blanks were sent is about 13,000; of the replies received, 5,530 were used. If the banks of the reserve cities are thrown out there will be left 5,005. This is 60 per cent of the whole number of banks outside of those cities; therefore 40 per cent of the country banks did not reply. If to the total deposits reported from the country outside of these cities is added 40 per cent for the nonreplying banks, the aggregate would be $22,600,000. The amount of checks, similarly increased, is $14,000,000. The resulting percentage of checks is 62. This is a variation of only 5.4 per cent from that obtained from the banks actually reporting.

Still further must be considered carefully the question whether the bank deposits are representative of the medium of payment used by all industrial classes. It is certainly true that there are very many people who do not use banks at all. The total number of depositors in the banks from which replies have been received is 5,929,963.* How many of these are individuals not in business at all, how many are men of

* Omitting, in the case of most of the commercial banks, certificate deposits.

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trade, retail or wholesale, and how many are corporations, it is of course impossible to say; and of the individuals who are in trade there is no means of ascertaining to a certainty how many carry on their business without receiving checks at all. It is probably true that all industrial classes whose annual income is below $500 or $600 do not use checks to any extent, though this number is being daily lessened by the increased use by them of savings banks. There are four classes of the population who, it has been urged, should be included among the noncheck users, whose trade would materially lower the percentage deduced from the bank returns. They are the negro population in the South, portions of the foreign population in our large cities, all other wage earners of small income, and farmers.

To consider these classes in detail: The nonuse of checks by the negroes is undoubtedly offset to a large extent by the use of store orders and by direct barter. These store orders are used to a considerable extent in the payment of wages in the mining and country districts, especially throughout the South. Moreover, a considerable amount of the commodities consumed by these people is raised on their own plats of ground directly for their own consumption. That portion of their living which is thus supplied creates no additional demand for a medium of exchange. It would not be fair, therefore, to count the total value of the expenditure of the noncheck-using negroes on the side of cash in determining the percentage of credit instruments used in payments in retail trade; for the ultimate question under investigation in this and similar discussions is: What per cent of the demand for a medium of exchange is supplied by credit instruments? Obviously, products which are exchanged by direct barter, or are consumed by their producers, do not enter into the amount of this demand.

As to the second class, the foreign population, it is doubtless true that the suggestion made may apply to such portions of them as have not been used in their home countries to the deposit feature in banking, and therefore unacquainted with payments made by checks. In so far as they are located in the city, their trade would tend to lower the per cent of credit paper. How much it is impossible to say, but certainly not in proportion to their number, because until the commencement of the use of checks by this class the amount of their individual income is usually small, and their number, moreover, is comparatively small. Some data illustrating their habits in the matter of the use of checks are given below in another direction.

These remarks apply also to the third class, the native white wage earners of small income, somewhat modified, however, by the extent to which checks are used in paying wages. Owing to the probably greater intelligence of this class, to the educational influence of the system of paying wages by check, and to the general character of the individuals in the class, the percentage of checks used is undoubtedly higher than is the case in the second class considered. There is some evidence to show this in some of the detailed accounts of specific places given below, especially as shown in the report from New Brunswick, N. J.

As to the farmers, it is not at all an uncommon supposition that they do not use checks to any considerable extent. This, however, can not by any means be taken for granted. It is learned from bankers, in the East and middle West especially, that checks are used by farmers in making payments to a larger extent than cash. In one town of importance in central Illinois it has happened that in a business of fully $20,000 in one day, carried on with farmers mostly, it was not necessary to open the safe of the bank to take out money at all. In another case

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it was found that a business of $20,000 by a bank is done on the average with not more than $500 in the till. In running through the balances shown by the books of this particular bank for a considerable period it was shown that the extreme variation of the money in the till was $2,500 for a total business aggregating several hundred thousands. Information received from other sections of the country point to the existence of a similar state of affairs.

There are still other considerations which render it by no means a foregone conclusion that the trade of farmers is carried on to only a small extent by means of checks. With them also, as with other classes mentioned, if the need for checks is small, so, too, especially in the case of the multitude of "small farmers" is the need for money. "Small farmers" produce largely for their own consumption. The influence of the trade of the farmers in swelling the money side of the account is offset by this fact. Still again, a great deal of the farmers' trade in certain sections is done by direct barter. This of course tends to decrease as the country becomes more thickly settled. In the East it probably has practically died out, but it has not done so in very many places in the West and South. The report from New Brunswick, N. J., states: "Time was, and only recently, when farmers had long-standing accounts with the merchants. Now the merchant makes his purchases and pays for them, in most cases, at once. Farmers were formerly accustomed to trade out their produce. Now they receive payment for it and deal with whom they choose."

Upon this same subject reports from many sources show that the habit of paying with checks on the part of farmers is growing, though in all parts of the country not an inconsiderable part of trading on account is still carried on. Farmers are credited on the books of the dealers with the produce which they bring in, and secure their supplies on the basis of this credit. In a single grocery store in the city of Urbana, Ill., it is developed by the report that there are 73 such running accounts, and there are four or five similar stores in the city. All these would reduce the proportion of cash trade and make the percentage of payments in cash smaller.

The fair conclusion from a consideration of all these facts is that not the whole of the trade which is not shown in bank returns can be properly credited to the money side of the account in determining the proportion of checks used in trade; in other words, that the percentage of credit instruments used in retail trade, as shown by the accounts of those tradesmen who use banks, is not larger than the actual percentage by the entire proportion of the trade of those who are not bank users.

When the investigation of two years ago was made it was attempted to secure some data on the subject directly from retail traders throughout the country. However, only a few replies were received, and they came too late to be incorporated in the report then made. They are of interest and value still, and as they bear upon this point, some of them are here given:

NEW BRUNSWICK, N. J.—Returns were received from four grocery stores showing the per cent of their total trade which was paid for in checks during the month of September, 1894. Three of these stores were so situated as to attract patrons of all classes in the community. The fourth was evidently a small suburban grocery, for the whole trade for the month was less than $1,000. The percentage of checks received in payments by the first three in a total trade of over $10,000 was 51.6. The small store mentioned received only 1.6 per cent of its payments in checks. The average per cent for the four was 47.5. The percentage

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as shown by the bank returns for the city of New Brunswick in the present investigation is 47.2. The grocers' trade is of such a character that doubtless it receives from people of medium incomes a smaller proportion of checks than other branches of trade from people of the same class. New Brunswick is a manufacturing city of some 20,000 inhabitants. It contains manufactories of wall paper, rubber and leather goods, three machine and tool factories, sash and blind works, pottery works, cigar and cigarette factories, medicine manufactory, saw mills, carriage manufactories, and numerous other small industries, and its trade transactions are fairly representative of this class of cities. Further information received bears out the belief that the percentage, 47.5, is too low to be representative of all retail trade in the city. In the deposits of one bank of the place for thirteen days in September, 1894, only 3 per cent was in money. The extent to which the wealthier classes use checks is illustrated by the statement to the effect that of $60,000 received in payment of lodging and board at a certain hotel during the summer of 1894 only $600 was in money.

LEWISTON, ME.—The data from Lewiston, Me., were from two grocers and two fuel dealers. Checks entered into the receipts of the two grocers for the month of September, 1894, to the extent of 10 per cent, and of the fuel dealers to an extent of 25.4 per cent. The average for the four dealers was 17 per cent. The percentage as shown by the reports of the present investigation is 55.8. Lewiston is a city containing extensive manufactories of cotton and woolen goods, lumber and machinery, and boots and shoes. As the stores from which figures were received in Lewiston are considered "among the best of the grocery stores of the city—that is, they carry the best quality of goods and are patronized by well-to-do and wealthy people"—the small percentage of checks is therefore remarkable, and is probably not representative.

IOWA CITY, IOWA.—Returns were first received from ten classes of retail dealers, and they show that the percentage of checks received in payment of the day's trade, Saturday, November 24, varied from two in the case of grocers to thirty in the case of furniture dealers, butchers, and dealers in flour and feed. The average percentage for all the dealers was 14. Afterward the report was extended to several other places, and covered the trade of grocers, dry-goods dealers, clothiers, hardware, furniture, and boot and shoe dealers, druggists, and "others." The results were:

	Cash sales.			Running accounts.			Cash and running accounts.		
	Currency.	Checks.	Produce.	Currency.	Checks.	Produce.	Currency.	Checks.	Produce.
Winterset	89	7	4	62	31	7	79	16	5
Davenport	93	7	.....	56	44	.....	85	15	.....
Iowa City	89	8	3	65	33	2	83	14	3
Averages	89	7	4	65	33	2	83	14	3

The average per cent in the present returns for Iowa City, three banks reporting, is 74; for Davenport, from six banks, 64; for both, 67; for all Iowa, 60.7.

LAWRENCE, KANS.—Replies received showed per cent of checks in receipts of one furniture dealer to be 10; in those of two butchers, 21. The bank average in the returns of last July is 57, three banks reporting.

ANN ARBOR, MICH.—One grocer, 44 per cent.

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REDWOOD, CAL.—One general store, 34 per cent.

SAN JOSE, CAL.—One dry-goods dealer, 20 per cent; one butcher, 55 per cent. The present bank average is 45.

PALO ALTO, CAL.—One grocer, 24 per cent.

MAYFIELD, CAL.—Mayfield is a farming town a short distance from Palo Alto. One grocer, 63 per cent. This grocer's trade was of nearly the same volume as that of the Palo Alto tradesman.

Another source of error, which it was thought would tend to make the per cent of credit instruments too large, was due to the supposed fact that the deposits made in the bank by traders on a settling day would represent sales made throughout the period of credit common to their community, while the money deposits would not include all the cash sales made during that period. The figures of two years ago from Iowa seemed to show that this supposition was well founded. If this were true, it is obvious that the percentage of checks would be too high, although the excess would be offset to the extent that immediate payments were made by check throughout the credit period.

From investigations made in 1894 it was concluded "that the error due to this source can not be great. If it were, the returns from places which have long periods of credit should show a larger proportion of checks than the returns from other places; but the figures do not show this to be uniformly so. Moreover, if the people of a community were in the habit of using checks they would be more likely to make even immediate payments with them than with money." In order to test the point several banks in Chicago and in Champaign and Urbana, Ill., were requested to give the per cent of checks in total deposits of representative retail traders for the month of October of the present year. Eight replies were received representing the accounts of some forty retail traders. In some cases only percentages were given so that it is impossible to figure out a general average that we can regard as exactly correct. The individual replies made the following showing:

Case 1.—Returns from a bank in the business portion of Chicago. One grocer, 40 per cent; one butcher, 22 per cent; one clothier, 40.5 per cent; one dry-goods dealer, 78.5 per cent; one coal dealer, 33 per cent; one furniture and house furnishing dealer, 57.4 per cent.

Case 2.—A similar Chicago bank. One grocer, 95 per cent; one shoe dealer, 22 per cent; one dry-goods dealer, 36 per cent; one butcher, 3 per cent; one coal dealer, 58 per cent.

Case 3.—A third Chicago bank similarly situated. This bank did not return the per cent for individual dealers, but gives the percentage of checks in total receipts for the month of October in "seven strictly retail accounts, representing totally different lines of business," as 68⅜ per cent.

Case 4.—This is the case of a bank in Chicago situated in a retail district of the city. The population is dense and composed mainly of foreigners. The returns are again for the month of October, and are as follows: One retail grocer, 15.5 per cent; one butcher, 21 per cent; one coal dealer, 12 per cent; one clothier, 9 per cent; one dry-goods dealer, 19 per cent; one furniture dealer, 18 per cent. As already pointed out, the percentage of checks in a population unacquainted with deposit banking, as expected, would be found to be below the average. These figures bear out the truth of the remark.

Case 5.—This gives a statement of the accounts of retail dealers in Champaign, Ill., for the month of October. Two dry-goods dealers, 11 per cent; two grocers, 44 per cent; two butchers, 54 per cent; two hardware dealers, 76 per cent; two clothiers, 40 per cent; one furniture

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dealer, 49 per cent; one lumber dealer, 91 per cent. The total receipts and the total checks are given, so that the average per cent is found to be 33⅓ if the lumber dealer is left out, and 40.7 per cent if he is included.

Case 6.—This also is an account of Champaign tradesmen. The returns were not made in detail, but they represent the trade for the month of October of one grocer, one butcher, one coal dealer, one clothier, one dry-goods dealer, and one furniture dealer. The percentage of checks in the aggregate receipts was 55.2.

Case 7.—This case represents the trade of similar dealers in the city of Urbana, Ill., for the same time. One grocer, 18.6 per cent; one butcher, 21.8 per cent; one dry-goods dealer, 47 per cent; one boot and shoe dealer, 39 per cent; one furniture dealer, 43.7 per cent, and one coal dealer, 53 per cent.

A general average for all these cases can be ascertained by proceeding as follows: Several banks gave the actual deposits for the month for each class of dealers. From these is to be gotten the relative weight of each class in the total. Calling groceries 1, the weights are 1.25, 1.133, .04, .51, .73, .36, .72, for the business of the butcher, hardware dealer, dry-goods dealer, clothier, furniture seller, coal dealer, and shoe dealer, respectively. Assume that these relative weights hold in the cases where only per cents were returned; assume, further, that in these cases the deposits of the dealers reported in these banks were to the deposits in the banks reporting actual figures in the same ratio as the relative total deposits of the banks concerned; then the average per cent of credit instruments for all dealers reported in all these cases, except No. 4, was 58 per cent, and including No. 4, was 54.

If it should be assumed that the per cent shown by the Chicago bank in case No. 4 is fairly representative of the use of checks in payments among the foreign population; if, also, is assigned the low average of 5 per cent to the negro population; if, further, is assigned 60 as the fair average for native whites, and if, finally, is assumed the amount of the payments made by each class to be in proportion to their numbers, 20,000,000, 10,000,000, and 40,000,000, respectively, 40 is found as the general average per cent of checks used in retail payments for the whole country. This is the lowest that can reasonably be assigned in view of all the facts.

The average per cent of checks used in retail trade may be estimated in still another way. From the report of the Commissioner of Labor for the year 1890 the average expenditure per day per individual in this country may be estimated as about 50 cents. This is certainly true for the vast majority of the population. Indeed, it is perhaps somewhat too high. Assuming, however, that it is correct, and taking the population at present as 70,000,000, $35,000,000 is had as the total average daily expenditure for "daily living" in this country. This is only $8,500,000 more than the total retail deposits, according to the returns of the banks in the present investigation. It is here estimated that 16 is the proper per cent of checks used in retail payments by the foreign population, and that 5 is not too high a per cent for the negro population. The average of these two, weighted in the proportion of the respective numbers of the two classes of people, is 7 per cent. If, now, it is assumed that 7 per cent of the above $8,500,000 was paid by checks, there is $595,000 to be added to the check returns in the banks. This gives a total of $18,600,000 of checks, and $35,000,000 for a grand total expenditure. The percentage of checks is 53.

In view of all the facts, the true average per cent of checks used in making payments in retail trade can be fixed at about 55.

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THE SECOND CLASS OF DEPOSITORS.

A consideration of the facts brought out by the second class of depositors is not less interesting. Already there has been pointed out the difficulty of exactly classifying wholesale as distinct from retail traders, and the difficulty, less here than in the case of retailers, of including in the list of wholesale merchants all who may properly be said to belong there. There is no reason to think, however, that errors due to these two circumstances are either more numerous or more important than in the case of retail dealers. Indeed, it is hardly to be supposed that the percentage of checks used by wholesale merchants, as shown by the bank returns, will vary so much from the actual conditions as would be the case with retail dealers. The percentage for the whole country, as shown by the returns, is 95.3.

The wide difference between the per cents for wholesale and that shown for retail traders establishes at once the fact, insisted on by economic critics, that it is untrne to say that 90 per cent or more of the whole business of the country is done by means of credit instruments. The statement obviously holds true, as has been claimed, for wholesale trade. It has not been found possible, however, to secure direct evidence of the habits of retail dealers and jobbers in the matter of their payments to wholesale merchants. In a few cases only, six in all, has any information been obtained relative thereto. In each one of these the percentage of checks in the payments made to jobbers and wholesale merchants by the retail dealers was over 96. These cases, however, were so purely local that no dependence can be placed upon them as representative. The percentage shown by the national banks for wholesale trade is 95.6; that of the other banks is 92.8. Several States have no returns in the figures of the State and private banks. The figures in both classes of banks are virtually the same in the States of Connecticut, Illinois, Indiana, Kentucky, Louisiana, Maryland, Missouri, Nebraska, Ohio, Pennsylvania, and Tennessee.

It is interesting to observe the difference in the extent of the use of checks by this class of dealers in the various States. The percentages vary from 69.2 in Arizona to 97.9 in Minnesota. Twenty-nine States show averages of 90 per cent or over, 10 of them being over 95. Fifteen of the others have each an average greater than 85. The returns for this class of trade are so meager for Arizona, Indian Territory, Oklahoma, and Wyoming that the per cents are probably not normal. The total deposits shown are $63,088,438, as against $26,536,930 for retail trade. There is no reason to think that the general average of 95 for this class of trade is too high.

THE THIRD CLASS OF DEPOSITORS.

The third class of depositors concerning whom the bankers returned information must be very miscellaneous in its make-up. Here undoubtedly are found the corporations, individuals not in business, and all other individuals and bodies not of a mercantile character. Here, too, are those accounts which represent the great mass of speculative transactions in the country, as distinguished from legitimate business. Of course there is no way of distinguishing the deposits of these various classes. The average percentage for the country is virtually the same for this class of deposits as for the second class. It is higher, of course, in New York than in any other State, for the figures for Nevada are again not to be relied on because of the paucity of returns. The States with 90 per cent or over range as follows, after New York: Maryland and Massachusetts; Pennsylvania; Illinois and Delaware; Minnesota,

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Colorado, Florida, and New Mexico; Virginia, Utah, New Jersey, New Hampshire, Mississippi, Kansas, Rhode Island, Connecticut, and Arkansas; Missouri, Nebraska, Tennessee, and Louisiana. Arizona is lowest, with 74 per cent.

It has been asserted that certain branches of business represented in this third class of deposits are of such a character that their receipts preclude the use of checks almost entirely, and that the kinds of business are so important that they must lower the averages very materially. Railroads, street railways, and newspapers have been instanced. But the freight business of railroads is larger than the passenger traffic, and is paid for largely by checks. So are newspaper advertisements to a considerable extent. The receipts of street railways are only a fraction in the great total of the business of a city like New York or Chicago. The special consideration of these lines of business does not modify the conclusions arrived at. Moreover, their receipts are doubtless very largely in the returns.

Table No. XV shows the grand total results. According to this the per cent of business done by checks, all classes being included, is 92.5. New York State leads the list, with 96.4 per cent. Closely following come Massachusetts and Maryland, with 93.2 and 93.3, respectively, and Nevada and Minnesota, with 92.3 and 92.5. Missouri has 90.7; New Mexico, 90.8. The lowest percentage shown is that of California, 69.4. If the present percentages are compared with those gotten from the total *receipts* accounted for in the investigation of 1892, we find that, leaving out the reserve cities, they are nearly the same at both times for New Hampshire, Delaware, New York, New Jersey, Pennsylvania, Florida, Indiana, Iowa, Kansas, Michigan, Minnesota, Wisconsin, North Carolina, and Virginia. They are higher for the District of Columbia, Maryland, Louisiana, Mississippi, Missouri, Illinois, Nebraska, Utah, and Idaho.

ULTIMATE CONCLUSION.

What conclusion is finally to be reached as to the true proportion of the demand for an exchange medium which is met by the use of credit instruments? First, the returns for mercantile business must be considered. The average per cent of retail trade transacted by means of credit instruments, it is seen, is 67, according to the face of the returns; that 40 per cent is as low as could in reason be claimed to be correct, and that 55 per cent is, all things considered, probably about accurate.

There seems no reason to think that the per cent of checks shown by the returns for wholesale payments needs to be diminished by any allowances. That per cent is 95. If the returns for retail and wholesale business are combined, 87 is had as the average per cent of the deposits of the merchants of both classes in the form of credit instruments. If the retail business is taken at 40, and weights the per cents of the two classes of trade according to their total returns, we get 79 as the average per cent. If the retail average is taken at 55, the similarly weighted average for both kinds of business is 83. If each kind of business is regarded as of equal importance, the averages are: With retail trade at 40 per cent, 68; with retail trade at 55 per cent, 75.

It is therefore not unreasonable to assume that 75 is a net figure at which to rest as the per cent of both retail and wholesale business which is done by credit-paper exchange.

What influence should the third class of check users have in determining the final proportion of credit instruments in the exchange medium? Some writers argue that the checks due to speculative transactions should be ruled out of the count. "If all these receipts represented

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legitimate business," wrote the Comptroller in 1881, "the means for merchandising and manufacturing would be most abundant." Speculative transactions occur in the business of wholesale dealers; but the speculation which it is claimed should be thrown out of the calculation is, perhaps, transactions in stocks. The payments, however, for stock transactions can not be regarded otherwise than as constituting a real part of the demand for an exchange medium, and so influence the amount needed; speculative transactions of other kinds exert an influence on prices, and also influence that demand.

The real question of importance is as to the per cent of the total *currency demand* which is satisfied by means of credit instruments. It would seem, therefore, that in seeking to determine what amount or per cent of money of account is dispensed with because of the use of credit instruments, the means of payment in speculative transactions may not be ignored, even when they are purely stock speculations. If, however, they are thrown out, what is left? The Comptroller, in 1881, estimated that of the $165,000,000 checks and drafts received by the banks of New York City on September 17 of that year, three-sevenths represented stock transactions. If even one-half of the total transactions of "all other" depositors, as representing speculations in stocks, is deducted and assume that they are all paid for by checks, $200,000,000 is left for the total business deposits, of which $180,000,000 was in checks. *This is 90 per cent.*

Heretofore in this report it has been assumed that the figures obtained from retail trade are within $9,000,000 of the total retail business for the day, and that the checks used in performing this business formed about 53 per cent of the whole medium of payment. It has been estimated that the total amount of checks passing through the New York clearing house is about 70 per cent of the whole number drawn. Of course, the percentage will be much lower for the country as a whole. If it is assumed that it is 30 per cent for the country as a whole, and there are added to the figures returned by the banks for the various kinds of deposits amounts representing 30 per cent of the returns in checks, after rejecting $100,000,000 for stock transactions, 85 per cent is left as a result. This is probably not far out of the way as representing the per cent of the business of the country which is paid for by means of checks, drafts, and other credit instruments. This method, of course, is arbitrary, but is probably as reliable as any other that could be assumed.

It may safely be concluded, therefore, that at least 80 per cent is a reasonable estimate from all the data presented.

The subject may be looked at in still another way. If it is assumed that the volume of business is constant for a brief period, and if it is supposed that this volume may be taken to represent the total money demand, then the amount of the medium of exchange necessary for the country would be approximately the sum of these quantities: The amount of money actually used to make exchanges in a given period, as a week, divided by the velocity of circulation; the amount of credit instruments used in payments in the same period, divided by their velocity of circulation; the amount of money needed as a reserve for the credit operations. Each one of these is very difficult to determine. The question of the velocity of circulation, especially, is a problem on which there is very little definite information. If, however, satisfactory information were available, it would now be less difficult to deal with the "quantity of money" question than ever before.

The general result of this discussion is very strongly to emphasize

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the importance of the part played by credit instruments of exchange in the economy of the country. It bears out the statement made as a result of the investigation of 1894, as follows:

The advocates of a large volume of money, not inherently sound money, have used their belief to offset the statement that credit is a more determining cause of prices in modern business than money. The results of the present inquiry, however, are on the whole in the line of the former conclusions as to the importance of credit instruments in payments and exchanges generally, and against the necessity of any additional provisions for simply an increase in the volume of money without taking into consideration the other and more important elements which should characterize our monetary circulation.

The two diagrams which follow present readily to the eye the relative standing of the States in the use of checks in retail and in all business transactions as shown by the bank deposits.

There is also appended a comparative table (XVI) of the results of all the investigations made in this country in which the data are full enough for comparison. It must be remembered that the figures for 1894 are for part of retail trade only, and show deposits. A similar caution is necessary with regard to the first column for 1896. The last column, again, contains only deposits.

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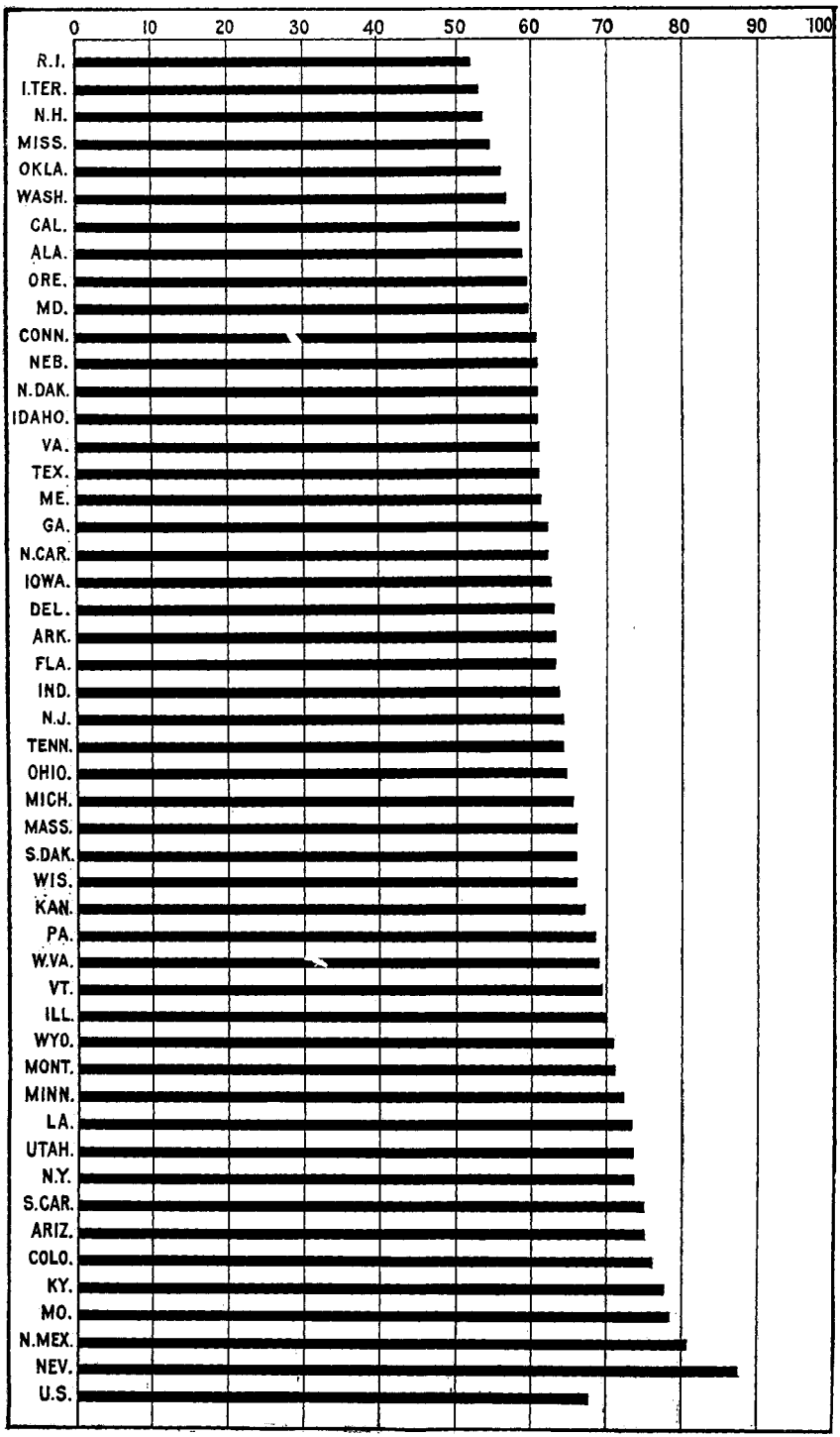
Deposits, retail trade, per cent checks, by States, lowest to highest.



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All deposits, per cent checks, by States, lowest to highest.

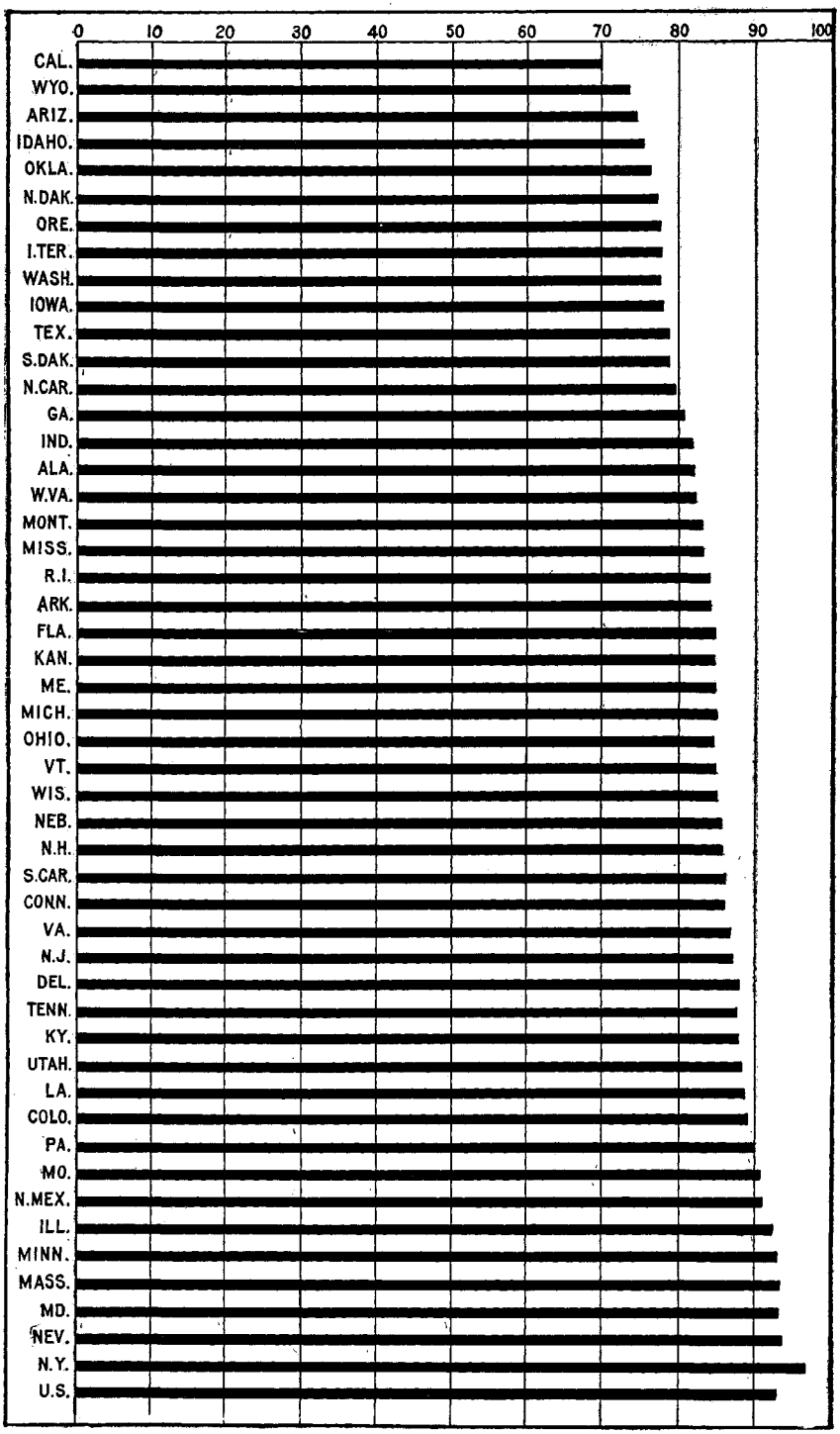

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TABLE XVI.—COMPARATIVE TABLE OF RETURNS OF

States and Territories.	June 30, 1881.			Sept. 17, 1881.			July 1, 1890.			Sept. 17, 1890.		
	Number of banks.	Receipts.	Per cent of checks and drafts.	Number of banks.	Receipts.	Per cent of checks and drafts.	Number of banks.	Receipts.	Per cent of checks and drafts.	Number of banks.	Receipts.	Per cent of checks and drafts.
Alabama	8	$100,177	72.0	9	$293,226	85.7	28	$711,342	77.6	28	$642,454	74.3
Arizona	.....	.....	.....	.....	.....	.....	2	15,416	70.1	2	10,289	59.9
Arkansas	2	53,220	66.2	2	51,183	76.7	8	270,720	75.4	8	289,909	73.2
California	8	235,384	48.2	10	260,637	52.5	35	1,411,335	77.0	35	1,139,894	73.6
Colorado	13	1,185,387	81.1	17	1,533,504	85.1	42	4,193,612	92.5	46	3,273,295	89.5
Connecticut	79	2,533,108	87.4	85	3,536,106	88.1	84	5,766,955	92.1	84	4,141,017	92.6
Delaware	14	313,628	86.3	14	381,077	89	18	579,605	78.4	18	426,082	85.8
Dist. Col	1	27,983	64	1	44,699	76.4	1	33,637	58.1	1	37,720	78.4
Florida	2	23,026	23.7	2	40,739	77.8	15	401,254	84.1	15	264,488	77.2
Georgia	11	281,995	69.5	12	738,926	77.3	29	859,651	81.3	29	1,151,180	73.3
Idaho	.....	.....	.....	1	17,921	51.2	6	100,960	55.5	7	153,589	50
Illinois	120	1,411,907	70.6	130	3,332,447	80	160	3,753,922	81.7	170	5,298,441	79.7
Indiana	80	1,321,819	74.6	93	2,092,531	72.7	99	2,592,371	77.3	101	2,895,063	79.1
Indian Ter	.....	.....	.....	.....	.....	.....	.....	.....	.....	2	26,963	76.4
Iowa	68	975,956	68.2	76	1,552,481	71.4	131	2,755,468	81	138	3,293,990	79.6
Kansas	10	421,744	78.1	13	395,885	65.6	151	1,894,311	74.6	154	2,123,562	82.3
Kentucky	37	446,275	76.7	42	688,199	87	64	1,415,529	79.2	66	1,166,185	74.9
Louisiana	.....	.....	.....	.....	.....	.....	8	69,222	55.6	9	89,196	43.1
Maine	67	1,167,284	82.3	69	1,016,018	79.8	79	2,403,252	88.4	78	1,937,429	88.4
Maryland	20	278,008	83.7	22	252,470	77.8	38	622,265	87.6	40	4:7,264	81.5
Massachusetts	182	4,246,968	83.5	190	4,047,688	81.3	200	8,095,358	85.7	203	6,185,310	87.1
Michigan	70	988,890	73.5	76	1,423,241	77.1	103	2,248,709	78.6	102	2,213,253	80.6
Mississippi	.....	.....	.....	.....	.....	.....	12	205,378	72.6	12	219,477	78.5
Missouri	13	163,481	67.3	17	566,861	82.3	49	489,955	70.1	53	478,964	72.7
Minnesota	25	1,227,770	80.8	27	1,784,146	78.1	47	1,215,787	86.3	47	986,614	83.3
Montana	2	19,662	88.6	3	75,716	58.1	22	816,921	84.5	24	1,097,125	81.8
Nebraska	11	511,723	76	12	815,481	80.1	117	652,699	70.1	123	1,726,031	77.3
Nevada	1	6,543	52.8	1	7,559	8.2	2	17,937	61.1	2	20,332	55.6
N. Hampshire	45	509,594	75.3	47	500,318	75.7	51	1,992,071	87.5	51	964,080	88.2
New Jersey	62	3,907,471	92	67	4,412,620	91	91	5,490,722	86.8	94	4,848,748	86.8
New Mexico	4	117,306	82.5	4	119,972	79.3	9	388,683	91.5	9	274,834	85.9
New York	226	5,059,233	83.1	243	5,634,586	83.3	259	9,067,232	88.3	256	6,781,255	88.1
N. Carolina	12	344,720	85	15	391,965	78.3	19	536,983	88.1	20	791,741	85.7
North Dakota	5	48,474	g68.6	8	257,442	g64.3	25	168,015	75.9	27	254,769	78.4
Ohio	142	2,825,066	80	161	3,150,787	76.1	208	5,330,538	79.4	207	4,752,768	80.1
Oklahoma	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	33,849	28.9
Oregon	1	162,420	71.8	1	174,526	72.6	35	1,155,425	77	35	910,868	76.6
Pennsylvania	179	3,934,436	84.8	191	5,718,088	84.9	266	7,942,208	84.6	276	6,820,918	83.4
Rhode Island	58	1,235,886	87.9	62	1,486,144	90.5	59	3,120,722	89.9	59	2,307,387	90.4
S. Carolina	9	395,441	85.9	13	728,573	80.4	14	454,425	83	16	1,007,242	90
South Dakota	.....	.....	.....	.....	.....	.....	38	364,559	71.6	37	442,665	75.4
Tennessee	21	702,408	63.9	25	893,058	73.3	40	1,759,214	82.3	49	1,864,388	82.1
Texas	14	292,786	67.8	15	832,923	76.8	153	3,466,929	76.5	172	5,136,238	73.7
Utah	1	92,969	49.8	1	112,764	80.5	10	555,254	74	9	587,065	75.4
Vermont	41	405,256	79.2	47	407,423	74.3	49	1,161,487	83.8	51	902,474	84.4
Virginia	18	1,518,480	89.5	18	1,439,571	87.2	31	2,248,088	92.1	31	2,100,592	89.5
Washington	1	15,526	37.4	2	38,242	30	39	1,346,571	74.5	48	1,759,739	79.7
West Virginia	16	112,415	65	17	180,627	72.4	17	247,111	86	20	470,847	85.8
Wisconsin	30	543,935	80.8	31	545,019	64.3	62	1,396,264	79.1	63	1,233,396	78.8
Wyoming	2	6,782	33.6	3	144,796	87.8	9	259,506	76.14	11	187,206	62.2
Whole country without reserve cities.	1,731	40,175,542	81.7	1,895	52,118,185	81.7	3,034	92,045,578	84.1	3,141	86,167,915	82.9
N. Y. City	48	167,437,759	98.7	48	165,193,347	98.8	47	165,923,382	96	47	120,451,472	95.6
Other reserve cities.	187	77,100,715	94.4	189	77,922,247	92.3	283	163,855,766	93.7	286	120,658,864	92.3
United States	1,966	284,714,016	95.1	2,132	295,233,779	94.1	3,364	421,824,726	92.5	3,474	327,278,251	91

a The settling day nearest the 30th of June.
b The settling day nearest the 1st of July.
c These amounts are *deposits* of *selected* classes of retail depositors.
d This the corrected table. The percentages are for the States without the reserve cities.

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RECEIPTS AND DEPOSITS OF BANKS AT DIFFERENT TIMES.

Sept. 15, 1892.			June 30, 1894. *a*			July 1, 1896. *b*			July 1, 1896. *b*			
Number of banks.	Receipts.	Per cent of checks and drafts.	Number of banks.	Retail deposits. *c*	Per cent of checks and drafts. *d*	Number of banks.	Retail deposits. *e*	Per cent of checks and drafts.	Number of banks.	Total deposits.	Per cent of checks and drafts.	States and Territories.
28	$500,305	78.0	18	$51,895	65.0	25	$75,406	58.7	.....	$450,213	82.0	Alabama.
4	136,609	95.6	4	7,776	59.2	5	23,069	74.9	.....	45,718	74.3	Arizona.
9	203,251	80.0	4	27,159	60.3	18	59,580	63.0	.....	230,016	84.1	Arkansas.
32	1,327,247	79.8	20	52,060	43.1	135	572,546	56.0	.....	2,000,860	61.2	California.
53	3,377,856	92.1	33	127,967	70.5	52	730,773	75.9	.....	2,478,808	88.6	Colorado.
81	3,063,485	92	43	83,565	55.2	122	511,074	60.3	.....	2,894,738	86.2	Connecticut.
18	495,464	87.4	13	30,123	53.7	17	74,906	62.4	.....	337,942	86.8	Delaware.
1	54,666	54.8	1	(*f*)	(*f*)	(*f*)	(*f*)	(*f*)	(*f*)	(*f*)	(*f*)	Dist. Columbia
18	471,809	84	9	42,281	66	30	93,740	63.2	.....	375,598	84.2	Florida.
28	758,226	84.3	16	36,047	70.2	39	131,748	61.7	.....	604,550	80.6	Georgia.
11	141,476	50.5	7	28,038	54.3	13	21,135	60.8	.....	80,692	75.2	Idaho.
165	4,780,175	85.1	111	235,398	55.7	272	831,944	67.1	.....	2,774,309	81.8	Illinois.
101	3,199,958	80.1	68	112,739	45.3	158	497,422	64.8	.....	2,313,379	81.8	Indiana.
5	32,942	46.9	5	2,429	61.9	8	6,973	52.6	.....	29,146	77.7	Indian Ter.
136	2,721,280	79	102	188,339	56.1	327	598,643	60.7	.....	1,871,806	77.7	Iowa.
142	2,143,404	85.5	94	213,239	65.7	165	277,897	67.2	.....	1,319,210	84.2	Kansas.
58	1,025,622	83.5	33	37,815	53.9	104	200,771	69.3	.....	736,985	84.2	Kentucky.
11	63,678	60.9	4	18,506	71.4	19	30,907	58.1	.....	113,383	67.5	Louisiana.
80	1,708,985	88.8	65	145,880	62.3	111	258,213	61	.....	1,365,269	84.2	Maine.
38	576,752	86	19	55,760	65.1	49	111,971	61.8	.....	367,026	80.1	Maryland.
213	7,068,468	89	137	267,981	48.6	294	1,201,505	57.3	.....	6,120,392	98.4	Massachusett
82	1,758,624	83.7	58	117,523	53.4	157	470,243	66	....	1,527,810	82.2	Michigan.
13	138,550	74.1	8	70,150	86.5	17	42,122	54.2	.....	171,510	83.1	Mississippi.
48	404,928	78.8	24	48,874	63.4	245	268,836	64.7	.....	854,664	79.9	Missouri.
55	1,679,606	90.9	39	69,046	51.4	134	324,397	68.1	.....	1,310,941	86.1	Minnesota.
31	1,346,841	84.5	13	55,003	72.7	38	169,213	71	.....	538,402	82.7	Montana.
113	1,770,246	80.5	64	101,890	65.4	256	267,441	62.2	.....	949,762	91.9	Nebraska.
2	17,247	61.6	1	181	....	3	3,693	87.3	.....	109,586	92.5	Nevada.
50	1,162,227	87.4	38	60,081	57.1	74	165,742	53.6	.....	1,188,199	85.9	N. Hampshire.
94	5,214,420	85.0	70	232,287	51	126	977,853	63.7	.....	6,272,283	86.6	New Jersey.
8	116,098	67.3	7	38,323	83.6	9	31,142	80.3	.....	173,107	90.8	New Mexico.
250	6,757,119	88	278	470,361	60.7	396	2,120,904	66.6	.....	8,435,698	84.6	New York.
21	436,521	79.9	12	46,112	49.5	26	91,287	61.8	.....	364,105	79.7	N. Carolina.
29	329,830	85.3	18	27,499	56.3	44	79,058	60.7	.....	242,536	77.1	North Dakota.
191	4,986,188	79.5	118	233,695	55.8	269	914,665	56.7	.....	3,654,442	75.7	Ohio.
3	50,771	42.4	6	16,309	60.8	9	12,354	55.7	.....	46,334	76	Oklahoma.
37	1,122,545	62.4	22	71,375	55.8	43	93,647	59.2	.....	347,203	77.3	Oregon.
288	6,685,288	85.9	158	751,266	52.4	392	1,684,074	61	.....	6,512,132	72.9	Pennsylvania.
58	3,063,485	92	48	70,835	59	74	251,818	52	.....	1,585,522	84	Rhode Island.
13	660,649	92.2	.....	.....	.....	14	39,962	74.7	.....	159,134	86.1	South Carolina.
34	700,984	83.1	21	39,428	37.6	60	105,691	65.8	.....	248,886	78.5	South Dakota.
47	1,076,511	83.1	30	43,104	57.1	68	206,286	64.1	.....	1,466,643	86.8	Tennessee.
188	3,562,658	80.4	117	312,298	67.5	193	472,316	61	.....	1,576,745	78.4	Texas.
14	472,014	76.2	5	12,303	56.3	15	45,534	73	.....	257,598	87.4	Utah.
43	821,225	89.1	32	63,280	62.1	62	196,742	69.2	.....	725,632	84.9	Vermont.
22	456,027	85.9	21	57,641	74.8	48	122,085	60.7	.....	843,727	86.4	Virginia.
63	1,214,474	72.5	49	114,964	66.8	56	165,873	56.4	.....	648,350	77.7	Washington.
22	456,027	85.9	14	34,869	64	37	111,804	68.7	.....	448,879	82	West Virginia.
70	1,712,360	82.9	57	92,117	52.5	164	388,633	61.3	.....	1,380,871	79.2	Wisconsin.
12	167,212	79	9	56,399	43.6	13	30,008	70.5	.....	55,971	73.9	Wyoming.
3,144	83,713,926	84.9	2,142	5,072,058	57	5,005	16,144,616	63.1	.....	69,006,045	82.7	Whole country without reserve cities.
48	130,976,963	92.3	48	47,692	64.5	81	2,136,816	79.4	.....	139,221,377	97.8	N. Y. City.
281	116,514,324	92.7	226	1,244,596	64	444	8,255,498	74.1	.....	94,708,810	92	Other reserve cities.
3,473	331,205,213	90.6	2,416	6,364,346	58.5	5,530	26,536,930	67.4	.....	302,936,232	92.5	United States.

e These amounts are *deposits* by *all* classes of retail dealers.
f With reserve cities.
g For Dakota before the organization of the present States.

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INCREASE IN THE USE OF CREDIT INSTRUMENTS.

Is the percentage of payments made by means of checks, drafts, and other credit instruments increasing? This has been both affirmed and denied. It has too often been tacitly assumed that the amount of checks drawn increases with the population. This, however, is not quite accurate. The returns show that places of comparative sparseness of population use a higher percentage of checks than do more thickly settled portions of the country. The percentage of checks used depends on a variety of circumstances. Besides those given heretofore there may be mentioned as among these causes the proximity to a large commercial center; the industrial character, whether manufacturing or agricultural; the length of the wage period; the habit of paying wages by checks; the rate of wages, or rather the range of incomes, and the scale of prices itself. If prices are very low and purchases small, a larger number of small pieces of money are likely to be used in retail trade.

The percentage of checks returned depends partly on the state of trade. In a period of business depression the demand for a medium of exchange is lessened, and the proportion of this diminution of demand which falls on the credit part is proportionately larger than that which falls on the money part.

Still again, allowance must be made for any increase in the quantity of Government or bank notes. In so far as these are not certificates of deposit, they are virtually credit instruments, and should be counted on the credit side of the account.

The extent of the use of credit instruments is affected also by certain minor causes, such as the season. Several banks, in returning the blanks sent to them, remarked that the percentage of credit instruments was an "average for this season of the year," or below or above the average for this season of the year, as the case might be.

Finally, the use of checks varies like the use of any other highly developed tool of industry. If trade is on a large scale, the check has a more important function. If trade is active, business confidence great, men hopeful, there will be in business transactions a larger proportion of credit paper.

It will be observed, however, that beginning with places of the smallest population the percentage rises to a certain point, then falls, then rises again. To make more clear this subject a table (XVII) by States in the order of their population, showing the percentage of checks for each State according to the present investigation, and another (XVIII) showing the percentages for the usual geographical groups of States are herewith given, as is also a table (XIX) showing the percentages obtained from all the investigations on this subject for sixteen of the largest cities of the country. It will be observed that the average varies from 92.27 in September, 1890, to 93.68 in June of the same year. It is 92.3 for 1896.

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TABLE XVII.—PERCENTAGES BY STATES IN ORDER OF POPULATION.

State or Territory.	Population. a	Per cent checks.		State or Territory.	Population. *	Per cent checks.	
		Retail.	All.			Retail.	All.
New York	6,557,000	73.3	96.4	Louisiana	1,190,000	72.7	88.3
Pennsylvania	5,861,000	68.2	89.8	Maryland	1,095,000	59.3	93.3
Illinois	4,200,000	69.7	92.3	West Virginia	835,000	68.9	82
Ohio	3,880,000	64.5	84.6	Connecticut	821,000	60.3	86.2
Missouri	2,970,000	78.2	90.7	Maine	666,000	61	84.2
Massachusetts	2,675,000	65.8	93.2	Washington	575,000	56.4	77.7
Texas	2,445,000	61	78.4	Colorado	546,000	75.9	88.6
Michigan	2,350,000	64.7	84.4	South Dakota	522,000	65.8	78.5
Indiana	2,290,000	63.5	81.8	Florida	475,000	63.2	84.2
Iowa	2,025,000	62.2	78	New Hampshire	391,000	53.2	85.9
Georgia	1,960,000	61.7	80.6	Oregon	388,000	59.2	77.3
Kentucky	1,955,000	77.4	87.1	Rhode Island	382,000	52	84
Wisconsin	1,939,000	66	85	Vermont	333,000	69.2	84.9
Tennessee	1,890,000	64.1	86.8	North Dakota	316,000	60.7	77.1
Virginia	1,722,000	60.7	86.4	District of Columbia	284,000	59.8	73.2
North Carolina	1,690,000	61.8	79.7	Utah	255,000	73	87.5
Minnesota	1,660,000	72	92.5	Montana	217,000	71	82.7
New Jersey	1,632,000	63.7	86.6	Indian Territory	201,000	52.7	77.7
Alabama	1,625,000	58.7	82	Delaware	180,000	62.4	86.8
Kansas	1,590,000	67.2	84.2	New Mexico	173,000	80.3	90.8
Nebraska	1,490,000	60.5	85.9	Oklahoma	145,000	55.7	76
California	1,392,000	58.2	69.4	Idaho	126,000	60.8	75.2
Mississippi	1,350,000	54.3	83.1	Wyoming	91,000	70.5	73.9
Arkansas	1,290,000	63	84.1	Arizona	67,000	74.9	74.3
South Carolina	1,195,000	74.6	86.1	Nevada	45,000	87.3	92.5

* Estimate by the Government actuary.

TABLE XVIII.—PERCENTAGE CHECKS BY GEOGRAPHICAL DIVISIONS.

Divisions.	1894, retail.	1896.		Population, 1890.
		Retail.	All returns.	
North Atlantic States	56.1	69.2	94.4	17,400,000
South Atlantic States	62.3	61.5	89	8,900,000
North Central States	54.3	67.4	88.4	22,400,000
South Central States	65.6	67.4	84.8	11,000,000
Western States	59.7	66.8	78.5	3,000,000

Here again we see evidence that the fuller the returns—that is, the larger the amount of trade reached—the larger the proportion of credit instruments shown.

TABLE XIX.—PERCENTAGE OF CHECKS IN DEPOSITS OF CITIES ON VARIOUS DATES.

Cities.	June 30, 1881.	Sept. 17, 1881.	July 1, 1890.	Sept. 17, 1890.	Sept. 15, 1892.	July 1, 1896.*	June 30, 1894.†	July 1, 1896.†
New York	98.70	98.80	96.04	95.64	92.36	97.8	64.5	79.4
Chicago	92	90.30	95.11	95.06	94.52	94.1	53.2	71.8
Boston	96.50	93.70	94.14	90.70	93.11	96.3	51.4	75.2
Philadelphia	96	96.40	96.19	93.48	93.92	95.5	55	78.6
Cincinnati	88	90	92.34	93.50	94.64	89.2	78.2	64.7
Baltimore	92.90	93.90	89.89	89.16	82.46	94	45.3	58.5
Pittsburg	90.40	86.20	92.37	90	90.02	87.8	58	59.2
Albany	93.80	96.50	92.97	96.60	95.33	80.8	72.8	69.6
Washington	60	45.80	65.27	32.65	66.65	73.2	.....	59.8
New Orleans	89.80	80.20	90.09	82.83	87.16	89.9	62.6	75.6
Louisville	92.80	83.40	93.55	92.68	91.86	90.5	.....	84.8
Cleveland	94	95.10	93.08	94.74	92.79	87.2	30.3	79.1
Detroit	87.50	93.50	87.31	95.61	91.82	87.1	72.1	60.1
Milwaukee	88.30	94.90	83.25	87.50	90.93	90.3	68.9	76.8
St. Louis	82.30	81.50	89.77	89.59	87.83	91.8	38.3	82.3
San Francisco	91.80	77.40	85.61	91.20	83.39	80.6	88.5	70
Reserve cities, except New York	94.38	92.35	93.63	92.27	92.74	92.3	61.5	74
Banks elsewhere	81.72	81.74	84.09	82.91	84.91	82.7	57	63.1
Whole country	95.13	94.09	92.50	91.04	90.61	92.5	58.5	67.4

* All deposits. † Retail deposits only.

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OTHER POINTS OF INTEREST SHOWN BY THE RETURNS.

There are certain incidental points of considerable interest, concerning which information was secured from the banks in the present investigation. Perhaps the most interesting is the showing of the bank deposits for the different classes of depositors, with reference to the amount of various kinds of money actually in use in the hands of the people, as shown in Tables XII–XV, inclusive. The percentage of gold coin shown for all retail trade was 2.4; of silver coin, 3.2; of paper money, 26.7. The percentage of gold coin was highest in California where it was 36.4. Oregon had 30 per cent; Washington State, 22.6; Idaho, 18.2; Utah, 15; Wyoming, 10.9; Arizona, 10.3. A study of the tables shows, as did the returns in 1894, that gold coin has a more extensive circulation in the extreme Western States than in any other part of the country.

Silver coin predominated in Georgia, Alabama, Mississippi, North Carolina, Florida, Louisiana, Tennessee; in other words, silver is more largely in the hands of the people in the Southern States than elsewhere. Paper currency shows the largest percentages in the Eastern States. New Hampshire leads, with 44.2; the District of Columbia has 38.8; Connecticut has 37.4; Maryland has 37.6; Maine, 36,6; Michigan shows 30 per cent; Massachusetts, 32; Mississippi, 35.

In wholesale trade the average per cent of gold used was for the whole country 0.3 per cent; of silver, 0.4 per cent; of paper, 4 per cent. Nevada, Utah, Washington, California, and Arizona show the largest percentage of gold. The percentage of silver used is in no case remarkable. Such as it is, however, it is largest in the Southern States. In wholesale trade, as in retail, the largest percentage of paper money used is in the Eastern and Northern States. New Jersey has 12 per cent, North Dakota 8½, South Dakota 10.

A study of the table showing the grand total returns reveals similar variations.

PAYMENT OF WAGES.

Table XX shows the ratio of replies obtained affirmatively and negatively to the second question on the blank sent out, viz: "Is it customary in your community to pay wages by check?" It shows also the ratio of the number of replies giving the wage period as monthly, semimonthly, and weekly. The information obtained, of course, is only of a very general character, yet it serves to prove something of the influence which both have on the use of checks by the people at large.

It is likely that in many cases an answer "yes" was given to the question concerning the payment of wages by check when the writer meant salaries rather than wages. It is likely, too, that a similar mistake was made by some in giving the wage period. From notes appended to many of the blanks it would seem that where wages are paid monthly or semimonthly they are more largely paid with checks.

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TABLE XX.—RATIOS OF REPLIES AS TO WHETHER WAGES ARE PAID BY CHECK, AND AS TO THE WAGE PERIOD.

State or Territory.	Wages by check. (Ratio of yes to no.)	Wage period.	State or Territory.	Wages by check. (Ratio of yes to no.)	Wage period.
		*M. S.-M. W.**			*M. S.-M. W.**
Alabama	0.3 to 1	1: 0.2 : 0.50	Nebraska	3.0 to 1	1: 0.03: 0.2
Arizona	2.0 to 1	1: 0 : 0	New Hampshire	0.16 to 1	1: 0.5 : 2.0
Arkansas	1.0 to 1	1: 0 : 1.70	New Jersey	0.12 to 1	1: 1.0 : 4.0
California	1.5 to 1	1: 0.07: 0.75	New Mexico	4.0 to 1	1: 0 : 0.2
Colorado	13.0 to 1	1: 0 : 0.20	New York	0.3 to 1	1: 0.5 : 5.0
Connecticut	0.16 to 1	1: 1.0 : 7.0	North Carolina	0.2 to 1	1: 3.0 : 8.0
Delaware	0.5 to 1	1: 1.0 : 2.50	North Dakota	2.0 to 1	1: 0 : 0.08
District of Columbia	0.15 to 1	1: 1.5 : 2.0	Ohio	0.3 to 1	1: 3.0 : 5.0
Florida	1.0 to 1	1: 0.5 : 2.0	Oklahoma	9.0 to 1	1: 0 : 0.5
Georgia	0.25 to 1	1: 0.25: 0.7	Oregon	2.0 to 1	1: 0 : 0.5
Idaho	2.0 to 1	1: 0 : 0.5	Pennsylvania	0.3 to 1	1: 1.8 : 2.0
Illinois	1.5 to 1	1: 0.6 : 1.3	Rhode Island	0.5 to 1	1: 0 : 7.0
Indiana	1.0 to 1	1: 0.8 : 2.0	South Carolina	0.3 to 1	1: 1.0 : 2.0
Indian Territory	7.0 to 1	1: 0 : 0.9	South Dakota	1.0 to 1	1: 0 : 0.14
Iowa	2.0 to 1	1: 0.25: 0.5	Tennessee	0.5 to 1	1: 0.3 : 1.5
Kansas	4.0 to 1	1: 0 : 0.4	Texas	1.5 to 1	1: 0 : 0.3
Kentucky	1.3 to 1	1: 0 : 3.0	Utah	3.0 to 1	1: 0.3 : 0.3
Louisiana	0.16 to 1	1: 0 : 2.0	Vermont	0.25 to 1	1: 0.12: 1.0
Maine	0.25 to 1	1: 1.5 : 1.8	Virginia	0.2 to 1	1: 0 : 1.0
Maryland	0.25 to 1	1: 0 : 4.0	Washington	4.0 to 1	1: 0 : 0.2
Massachusetts	0.05 to 1	1: 0.15: 15.0	West Virginia	0.75 to 1	1: 1.0 : 0.5
Michigan	1.5 to 1	1: 0.6 : 1.75	Wisconsin	2.0 to 1	1: 0.1 : 0.5
Minnesota	2.0 to 1	1: 0.14: 0.5	Wyoming	13.0 to 1	1: 0 : 0.08
Mississippi	0.2 to 1	1: 0 : 2.0			
Missouri	3.0 to 1	1: 0.03: 0.4	Whole country.	1.96 to 1	1: 0.40: 1.9
Montana	2.0 to 1	1: 0 : 0			

* Monthly, semimonthly, weekly.

ANALYSIS OF RETURNS FROM CLEARING HOUSES FOR JULY 1, 1896.

In order to make as complete as possible the statistics relative to the monetary transactions of July 1, a circular was also addressed to the clearing-house associations of the country requesting information of the business of that day. The replies received were from 66 of the 78 of such associations then in active operation in the United States. Their total clearings upon the day stated amounted to $227,935,464. The balances of these total clearings settled in cash or cash exchanges were but $19,152,834. The items making up such balances were as follows:

Gold	$1,325,015
Gold clearing-house certificates	265,000
Silver and silver certificates	175,950
United States notes	3,451,761
Currency	1,017,101
Currency certificates	5,785,000
National-bank notes	31,746
Exchanges	3,088,299
Managers' certificates	3,904,904
Collections by creditor from debtor bank	85,930
Not stated	22,128
Total	19,152,834

On examination of the individual items of settlement, it is found that but $1,350,000 of the aggregate balances consisted of coin, the various forms of paper currency being, as a matter of fact, "substitutes for money." Upon this basis the proportion of actual money used in settlement is extremely small.

An analysis of the accompanying table setting forth in detail the transactions of these clearings by States, together with the information sent with the returns, shows the methods for settling balances to vary in different States, and also to differ between clearing houses located in the same State. In some cases balances due by debtor banks are paid in gold coin, silver coin, or paper currency to the manager of the

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clearing house, who disburses this money to the creditor bank. The extent to which this practice prevails is shown in columns headed "Gold," "Silver," and "Paper currency," respectively. Again, the debtor banks settle their balances by paying part in money and part in drafts on their correspondent banks to the clearing-house manager, who remits the currency and drafts to a correspondent bank and gives his drafts on such bank to the creditor banks for amounts due to them.

In other cases, no money or drafts are handled by the clearing houses, but it is the custom for the clearing house manager to certify the amount due to or due from each bank and the manner in which this certificate or order of the manager is settled by the debtor bank is not uniform. In a few instances the manager's certificate or order is not presented to the debtor bank for payment, but is held by the creditor bank until needed to settle an adverse balance. As a general thing, however, the order is presented to the debtor bank for payment either in currency or by drafts drawn by the debtor bank upon a correspondent bank in New York, Chicago, St. Louis, or some other city, as may be agreed between the creditor and debtor banks. The extent to which settlements are made by manager's certificates or orders is shown in columns headed "Collections from debtor banks," "Exchanges," "Manager's checks or orders." To a large extent and in some of the largest cities balances are habitually settled by exchange on correspondent banks in neighboring or distant cities, and no money passes between the debtor and creditor banks in such cases.

CLEARINGS AND BALANCES AND METHOD OF SETTLING BALANCES OF THE CLEARING-HOUSE ASSOCIATIONS OF THE COUNTRY ON JULY 1, 1896.

Location of associations.	Clearings.	Balances.			
		Gold.*	Silver.†	Paper currency.	Collections from debtor banks.
Maine	$305,892				$23,653
Massachusetts	19,400,160		$16	$789,125	
Rhode Island	853,042				
Connecticut	888,052				
Total	21,447,146		16	789,125	23,653
New York	139,849,413	$145,000		6,965,843	
Pennsylvania	15,832,025	120,000		1,968,060	
Maryland	3,802,490	748,467			
District of Columbia	425,561		154,667	1,500	
Total	159,909,489	1,013,467	154,667	8,935,403	
Virginia	132,915			10,713	
Georgia	578,698			2,688	42,471
Florida	35,136				
Alabama	48 242				
Louisiana	1,479,529				
Texas	1,210,585				
Kentucky	1,343,714				
Tennessee	325,728				
Total	5,154,547			13,401	42,471
Ohio	5,341,796		5,524	44,780	
Illinois	23,329,662	5,000	2,442	398,220	19,806
Michigan	80,061				
Wisconsin	984,440	11,380	4,324	13,375	
Minnesota	2,295,181	131,000	8,951	79,255	
Iowa	136,523				
Kansas	67,418			7,797	
Nebraska	5,259,577				
Total	37,494,658	147,380	21,241	543,427	19,806

*Includes United States and clearing-house gold certificates.
†Includes silver certificates.

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CLEARINGS AND BALANCES AND METHOD OF SETTLING BALANCES OF THE CLEARING-HOUSE ASSOCIATIONS OF THE COUNTRY ON JULY 1, 1896—Continued.

Location of association.	Clearings.	Balances.			
		Gold.*	Silver.†	Paper currency.	Collections from debtor banks.
Oregon	$193,423	$69,345			
Colorado	319,734				
Utah	192,437				
Montana	71,449	40,000		$4,252	
Washington	297,125	35,127	$10		
California	2,855,456	284,696	16		
Total	3,929,624	429,168	26	4,252	
The United States	227,935,464	1,590,015	175,950	10,285,608	$85,930

Location of associations.	Balances.			Percentage of balance to clearing.	Percentage of balances settled by credit instruments.	Percentage of balances settled in money.
	Exchanges.	Managers' checks or orders.	Total balances.			
Maine			$23,653	7.7	100.0	
Massachusetts	$234,408	$1,965,994	2,989,543	15.4	73.6	26.4
Rhode Island	209,424		209,424	24.5	100.0	
Connecticut	251,331		251,331	28.3	100.0	
Total	695,163	1,965,994	3,473,951	16.2	77.3	22.7
New York	179,109		7,289,952	5.2	2.4	97.6
Pennsylvania	24,000	55,460	2,167,520	13.6	3.6	96.4
Maryland			748,467	19.6		100.0
District of Columbia			156,167	36.9		100.0
Total	203,109	55,460	10,362,106	6.5	2.5	97.5
Virginia	17,584		28,297	12.2	62.1	37.9
Georgia		83,241	128,400	22.1	64.8	35.2
Florida		8,712	8,712	24.7	100.0	
Alabama		5,570	5,570	11.5	100.0	
Louisiana		135,171	135,171	9.1	100.0	
Texas		43,875	43,875		100.0	
Kentucky		218,356	218,356	16.2	100.0	
Tennessee		173,685	173,685	53.3	100.0	
Total	17,584	668,610	742,066	14.4	98.1	1.9
Ohio	7,683	385,987	443,974	8.3	88.6	11.4
Illinois	1,815,543		2,241,011	9.6	81.0	19.0
Michigan	13,375		13,375	16.7	100.0	
Wisconsin	113,016		142,095	14.4	79.3	20.7
Minnesota	222,826		442,032	19.2	50.4	49.6
Iowa		44,120	44,120	32.3	100.0	
Kansas			7,797	11.5		100.0
Nebraska		716,664	716,664	13.6	100.0	
Total	2,172,443	1,146,771	4,051,068	10.8	82.4	17.6
Oregon			69,345	35.6		100.0
Colorado		21,358	21,358	6.6	100.0	
Utah		33,467	33,467	17.3	100.0	
Montana			44,252	61.7		100.0
Washington		35,372	70,509	23.6	50.1	49.9
California			284,712	10.0		100.0
Total		90,197	523,643	13.3	17.2	82.8
The United States	3,088,299	3,927,032	19,152,834	8.4	36.5	63.5

* Includes United States and clearing-house gold certificates.
† Includes silver certificates.
‡ Includes $22,128, character not reported.

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SUGGESTED AMENDMENTS TO THE BANK ACT.

It is one of the duties imposed by law upon the Comptroller of the Currency that he shall in his annual report to Congress indicate such amendments to the bank act as would in his judgment improve the national banking system. In discharge of that duty, I submit for consideration the following suggestions which it is believed, if embodied into law, would be of material public benefit:

First. That the loans and discounts of any bank to its executive officers and employees be restricted in amount, secured by proper collateral or by additional signature or signatures of financially responsible persons to the notes taken, and made only upon the approval of the board of directors, a written record thereof being kept.

Second. That no loan shall be made to a director who is not an executive officer of the bank except either upon a deposit of collateral security or upon a note given therefor bearing in addition to such director's own signature the signature or signatures of one or more financially responsible person or persons.

Third. That upon a day in each year, to be designated by the Comptroller, the directors of national banks shall be required to make an examination of the affairs of the bank with which connected and submit to the Comptroller of the Currency a report thereon upon blanks to be furnished for such purpose.

Fourth. That the assistant cashier, in the absence or because of the disability of the cashier, be authorized to sign the circulating notes and to sign and make oath or affirmation to reports of condition of a national bank.

Fifth. That some class of public officers be empowered to administer the general oaths required to be taken by the National Bank Act.

Sixth. That in places having a population of less than 2,000 inhabitants national banks shall be permitted, under regulations to be made by the Comptroller of the Currency and approved by the Secretary of the Treasury, to be organized with a capital stock of not less than $25,000, and with a corresponding reduction in the amount of bonds required to be deposited with the Treasurer of the United States.

Seventh. That national banks be permitted under such regulations and restrictions as shall be made by the Comptroller of the Currency and approved by the Secretary of the Treasury to establish branch banks in towns and villages where no national bank is established and where the population does not exceed 1,000 inhabitants; such branch banks to have the right to receive deposits, make loans and discounts, and buy and sell exchange, but in no case to be permitted to issue circulating notes other than of the parent bank. It shall in all respects be considered as a part of the parent bank, and in each case where such branches are maintained the Comptroller shall receive in the reports of the central bank a statement properly sworn to and attested of the condition of its branches. He shall also have the right of separate and independent examinations, and he may, whenever he deems it necessary, require, before granting the right to any bank to maintain branches, that the paid-up capital stock of such bank be increased to an amount to be fixed by him with the approval of the Secretary of the Treasury.

Eighth. That the semiannual tax levied on account of the circulating notes of national banks be reduced so as to equal but one-fourth of 1 per cent per annum.

Ninth. That the Comptroller of the Currency be authorized to issue to national banking associations circulating notes to the par value of

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the bonds, when the market value thereof is equal to the par value, deposited by them with the Treasurer of the United States to secure such notes.

ARGUMENTS IN SUPPORT OF SUGGESTIONS.

The amendments denominated, respectively, first, third, fourth, and fifth, and those denominated eighth and ninth, have been repeatedly urged upon the law-making branch of the Government and as repeatedly failed of definite and decisive consideration. The second, sixth, and seventh are now for the first time presented.

The first proposed are designed wholly to reach the necessary and safe administration of the affairs of national banks, and are essential thereto. No possible objection can be raised to either one or all of them, and if the time could be had for their consideration, it is not unlikely they would find a place upon the statute book. It is respectfully urged that as they in no wise bear upon the subject of giving an enlarged power to the national banks no objection against their enactment could be raised by even those who see fit to oppose the system.

AMENDMENTS TO RESTRICT BORROWING BY OFFICERS AND DIRECTORS AND TO ENFORCE KNOWLEDGE OF BANK'S CONDITION.

It is known by those familiar with the conduct of banks that danger, loss, and at times scandal and dishonesty arise in the conduct of a bank from the too large use of its funds by its executive officers, employees, and directors. And not less often does it occur that directors, charged with the duty under the law of administering its affairs, at such times plead ignorance of the condition developed by its failure or the serious impairment of its capital. The first and second amendments recommended design to remedy the one and take away all excuse for the other of these sources of weakness to banks and of delinquencies of those who are concerned in the management. Their enactment would tend, at the close of a period of many bank failures and defalcations, characterized in the majority of instances by overloans to executive officers and directors and gross negligence of duty, to reintrench in the confidence of the public the banking system.

The deposit feature of banking in this country has been developed to its present great proportions by the national bank, the source of whose strength has arisen from its national character. If there is no legal responsibility because of its national origin and supervision resting upon the general government to protect depositors and shareholders against needless loss, there is a moral one, which can only be discharged by the enactment and enforcement of the best protective measures. The powers now vested in the Comptroller of the Currency, despite the exercise of them to the utmost, are but limited. He can suggest, but not enforce—as he might in the light of the amendments asked for—rules and regulations which would guarantee a better condition of affairs in the banking world and relieve the public of anxiety in times of financial uncertainty.

AMENDMENT RELATING TO CASHIER.

The giving of authority to the assistant cashier in the absence or because of the disability of the cashier to sign the circulating notes of a bank and its reports of condition under calls from the Comptroller is asked in order to relieve the banks of an embarrassment so frequently met. The bank act restricts the power in these respects entirely to the

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cashier, and in his absence or disability loss and embarrassment are entailed by the want of someone to sign such notes, and this delay is occasioned through want of the proper person to sign and make oath or affirmation to reports of condition.

AMENDMENT RELATING TO THE ADMINISTRATION OF OATHS.

In 1882 the Supreme Court of the United States delivered an opinion through Mr. Justice Harlan, in the case of the United States *v.* Curtis, to the effect that there was no act of Congress which gave notaries public in the different States the authority to administer the oaths verifying reports of condition of national banks prior to the passage of the act of February 26, 1881, chapter 82.

The reasoning in that opinion appears to apply equally well to the oaths required of directors of national banks under section 5147 of the Revised Statutes. Inasmuch as the act of February 26, 1881, simply provides for the verification of bank reports, it would seem proper that an amendment should be made to the section referred to authorizing some class of officers to administer the oaths therein provided for.

ORGANIZATION OF NATIONAL BANKS WITH A LESS CAPITAL STOCK THAN FIFTY THOUSAND DOLLARS.

The national-banking system was for many years protested against, by those who looked upon its creation by national statute, as an innovation of the rights reserved to the States under the provision of the Federal Constitution. Whether or not the prejudice against the system upon that ground has yielded through the decision of the Supreme Court upholding the constitutionality of the law, or for other reasons, the fact is that throughout the whole country whatever complaint is now urged against it is placed upon a different basis. It has drawn to itself support and inspired general confidence because of its central and uniform governmental supervision and examination, the frequent publication of sworn reports of condition, the double liability of shareholders, the percentage of reserve to be held against deposits required, and the necessity of having the bank's funds invested in quick assets rather than tied up in real-estate investments. These features have been the means of giving it a strength beyond any State system, and guarantee its future continuance. Its usefulness, however, can still be enlarged and its benefits to the people made more widespread.

The complaint to-day is mainly directed against it because the minimum capital stock required is so large that small towns and villages can not have the banking advantages which they might if less capital were required. The allegation is not without force, argument, and reason. In many sections of the country under existing requirements national banks, though needed, can not be supported from a want of surplus investable capital necessary to establish them. These places suffer more for want of banks of deposit and discount than from any need of banks of issue, but under amendments six and seven, to which attention is called, either banks of issue, deposit, and discount or banks of deposit and discount alone could be had.

The minimum capital stock required at present for the organization of a national bank is $50,000, with a deposit with the Treasurer of the United States of United States bonds of $12,500. The proposed reduction of capital stock to $25,000, with a proportionate reduction in the amount of bonds to be deposited with the Treasurer, in places of less

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than 2,000 inhabitants would give independent banks of issue to communities in the South and West which, owing to the conditions surrounding them, can not take from their daily business needs a greater sum and invest in banking. The result is that they are deprived both of the use of foreign and local capital and the utilization of their own credits. The safety of banking upon a reduced capital stock in such localities would be not less than that which attaches at present in larger cities and towns upon a greater capital stock. State banks are, under proper regulations and safeguards, conducted upon the basis of a small capital and, with the methods of examinations employed and the requirements exacted, there is no reason to believe that banks in the national system would be less safe. It would be far better for depositors in all towns and villages of limited population if officers and directors of national banks had dividends to pay upon but half of fifty thousand of capital instead of upon the whole amount. It would lessen the hazarding of loans upon uncertainties in order to make a profit which can not be legitimately earned and therefore diminish the number of resultant failures.

The enabling of these communities to have national banks would bring them in touch with those portions of the country where there is a surplus of investable capital. For many years this capital has been invested in other States largely in national-bank stocks and it has thus come about that facilities for commercial exchange have been afforded many places where local capital could not be furnished for the purpose, and the loanable capital needed increased, with the effect of lowering rates of interest beyond those previously prevailing. In evidence of the extent of this investment it was shown by an investigation made in 1889 that nearly one-third of the capital stock of 520 national banks in Iowa, Minnesota, Missouri, Kansas, and Nebraska had been contributed by Northern and Eastern shareholders, while in Dakota, Idaho, Montana, New Mexico, Utah, Washington, Wyoming, and Arizona more than one-half of that of 144 national banks was held by nonresident shareholders. In the States of Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, and Tennessee, of the shares of 410 national banks a little more than one-sixth of the total was held by nonresidents. The investments of this character made by nonresidents since the date given, and especially so during the years from 1890 to 1892, have been at least as large, if not larger, than in the years prior, but the figures are not at hand to state with accuracy the proportion. The facts alluded to, however, form of themselves such data upon the point made as to make them worthy of consideration.

THE ESTABLISHING OF BRANCH BANKS.

The construction placed upon the National Bank Act, as now in force, by the Supreme Court precludes the establishment of branch banks. In the agitation for the increased volume of circulating medium, either in the form of silver or irredeemable greenbacks, it has been many times suggested by those who have argued against both, that with the majority of the communities where the honest demand for more money was made it was a lack with them of credit and not a lack of volume in the country's circulating medium from which they suffered. The statement is undoubtedly true; but it arises in the largest measure only because they have not the means of availing themselves of that which elsewhere entitles and obtains credits which is

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equivalent to and does answer the purposes of money. This state of affairs is due in the most appreciable degree from not having at hand such facilities for banking as will enable them to show to those in control of loanable capital why credit should be extended and to whom.

The very smallest of agricultural communities, even though deprived of transportation facilities, under a branch-bank system could still be given the advantages of available capital, lower interest, and lessened cost of exchange, privileges they can not enjoy when dependent upon the banking methods employed by the village or entirely isolated storekeeper. The branches grafted upon a parent institution of strength would introduce a capital into places unable to support independent banks, which could successfully compete with that of the local loaner of money at exorbitant rates of interest, and make it possible to obtain credit without endangering all property interests in so doing. They would as well afford a place of local deposit, and within a very brief period the local capital, theretofore idle and useless, would become available loanable capital. The use of a bank as a place of deposit of funds means the use of the check, the draft, the bill of exchange, and other credit devices which reduce to a minimum the passing from hand to hand of actual money or the currency representatives of money in the payment of obligations. Under such an order of things every dollar would become an efficient dollar, and instead of supporting but a single transaction it would support many.

It is not an extravagant assertion to state that with these enlarged opportunities of gaining credit at hand, all entitled thereto could readily obtain it. It would soon follow that all of such would come to appreciate the fact that money is always to be had by those seeking it if they can offer sufficient inducements in the way of current profit and hope of return to its owner to cause him to part with it. That which is termed "the money question" is, in its proper analysis, more one of facilities of exchange, methods of transportation, and means of obtaining credit than of the volume thereof in existence in a particular country or locality. The whole surplus loanable capital of the world is always available to the people of every country where credit is maintained and who offer investments which promise a margin of profit. Modern methods of banking and modern methods of transportation make it immaterial whether the volume of money in the world is greater in London or New York, in Chicago or New Orleans, in Boston or San Francisco. It is as equally available for one place as the other if proper knowledge is had by the owner of it of the financial character and ability of those desiring its use.

Upon the same lines it is available between these centers of commerce and smaller and more remote places. The important thing is the possession of this knowledge, by those who control the money or credit to be loaned. It is knowledge of a character only to be obtained through the corporations and men whose business is dealing in debts and credits, viz, banks and bankers. If a community is deprived of banks and bankers, it is deprived of the channel through which it can make known that it has to offer to investable capital that which entitles to credit. It is false reasoning which overlooks this, the true source of the difficulty, and alleges that there is a scarcity of money and that the volume should be increased. The scarcity-of-money argument, however, always stops short of an explanation of how it is to be obtained after the increase is had, unless the defects in distribution existing before the increase was made are remedied.

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The permitting of branch banks would be the forming of agencies through which a better trade distribution of currency could and would be made. The money of a country congests at the great financial centers, to remain idle and profitless or to be used at a very small profit, only because there seem to be no new arteries through which it can flow. It is not a matter controlled by any feeling of sentimentalism or wish to create a scarcity in one section of the country and a plethora in another, for such rule of conduct could have but one result, loss to all concerned.

It may be objected to the establishing of branch banks that they would tend to create a monopoly. The objection is hardly tenable; for there could not, under the proposed amendment, be established a branch in any city, town, or village where a national bank was in existence, and moreover the privilege of establishing a branch at a designated place would be open to the competition of all banks already established outside of such place. Upon the other hand, they would stand as an aid introduced from the outside, which, while of profit to the nonresident shareholder, would in the end be of equal if not of greater benefit to resident citizens. They could not weaken the parent bank; for with the taking on of new responsibilities additional capital could be required. They would place the national banking system in this respect in lien with the systems maintained in other great commercial nations and in accord with the provisions of some of the banking systems of the States. Under the restrictions adverted to, it is immaterial that the number of central banks in the United States would be so largely in excess of those in England, Scotland, Ireland, Germany, France, and Canada. If the principle is a correct one, the administrative detail involved will not be difficult of solution.

The monetary problems which confront Congress, embarrass the administrative officers of the Government, harass the business world, and bring a plague upon American politics must ultimately find solution in required banking improvements. The time must come when the banks shall be such agencies of distribution of loanable capital as will make credit everywhere equally available to the extent to which those seeking it are justly entitled. So, too, must a point be finally reached when banks shall issue all of the credit currency of the country and stand wholly responsible, instead of the Government, for its redemption in gold coin whenever and in whatever quantities presented.

THE ISSUING OF NOTES BY THE GOVERNMENT AND BY THE BANKS.

Upon the specific subject of granting an increase issuance of circulating notes upon bonds deposited, and a reduction in the rate of tax now collected beyond any possible need of the Government, discussion has not been wanting in recent years in any reports made to Congress by Comptrollers of the Currency. It has been given a place in messages of the President and the reports of the Secretary of the Treasury. The urgency evidenced by these repeated efforts has arisen from a belief that no valid reason can be urged against the propriety of such amendments, nor can any be assigned for further continuing the present provisions of the bank act in this regard.

No one can urge that the payment of notes issued to the amount of 100 cents on the dollar of each bond deposited to secure the notes is not completely assured, nor can it be gainsaid that the rate of tax upon circulation of one-fourth of 1 per cent per annum is not amply sufficient

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to reimburse the Government for all expenditures made by it on behalf of the banks. The reasons for the provisions of the law when first enacted do not now, nor is it at all probable that they will ever again, exist. It is a frequent complaint that though the national banks alone are enabled to issue bank notes without incurring heavy penalties, they fail to use the privilege to the extent that the public has a right to expect and demand. This complaint fails to take account of the fact that banks, whether national, State, or private, do not deliberately undertake an investment of capital in any enterprise unless the promised profit from it is greater than that of some other in which this capital might be engaged.

Banks other than national do not issue bank notes, simply because by so doing they must incur loss through the enforcing of the 10 per cent tax against the notes so issued. Upon the same grounds national banks do not issue notes when there is either a direct loss to them in so doing or a profit too small to warrant the investment in bonds and the payment of the rate of tax levied. While it is true that national banks are in a sense public institutions, in that they are under direct governmental supervision, they are none the less associations of private individuals formed wholly for purposes of private gain. There is invested in them the individual property interests of individual citizens and it is as unreasonable to find fault with them for not conducting a losing business as it is to so treat the individual in the other dealings which he carries on. The public has a right to expect from that part of it engaged in national banking just as much, and no more, business generosity than from those engaged in agriculture, manufacture, or mining. On the other hand, this class is entitled to as much consideration from the general public as the classes referred to, and no more.

There is no monopoly under the present banking laws given to any class of citizens beyond that which comes to any person having investable capital. It is on the same footing exactly with the business of the merchant with no more favoring laws in the matter of taxation. It is to be doubted whether the returns upon the capital invested in banking, proportionate to the amount, indicate as large a percentage of profit as that invested in merchandise. The net earnings on the capital stock and surplus fund of national banks for the past year was 5.4 per cent, including all profit made on the issue of circulation. As compared with the profits accruing to those interested in many mining and manufacturing enterprises the rate is exceedingly small.

The Actuary of the Treasury has for recent years estimated the profit upon bank circulation, secured by all classes of accepted Government bonds, to be as follows:

Date.	Profit.
October 31, 1894	0.967
October 31, 1895	1.107
October 31, 1896	1.659

Upon this basis the amount of national bank circulation outstanding secured by a deposit of bonds was—

November 1, 1894	$179,401,364
November 1, 1895	190,180,961
November 1, 1896	216,510,014

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It thus appears that the law controlling bond-secured circulation is that which governs all other business undertakings. Increase follows conditions of promised profit and decrease those where no apparent profit is discernible. Unnecessary restrictions and unnecessary taxation only serve to hamper at needed times an enlarged circulation of an instrument of credit which has the merit of always being safe and redeemable. It is not to be claimed that these amendments would make the bank-note circulation of the country perfect, but they would at least improve it and again attract to its attention banks which have now become indifferent. If the right of note issue should properly vest in national banks they ought to have every privilege which can be consistently and properly granted, and thus enabled to make the exercise of this function a means of facilitating the interests of trade and commerce. It is unnecessary to discuss the right. That has been passed upon by the courts and the national-bank note is the willingly accepted bank currency of the people. It is therefore certain to continue, and for this reason, if for no other, legislation which will make of greater scope and wider utility the note-issuing powers of the national banks is legislation which should find enactment.

The monetary difficulties of the Treasury which affect every class of people and embarrass the administration of the affairs of the Treasury Department can not longer continue without entailing still greater loss and more widespread financial disaster. They do not find their origin in any mere surface and temporary weakness, nor are they due to recent and passing conditions. They are inherent in the financial policy which has been built up in the United States and constitute an integral part of it. Instead of lessening in ill effects with time, they will accumulate more strength for harm at each recurring season of financial and business disturbance.

The policy of having the Treasury a bank of issue, as it is in the issuing of the Treasury notes, without attaching to it needed bank-of-issue powers, and of making it a bank of deposit in the maintenance of the subtreasury system without corresponding bank-of-deposit essentials, violates the laws of all successful government financiering. If the Treasury is to be a bank of issue, it should be clothed with complete powers in this regard. If it is to be a bank of deposit, it should be governed by principles invoked by such an institution and make of benefit to trade and commerce the moneys which come into its vaults. It ought not to embarrass the business world by locking up vast sums, resulting at times in artificially creating a money stringency, and at others, by suddenly expending equally large amounts, creating a plethora. If the harm worked by this latter feature of our financial policy is less than that flowing from the former, it is nevertheless a source of very great weakness.

Though it may be a debatable question as to the wisdom of taking the moneys gathered for public revenues out of the channels of daily business and locking them up in the subtreasuries of the country, the experience of this and other countries certainly demonstrates that there is little, if any, room to doubt the folly of the direct issue and redemption of Treasury bank notes by the Government. It is a practice abandoned as a controlling policy by every great government save the United States, on the ground of unsoundness. Other countries which tolerate it at all, issue these notes only in very limited quantities and not on lines followed here. It had no advocates in this country until the advent of the civil war, and was then accepted only because of an urged necessity, under the promise of being but a temporary expedient

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and was admittedly wrong as a matter of principle by those who fathered it. The staunchest friends it had in either House of Congress protested against the continuance of Treasury issues beyond the war period, and with equal emphasis promised at an early date their payment and cancellation.

A policy in finance wrong in principle never becomes right in practice. The truth of the statement is fully illustrated by the course of the legal-tender Treasury issues of the United States. They have been always a disturbing element in business, and their current redemption a continuing weakness and anxiety to the Treasury. They compel the Treasury of the United States to carry a reserve of gold which their use makes the basis of supply for all places and all people. They have not even the merit of being without expense to the Government. At one time it was argued in behalf of continuing their issue and compulsory reissue that to cancel them meant to dangerously contract the currency. That argument has given way to one which assumes that they are what is termed "a noninterest bearing debt," and are consequently carried without additional tax upon the public. Those who advance this as argument either disregard or are ignorant of the facts.

In order to present the full effect of the Treasury issues of the Government in creating and continuing an interest-bearing debt since the war, and to draw a comparison between that and the effect of note issuing by the national banks upon the Government's income, the following statement has been prepared at the request of this office by the chief of the loans and currency division of the Treasury Department:

COST OF THE GOLD RESERVE, INCLUDING LIABILITY FOR PRINCIPAL OF BONDS SOLD AND INTEREST THEREON TO THEIR MATURITY.

Principal of bonds sold for resumption purposes:	
1877 and 1878	$95,500,000
1894	100,000,000
1895	62,315,400
1896	100,000,000
Total principal	357,815,400
Interest at 4 per cent on the average amount of the free gold in the Treasury from January 1, 1879, to January 1, 1895	93,440,000
	451,255,400
Interest from January 1, 1895, to July 1, 1907, on $95,500,000 4 per cent bonds of 1907	47,750,000
Interest from January 1, 1895, to February 1, 1904, on $100,000,000 5 per cent bonds	45,416,666
Interest from February 1, 1895, to February 1, 1925, on $62,315,400 4 per cent bonds	74,778,480
Interest from February 1, 1896, to February 1, 1925, on $100,000,000 4 per cent bonds	116,000,000
Total cost, including liability, except United States notes outstanding	735,200,546
Add amount of United States notes still outstanding	346,681,016
Total cost and liability	1,081,881,562

If the United States notes had been funded on the 1st day of January, 1879, into the 30-year 4 per cent bonds of 1907, then being sold, the total cost to the Government therefor, including interest from January 1, 1879, to July 1, 1907, would be as follows:

Principal of bonds	$346,681,000
Interest from January 1, 1879, to July 1, 1907	395,216,340
	741,897,340
Difference in favor of converting the United States notes into bonds	339,984,222

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It may be objected that the item of $93,440,000, interest at 4 per cent on the average amount of the free gold in the Treasury from January 1, 1879, to January 1, 1895, should be eliminated from the items of cost as not proper to be included therein. But even when this is deducted, there is yet an enormous direct money cost to the Government growing out of these issues which could have been lessened by the sum of $214,044,222 if the notes had been funded on January 1, 1879, into 30-year 4 per cent bonds of 1907.

It may be still further objected that a part of the notes redeemed with the gold thus procured has been used to defray the expense of the Government, but this objection does not reach to the merit of the question, because none of this interest-bearing indebtedness would or could have been lawfully created if the United States notes and Treasury notes had not been in circulation. The seat of difficulty has been the necessity of the maintenance of the gold reserve for current redemption, a difficulty which can not be obviated as long as the causes of it are in existence.

EFFECT OF MAINTAINING TREASURY AND NATIONAL-BANK NOTES COMPARED.

The argument as stated in favor of the continuance of Treasury notes is their assumed lack of cost to the public. That advanced against issues of national banks is that they burden the people and take from the people for private benefit. If the first argument is opposed by the facts, not less so is the second. The comparison could not be more striking or the results upon the income of the Treasury more diametrically opposite. The course of the former has increased the rate of taxation necessary to meet the expenses of the General Government, while that of the latter has lessened it. This rate has been further lessened by other items of revenue gained to the Government directly from the national banks.

REVENUE RECEIVED BY THE GOVERNMENT FROM NATIONAL BANKS FROM 1863 TO OCTOBER 31, 1896.

Tax on capital stock prior to March 3, 1883	$7,855,887.74
Tax on deposits prior to March 3, 1883	60,940,067.16
Tax on circulation to June 30, 1896	79,390,680.89
Tax on circulation, July 1 to October 31, 1896, estimated	617,225.34
Total	148,803,861.13
From unredeemed circulation, two-fifths of 1 per cent of actual circulation outstanding on October 31, 1896 ($706,616,861)	2,826,466.00
From taxation	148,803,861.13
From unredeemed circulation	2,826,466.00
Saving by national banks handling Government deposits to the amount of $5,855,099,160.91 at rate of three-eighths of 1 per cent	21,956,621.85
	173,586,948.98
Deduct expenses of Comptroller's Office, appropriated for by Congress to October 31, 1896	16,147,700.00
Total profit to Government	157,439,248.98

It thus appears that instead of loss resulting to the Government from the creation of the national banks, the direct money benefit to it therefrom has been $157,439,248.98, which could be further augmented by adding the saving made to the Treasury by having had annually the use of the five per cent redemption and lawful money fund kept by the

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banks for the current and ultimate redemption of their notes with it, amounting, on October 31 of the present year, to $26,951,641.

The efforts in other countries have been directed toward divorcing the treasury department of governments from the bank-note function. That function has been given to corporations created for the purpose. It has followed that the duties of their treasury departments have been limited to the collection and expenditure of revenues and their regulation, while the banks have issued promissory bank notes and both currently and ultimately redeemed them. The problem of maintaining a gold reserve to a certain amount has not vexed and harassed them, nor interfered with the conduct of the citizens' private business. The volume of the currency so issued has depended upon the needs of business as seen in many portions of such countries by institutions invested with the right to meet the local demand. It is not affected by change of political parties nor discussed as a matter to be decided by political affiliations. There is no state of affairs peculiar to the United States which makes it wise to employ different methods or to invoke different rules in the same line of conduct. It is equally certain that there is no exemption vouchsafed to this country from loss in violating the proven rules requisite to sound and prudent monetary and fiscal operations.

The current credit instruments entering into the movements of finance, trade, and commerce ought all to be issued by the banks as needed, under government supervision, in order to insure uniformity and guard against loss. The responsibility for their redemption in gold coin should be wholly borne by the banks, and upon the banks should rest the duty of furnishing whatever gold is needed for domestic or foreign business purposes. In order to attain this end the credit currency of the government now outstanding should be redeemed in gold and retired, through funding or otherwise, as speedily as safety will permit, and the banks made to assume the rights and burdens which properly belong to them. The sound State and private banks prior to 1863 redeemed their own notes in gold and furnished all gold needed for domestic trade and to settle international balances. The national and other banks from the resumption of specie payments until 1890, when the government's credit currency was again enlarged and legislated upon, followed the same practice. The question is not one of ability on their part to meet such demand, but one of opportunity, freed from government competition and unrestricted by unrequired government control.

It is respectfully submitted that legislation by Congress, based upon safe and prudent lines, having in view the gradual payment and cancellation of the credit currency now maintained by the Government and the issuance hereafter of all of such currency through the banks, with full responsibility therefor placed upon them, should be had at the very earliest practicable moment. The results which would follow such enactments would be beneficial, and neither would monopoly be created nor favor shown thereby.

FOREIGN AND STATE BANKING SYSTEMS.

In the report for 1895 appeared papers concerning the banking systems of the following countries: Belgium, Canada, Chile, China, Denmark, Ecuador, France, Germany, Greece, Guatemala, Haiti, Hawaii, Italy, Korea, Liberia, the Netherlands, Paraguay, Peru, Portugal, Russia, Salvador, Siam, Switzerland, Turkey, Uruguay, and Venezuela. They were prepared by representatives of this Government to countries to which accredited. It has been thought best to reprint these papers

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in the Appendix, and to add others received since from the following countries, viz: Argentina, Austria, Bolivia, Brazil, British Columbia, Bulgaria, Colombia, Costa Rica, Dutch Guiana, Egypt, Great Britain, Japan, Java, Mexico, Newfoundland, Nicaragua, Persia, Roumania, Servia, and Sweden. In addition, through permission of the author, Mr. Charles A. Conant, extracts have been taken from his Modern Banks of Issue upon the banking systems maintained in the French colonies in America, British colonies in Latin America, Dutch Guiana, Java, Bulgaria, Servia, and Cuba. In view also of the fact that the edition of the report of 1895 has been exhausted, there is also reprinted the reports then published of the bank systems maintained in the various States and Territories and the local regulations pertaining thereto.

NATIONAL-BANK ACT AND DIGEST OF BANK CASES.

The report herewith submitted has also been enlarged by the embodying in it of a revised edition of the National Bank Act and a carefully prepared digest of the decisions of the courts, both Federal and State, upon questions affecting the administration of the bank law. To this has been added a table of cases, arranged in alphabetical order.

APPENDIX AND SECOND VOLUME.

In the appendix is also to be found the usual tables, together with added ones bearing upon the subjects of special investigation.

In the second volume of the report will be found a detailed statement of the condition of all the national banks as shown by the report of condition on October 6, 1896, alphabetically arranged by States and properly indexed.

CONCLUSION.

The added work entailed by the investigations made and tabulated, together with an increase in correspondence, has largely fallen upon the force of employees in the Comptroller's office. It has been done without increasing the number thereof, and in a manner which warrants the renewing of the testimony heretofore given to each one's character and efficiency. The work done by the national-bank examiners and the receivers of failed national banks has been equally satisfactory, conscientious, and intelligent.

James H Eckels

Comptroller of the Currency.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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REPORT

OF

THE COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, December 6, 1897.

SIR: I beg leave to herewith submit for the consideration of Congress the annual report of the Comptroller of the Currency for the year ended October 31, 1897.

In view of the interest attaching to that which is termed the banking and currency question, I have deemed it best to briefly review the history of the legislation which, taken as a whole, constitutes the present national-bank act. In previous reports to Congress amendments to the act have been suggested, many of which remain as yet unconsidered and unacted upon. To such as I have heretofore made, in many cases being but a repetition of those suggested by my predecessors in office, I again respectfully call attention without specifically repeating them.

The national currency act, which became a law February 25, 1863, was in its original form unsymmetrical in arrangement, inconsistent in many of its provisions, obscure in certain others, and in consequence very difficult of construction. It at once became apparent that a law of such far-reaching importance to the financial progress of the country, and which daily was to be interpreted by people of widely different scholastic and business training, should be couched in clear and precise language, entirely consistent in all its provisions, and methodically and logically arranged. In consequence not a few of the provisions in the original currency act of 1863 at once became subject to criticism by those charged with the supervision and control of the banks organized in pursuance of the law.

The first to be criticised was section 13, which had reference to the increase of the capital stock of a national bank. That section, as originally passed, provided for an increase, by a vote of the shareholders, from time to time, of such capital stock, subject to the limitations of the act. It was at once discovered that as a matter of fact there was no limitation of any kind or nature embodied in the original act fixing the amount to which the capital could be increased. The same section provided that no increase of the capital would be valid until it was all paid in and the Comptroller of the Currency so notified, and his certificate obtained specifying the amount of the increase and that the amount had been duly paid to the association. That which should have been enacted, and which was years afterward, was the grant of power to the banks to increase their capital stock, such increase to be

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approved by the Comptroller of the Currency, and his certificate certifying to the increase issued when he was assured of the payment in full.

Section 15 of the act was inconsistent with section 30, in that the former required that every association before the commencement of the business of banking should deposit with the Treasurer of the United States interest-bearing bonds to an amount not less than one-third of the paid-up capital stock, while the latter provided, among other things, that the Comptroller of the Currency "may direct the return of any of said bonds" to the depositing association upon cancellation of a proportionate amount of the circulating notes of the bank, which provision construed by itself might have entirely defeated, or partially nullified, the provisions of section 15.

Section 37 was intended to prohibit the making of loans or discounts by an association on the security of its own shares of stock, and to prohibit general stock speculation, but the section was so inartificially drawn that a literal construction, might prevent banks from loaning or discounting with stocks of other corporations as collateral security. Many other sections were criticised, some in part, others in toto. Some were recommended to be stricken out entirely, others partially amended. In the year following, on June 3, 1864, the national currency act was thoroughly revised and reenacted. This act was embodied in the sixty-second title of the Revised Statutes, which contained all the national statutes which were in force December 1, 1873. On the 20th of June, 1874, Congress declared that the act shall hereafter be known as the national-bank act.

Acting on certain suggestions made by the first Comptroller of the Currency, Congress remodeled the original law on the lines indicated, making the act clear where it was obscure and definite where different constructions were possible. In its amended form it received Executive approval on the 3d day of June, 1864, and, as then revised, the act constitutes in the largest measure the law governing the national-banking system to-day.

The revised act was still found to be defective in many of its important features, and the then Comptroller urged upon Congress the necessity of passing acts amendatory thereof. In the law of June 3, 1864, no provision was made for the appointment of a receiver by the Comptroller of the Currency whenever he was possessed of satisfactory evidence that a particular association was not carrying on the proper and legitimate business for which it was organized, that it was making reports required by law in a false and fraudulent manner, willfully misapplying the funds of the association, or committing overt acts of insolvency.

The same report recommended an amendment to section 29 of the bank act extending the provisions contained therein so that the limitation to one-tenth of the capital would apply to all liabilities for money loaned or deposited, except balances due from one national-banking association to another. Still other amendments of more or less importance were suggested, viz, to section 38, providing for a reduction in the capital stock of the association to meet impairment; to section 34, relative to doing away with quarterly statements at stated intervals, and to section 59, regarding penal offenses and counterfeiting.

All of these recommendations failed to receive action at the hands of Congress, and the law remained as it was, notwithstanding the forceful reasons presented in their favor. The only amendment passed by Congress in 1865 was the one amending section 21 of the law of 1864 in reference to the amount of circulating notes which a bank was entitled

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to receive, in what ratio to the bonds deposited, and in what ratio to the capital of the association.

In 1867 the Comptroller recommended but a single amendment, and that was a reiteration of one of the principal amendments urged in the report of the year previous. Under the existing law at that time banks were required to make detailed statements of their affairs at the beginning of each quarter, together with a statement showing the average circulation, deposits, lawful money, and balances available for the redemption of their circulating notes at the beginning of each month. The monthly statement required was more or less vague, and so general that it failed to give anything like correct or reliable information as to the actual condition of the bank, and in lieu of the report so required a statement exhibiting in detail the affairs of each bank on the first Monday of each month was suggested.

Congress failing to act upon this recommendation, it was repeated in the report of 1868, with an exceedingly strong statement of reasons for better legislation on the subject. The law as originally passed required every national banking association to make a report exhibiting in detail its resources and liabilities on the first Monday of January, April, July, and October of each year, and in addition a report on the first Tuesday of each month showing the average amount of loans and discounts, deposits, and circulation. The argument against the policy of this law, repeatedly made to Congress by those intrusted with its administration, was that these quarterly reports came upon certain specified days, known in advance to all, and because of this if a bank cared to make any preparation or change in its affairs so as to exhibit a different condition from that actually existing it had time and ample notice to do so.

Another argument presented on the subject was that the law as it stood was a menace to business, and operated harshly against those associations which would not resort to unfair statements of any kind in making reports. It was well known to gold and stock speculators that on a day certain the national banks would strive to have in their vaults the required amount of lawful money, and taking advantage of this necessity combinations were organized with the sole object of creating a stringent money market, and thereby forcing a depression of the price of securities. Besides a forced depression in the value of securities, commercial transactions were hampered through the rates of interest prevailing, caused by this artificially created stringency in the money market. A state of affairs such as this, which had before been twice fully laid before Congress, called for a remedy both prompt and complete in the interest of all commercial transactions, and as a matter of fairness to honest methods of banking.

The amendment to the law suggested was that section 34 of the act of June 3, 1864, be amended so as to authorize the Comptroller of the Currency to call upon the banks for five detailed statements or reports during each year, fixing upon some past day to such call for the date of the report. This method would ascertain the condition of the banks at irregular intervals, for which preparation could not be made, and would prevent currency speculators from knowing when to blackmail the legitimate trade of the country. On March 3, 1869, after five years of urgent solicitation, a law was passed by Congress embodying the recommendation relative to reports, and the amended law as passed in 1869 is the law to-day.

Another defect in the original bank act was the provision relating to associations in voluntary liquidation. Section 42 of the currency act

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provided that any association might go into liquidation, and be closed by a vote of shareholders owning two-thirds of the stock; and at any time after the expiration of one year from the time of publishing the notice of the liquidation, the association was required to pay to the Treasurer of the United States the amount of lawful money required to redeem its outstanding notes, and take up the bonds on deposit with the Treasurer as security for its circulating notes. Under that law there was no reason why a bank could not vote to go into voluntary liquidation, pay off all existing liabilities, and do no business of any kind, and yet reap the benefit of its circulation.

A remedy for this was suggested to Congress in 1868 and urged with added vigor in 1869. It required banks going into voluntary liquidation to provide for their outstanding circulation by a deposit of lawful money with the Treasurer of the United States within three or six months after going into liquidation. Upon July 14, 1870, the provision which has remained unchanged, requiring all banks liquidating after that date to deposit lawful money to retire the outstanding circulation within six months from the date of the vote to go into liquidation, in default of which authority was given to the Comptroller to sell the bonds pledged for the circulation of the banks for the redemption and cancellation of the circulation, was enacted into law.

A further examination of the course of bank legislation during this period develops that laws of more or less importance were enacted. On March 2, 1867, an act to provide ways and means for the payment of compound-interest notes was passed, which authorized the Secretary of the Treasury to issue temporary interest-bearing loan certificates payable on demand in lawful money, said certificates to be allowed to be held by national banks as part of the reserve required by law. This law was supplemented by another act, approved July 25, 1868, providing for a further issue of temporary loan certificates for the purpose of redeeming and retiring the remainder of the outstanding compound-interest notes. Section 2 of the act approved March 26, 1867, entitled "An act to exempt wrapping paper made from wood or cornstalks from internal tax, and for other purposes," provided for a 10 per cent tax to be paid by banks upon the notes of any town, city, or municipal corporation paid out by them after the 1st of May, 1867.

The law of 1864, section 41, relating to State taxation, provided that the shares of a national banking association should be included in the valuation of the personal property of a person or corporation at the place where such bank is located, and not elsewhere; but this seemingly explicit statement of where the shares were to be taxed became so much the subject of almost endless litigation that an act approved February, 10, 1868, provided that "the place where the bank is located, and not elsewhere," shall be construed to mean the State within which the bank is located, and, also, that the shares of any national bank owned by nonresidents of any State shall be taxed in the city or town where said bank is located.

Early in the history of the national currency act it was demonstrated that a prohibition would be necessary against the practice of loaning money upon United States notes, and on February 19, 1869, an act was passed to the effect that no national bank should thereafter offer or receive United States notes or national-bank notes as security for any loan of money or for a consideration agree to withhold the same from use, nor offer or receive the same as collateral security; and a violation of this law was a misdemeanor which carried a heavy fine. In the same year two additional acts to prevent unlawful practices were passed,

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one making it unlawful for any officer of a national bank to certify a check drawn upon it unless the person or company drawing said check had on deposit at the time an amount of money equal to the amount specified in the check, and providing for the appointment of a receiver by the Comptroller for any certifications contrary to the restrictions imposed, and the other made it a crime punishable by imprisonment and fine for any person aiding or abetting with intent to defraud or deceive any officer or agent of any association in doing any of the acts enumerated in the fifty-fifth section of the law of June 3, 1864.

Another amendment of importance to the act was approved July 12, 1870. It purported to provide merely for the redemption of the 3 per cent temporary loan certificates and for an increase of national-bank notes, but that title gave a very inadequate idea of its scope and effect. It did provide for an additional circulation of $54,000,000, to be distributed pro rata among the States and Territories according to the census of 1870. The really important feature of the statute was the establishment by section 3 thereof of national banks authorized to issue circulation, redeemable in gold coin, to 80 per cent of the par value of the bonds deposited.

The United States bonds required to be deposited as security for this circulation were those bearing interest payable in gold only, and the associations organized under this statute were subject to all the requirements and provisions of the national currency act, with a few minor exceptions, chief among which was the privilege granted to any one association of issuing circulation to $1,000,000, while section 1 of the same act limited the amount of the circulation to other banking associations organized after 1870 to $500,000.

Within the period embraced between 1864 and 1872, the internal-revenue laws of the country enacted during that time contained provisions of much importance to national banks on the subject of taxation. Under title of an amendatory act to the act passed in 1864 to provide internal revenue to support the Government, to pay interest on the public debt, and for other purposes, permission was given in 1865 to State banks to convert to the national system, and where such State banks had branches, to retain and keep in operation such branches after conversion.

The great defect in the law as it existed in 1870 was that no provision was made whereby a bank whose capital stock had become seriously impaired by losses or otherwise could be forced to make good its impaired capital within a reasonable time, or finally wound up by a receivership or voluntary liquidation. The only aid which the Comptroller could invoke in cases where the capital of a bank was impaired was to prohibit it from declaring any dividends during the period of impairment. This was wholly inadequate to reach the necessities of the case, and was entirely ineffective, because it permitted the carrying on of business by unsound institutions, whose usefulness was seriously crippled or possibly entirely destroyed. The remedy suggested to Congress was that a bank with impaired capital be required forthwith to make good the impairment by an assessment on its shareholders, and if the capital was not promptly restored the affairs of the bank should be placed in the hands of a receiver. This recommendation was renewed annually until 1873, when the act of March 3 of that year, now section 5205 of the Revised Statutes, was passed, giving authority to the Comptroller to appoint a receiver for any national bank which did not restore its impaired capital within three months after receiving notice of such impairment, or go into liquidation.

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Congress in 1873 had before the proper committees bills embodying amendments to the act, providing for bank consolidations, defining definitely the duties of receivers of such as were insolvent, and for other changes, but no action was taken on them. In 1874, however, legislation of importance was enacted, the principal features of which were the abolishment of lawful-money reserve on circulation except as to national gold banks, and the establishment of a redemption fund with the Treasurer of the United States.

By this act also were abolished redemption agencies in cities, and banks were permitted to withdraw bonds deposited in proportion to amount of circulation retired. In 1875 a law repealing the provisions limiting the aggregate amount of circulating notes, and also the provisions for the withdrawal of currency, went into effect. The same year the law limiting the circulation of banking associations organized for the purpose of issuing notes payable in gold, severally to $1,000,000, was also repealed.

In the year 1876 the national-bank act was again materially amended. This law provided, in section 1, for the appointment of receivers for any violation of law, or neglect of any association to pay any judgment obtained against it, or in case of insolvency. The second section of this act is to the effect that when any association goes into liquidation the individual liability of the shareholders may be enforced by any creditor by a bill in equity, in the nature of a creditors' bill, brought by such creditor on behalf of himself and of all other creditors of the association, against the shareholders thereof, in any court of the United States having original jurisdiction in equity for the district in which such association may be located. Section 3 of this act, amended by the law of August 3, 1892, has special reference to the election of an agent to manage the affairs of an association after the payment in full of every creditor thereof, not including shareholders who are creditors, together with the expenses of the receivership. The manner in which the meeting of shareholders shall be called is fully explained, and the powers and duties of the agent enumerated.

In the same act it is made incumbent upon all savings banks or savings and trust companies organized under authority of any act of Congress to report to the Comptroller of the Currency, and all savings or other banks then or subsequently organized in the District of Columbia were subjected to all provisions of the Revised Statutes, and of all acts of Congress applicable to national banking associations.

From 1876 to 1881 there was comparatively little banking legislation, and few recommendations were made to Congress by the Comptroller of the Currency. In 1882, however, was passed an act to enable national banking associations to extend their corporate existence for an additional period of twenty years, by an amendment to the articles of association of the bank.

The amendment was to be authorized by the consent in writing of stockholders owning two-thirds of the stock, upon which the certificate of the Comptroller approving the extension would issue. All the rights, privileges, immunities, liabilities, and restrictions of extended associations were continued exactly as they existed before the extension of its period of succession. The statute providing for the extension of the corporate existence of national banks is to be accounted the most important law referring to the national system of banking enacted since 1864.

After specifying how shareholders not assenting to the extension shall proceed; for the redemption of the circulating notes of extended

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associations at the Treasury; for the deposit of lawful money for such redemption within three years from the date of extension, and for various other things, Congress, after ten years of continued and repeated recommendations for legislation against the constant and flagrant abuse of certification of checks drawn against fictitious balances, by section 13 of this act, made it a misdemeanor punishable by a fine and imprisonment for any officer, clerk, or agent of any national banking association who shall certify checks before the amount thereof shall have been properly entered to the credit of the drawer upon the books of the bank.

In the year succeeding (1883), as a part of the general statute reducing internal-revenue taxation, the tax on capital and on deposit of banks was repealed.

Thus far no provision had been made in the law enabling national banking associations to increase their stock, nor for a change of title or location, but by section 1 of the act of May, 1886, a national bank could, with the approval of the Comptroller of the Currency, by a vote of the shareholders owning two-thirds of the stock, increase its capital to any sum approved by the Comptroller, notwithstanding the limits fixed in the original articles of association. It also made it possible for banks to change their name and location without the necessity of a special act of Congress by complying with certain formalities set out in section 2, and by section 3 it was expressly stipulated that all the debts, liabilities, rights, provisions, and powers of the banks under the old name shall devolve upon and inure to the association under the new name.

The law of 1876 authorizing the appointment of receivers of national banks made no provision for the termination or continuation of a receivership after the creditors had been paid in full. In 1892, legislation to that end was passed, and on August 3, 1892, an act was approved which has materially changed the manner of caring for the affairs of insolvent banks after satisfying in full the demands of all creditors. Under existing law, when a receiver has paid every creditor in full, not including shareholders, and all the expenses of the receivership, and the circulating notes of the association have been redeemed, it is the duty of the Comptroller of the Currency to call a meeting of the shareholders, and at such meeting the shareholders shall determine whether the receiver shall be continued to wind up the affairs of the bank or whether an agent shall be elected for that purpose.

In case an agent is determined upon, the person so elected shall execute and file a bond to the satisfaction of the Comptroller of the Currency conditioned for the faithful performance of the duties devolving upon said agent, whereupon the Comptroller of the Currency and the receiver shall transfer to the agent so elected all the remaining assets of the trust, which shall be collected by the agent and distributed in accordance with the specific directions contained in the law.

On July 28, 1892, an act was passed which by indirection changed the law relative to the signing of circulation. In sections 5172 and 5182 of the Revised Statutes certain officers of the bank are designated to sign its circulating notes, and no one else could sign for them, no matter how great the inconvenience or emergency. But this law made it obligatory upon every national bank to redeem all notes issued to or received by it, even if such notes were lost by or stolen from the bank and put in circulation without the signature or upon the forged signature of the president or vice-president and cashier.

Since the enactment of this law, however, while this office has not sanctioned nor authorized any change regarding the signing of circu-

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lation as established in the original law, the rule indicated has not been enforced, as the banks are now liable for the redemption of all notes issued to them, whether signed or not.

All the law relating to the agent of shareholders will be found in section 3 of the act of June 30, 1876, as amended by the acts of August 3, 1892, and March 2, 1897. The original act of June 30, 1876, as amended by that of August 3, 1892, defined the rights and duties of such agent in a most explicit and satisfactory manner, but was grossly defective in the one great particular, that there was no provision of law for any procedure in case the agent first elected should refuse to serve, or die, resign, or be removed.

This amendatory law of March 2, 1897, remedied that defect, and enacted that upon the happening of any one of the four enumerated contingencies any shareholder may call a meeting of the shareholders to elect another agent, who, when elected in accordance with the conditions stated, shall execute a bond to the shareholders for the faithful performance of his duties.

BANK-NOTE CIRCULATION.

It is noticeable that in all the changes which have been wrought in the national-currency act from its inception to the present time the feature subject to criticism but which was intended should constitute the principal benefit to be conferred has remained comparatively unchanged, namely, the note-issuing function. Whatever justification there was in the first instance for restricting the issuing of notes against the bonds of the Government deposited with the Treasurer of the United States to 90 per cent of the par value thereof, long since ceased. In the report of every Comptroller of the Currency during the past twenty years the wisdom of changing the existing law so that the banks and through them the communities in which located might have the additional benefit of an added loanable capital has been urged. Despite all this the law still remains without amendment. Not only should the bank act be amended in this particular, but Congress should seriously consider such a change in the method of bank-note issues as will enable the banks of the country to more adequately meet the demands of trade and commerce in all sections of the country. The business of banking, like every other form of investment, must be made attractive to capital. If it is placed upon a footing different from other undertakings, embarrassed through unnecessary restrictions, and deprived of proper sources of profit, the result can not be otherwise than that investible capital will seek other means of employment, and to such extent deprive the people of the benefits of the agency most requisite to commercial activity.

It is considered by every great commercial nation except the United States to be the sole province of the banks to issue the paper which circulates as currency. The belief in a bank-note currency as being better and safer than Government-paper currency prevailed almost unquestioned in this country until, under the apparent exigencies of the war, the Government undertook to issue paper currency. Even under such circumstances the promise was always given, however, that it should be retired at the earliest practicable moment and the admission freely made that it was neither a wise measure nor a safe form of currency.

Between the competition of the Government note issues on the one hand and the unnecessary restrictions imposed by law upon the other, together with the increasing price of bonds required to be deposited as

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security, the note-issuing function of the banks has been permitted to become merely an incident to the conduct of the national banking associations of the country. It has been seriously suggested more than once that the bank-note issues be done away with and all paper be issued by the Government instead. The danger of such a course is not to be overestimated. The experience of every government has been that governmental currency paper is a source of weakness and danger. In the United States, where there has been the nearest approach to success, but with the volume of the Federal paper comparatively limited in amount, the credit of the Government has more than once been put in jeopardy through it and the business interests of the country subjected to unnecessary loss and confusion.

The argument that the Government, better than the banks, can provide for the redemption of paper-note issues will not stand the test of a careful analysis. The Government has no means for caring for its demand liabilities except through borrowing and through the levying of taxes. Upon the other hand the banks have assets which can be promptly converted into cash to meet their outstanding notes when presented. Their ability to command gold has always been beyond that of the Government, for in each financial exigency which has confronted the Government the banks have furnished to it the amounts necessary to maintain its solvency. It is impossible to believe that with a system of bank-note issues, based in part upon securities and in part upon bank assets, the country can not be provided with a sound, safe, and elastic bank-note issue, always commensurate with and responsive to the demands of trade. The Bank of England, the Bank of Scotland, and the Bank of Ireland have been found to be ample in their resources to provide the note issues for use in the trade of Great Britain. The same is true of the Bank of France. The Deutsche Reichsbank, or German Imperial Bank, has for more than twenty-two years issued bank-note paper against assets which has maintained its value and has been so controlled as to successfully meet the commercial needs of the Empire.

It may be of value, in the light of a consideration which it is hoped will be given to this whole subject, to call the attention of Congress particularly to the Deutsche Reichsbank, which was created in 1875, as in its organization and conduct have entered elements of success that justify the position taken by many thoughtful students of the country's banking and currency needs, that the issuing of notes against assets, regulated by a tax, is the only way that at all times and under all circumstances the banks can be made to fulfill their proper function in the business world.

By the terms of the statute of its creation that bank is subject to Imperial supervision and direction. Its functions are to regulate the money circulation within the jurisdiction of the German Empire, to facilitate settlements and utilize available capital. The notes are issued against its general assets, but are not legal tender, the Imperial decree stating that there shall be no obligation to accept bank notes in case of those payments which are to be legally discharged in coin. The fact, however, that the notes are not a legal tender has in no way hindered or prevented their general circulation and they are freely accepted both at home and abroad. At all times, however, the bank is required to maintain a coin and bullion reserve amounting to at least one-third of the notes in circulation.

The authorized circulation of the bank, without tax, was fixed arbitrarily, and this circulation required a reserve of one-third in cash or its equivalent, and the other two-thirds may be covered by discounted

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bills not maturing later than three months from date, and protected usually by three (never less than two) solid and accredited vouchers. All notes issued beyond the limit so fixed were to be covered by a cash reserve, but this restriction on note circulation having always been a source of weakness to banks of issue because of inelasticity, the German Government, by the act of creation, provided that when the Imperial Bank issued its uncovered notes in excess of the limit provided, a tax of 5 per cent per annum on such uncovered notes must be paid. It was not until six years after the bank's creation that any notes subject to this 5-per-cent tax were issued, and only on a few occasions has the German Imperial Bank been obliged to issue its uncovered notes subject to this tax.

The latest returns obtainable for the whole year of the outstanding note circulation of the German Imperial Bank show that during the year 1896 the lowest amount was 973,484,000 marks, on February 23, while the highest, 1,257,925,000 marks, was reached December 31, the average for the year being 1,083,497,000 marks, against an average for the year 1895 of 1,095,593,000 marks. The amount of uncovered notes allotted to the bank in accordance with section 9 of the bank law was exceeded in the year 1896 on the following dates and in the following amounts: On January 7, by 35,811,520 marks; on March 31, by 44,008,225 marks; on June 30, by 34,328,672 marks; on September 30, by 119,558,561 marks; on October 7, by 78,352,771 marks; on December 31, by 134,149,422 marks. On these amounts a tax was paid of 464,801.22 marks, which is carried as an item in the liabilities of the bank.

The latest obtainable statements of the bank from August 7, 1897, to October 23, 1897, show that within this time the rate of discount advanced from 3 per cent to 5 per cent. The rate continued from August 7 to August 31 at 3 per cent; advanced on September 7 and continued until October 7 at 4 per cent, and reached 5 per cent on October 15 and 23. At these various periods the outstanding circulation is shown to have been as follows: 1,052,132,000 marks, 1,038,446,000 marks, 1,030,931,000 marks, 1,070,683,000 marks, 1,066,774,000 marks, 1,056,156,000 marks, 1,080,822,000 marks, 1,286,923,000 marks, 1,242,109,000 marks, 1,168,414,000 marks, 1,125,550,000 marks.

A study of these statistics, together with an observation of the promptness with which the increase or reduction of note issues was made, shows how in each instance the operation of the bank conformed to the volume and necessities of trade. It is impossible for any bank of issue, no matter how well or skillfully managed, to attain the highest beneficial results where the note issues are based entirely upon a prerequired deposit of bonds. There is no strength in the argument of a greater safety to the note holder by such deposit as against the continual inconvenience and loss worked to trade through its operation.

The tendency of modern banking and legislation has been rather toward the increase of freedom of note issues instead of in the line of restriction. Not only does this appear in the German Imperial Bank, but the provision for bank note-issue without metallic cover, but subject to the restraint of a heavy tax, has also been adopted by the reorganized Bank of Austro-Hungary.

It is respectfully suggested that a careful study of the needs of the sections of the United States now deprived of proper currency facilities could be improved by such amendment to the law as under proper control would incorporate into the national-bank act provision for bank-note issue as against bankable assets and limited in volume by the restraining influence of a properly graduated tax.

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ORGANIZATIONS, EXTENSIONS AND LIQUIDATIONS OF NATIONAL BANKS.

The total number of national banks organized from the date of the granting of the first certificate of authority on June 20, 1863, to the close of the year embraced in this report has been 5,095, making an average for each year of 150. On the 31st of October last there were in active operation 3,617 banks, having an authorized capital stock of $630,230,295. The total outstanding circulating notes of the banks in active operation was $229,199,880, of which $202,994,555 was secured by bonds of the United States and the balance by lawful money deposited with the Treasurer. The total of all national-bank circulation outstanding on October 31 was $230,131,005, of which amount $1,558,800 was secured by bonds held for account of insolvent and liquidating banks and $26,205,325 by lawful money deposited for their account and by active banks reducing circulation. The net decrease in the amount of circulation secured by bonds during the year was $12,584,334, and the gross decrease in the total circulation $4,851,292.

In geographical divisions the 3,617 banks in operation are divided as follows: Five hundred and eighty-eight banks with authorized capital stock of $159,191,620 in the New England States; 956 banks with capital stock of $195,124,275 in the Eastern States; 546 banks with capital stock of $66,761,900 in the Southern States; 1,046 banks with capital stock of $160,163,967 in the Middle States; 357 banks with capital stock of $32,654,100 in the Western States, and 124 banks with capital of $17,465,000 in the Pacific States.

In point of number of active banks Pennsylvania, New York, Massachusetts, Ohio, Illinois and Texas lead with 427, 326, 267, 249, 220, and 202 banks, respectively. Arranged according to capital stock Massachusetts is first, with $94,327,500; New York second, with $83,169,940; Pennsylvania third, with $75,193,390; followed by Ohio, with $45,235,967; Illinois, $37,296,000, and Texas, $19,985,000.

The paid-in capital stock of national banks in each State on October 31, 1897, arranged in order of amount of capitalization, is shown in the following table:

State.	Capital.	State.	Capital.
Massachusetts	$94,327,500	Virginia	$4,646,300
New York	83,664,940	Georgia	4,016,000
Pennsylvania	75,345,240	Montana	3,855,000
Ohio	45,630,100	Alabama	3,455,000
Illinois	37,326,000	West Virginia	3,451,000
Connecticut	21,641,070	Louisiana	3,360,000
Texas	20,106,200	District of Columbia	3,127,000
Rhode Island	19,337,050	Oregon	3,070,000
Maryland	17,079,960	North Carolina	2,801,000
Missouri	15,065,000	Delaware	2,083,985
New Jersey	14,445,000	North Dakota	1,985,000
Indiana	14,237,000	South Carolina	1,890,100
Minnesota	13,865,000	Utah	1,750,000
Iowa	13,500,000	South Dakota	1,745,000
Michigan	12,295,000	Florida	1,485,000
Kentucky	11,664,900	Arkansas	1,220,000
Maine	11,171,000	Wyoming	860,000
Nebraska	10,775,000	Mississippi	755,000
Wisconsin	10,310,000	Idaho	675,000
Tennessee	8,760,000	Indian Territory	620,000
Kansas	8,717,100	New Mexico	600,000
California	7,369,000	Arizona	400,000
Vermont	6,985,000	Oklahoma	300,000
New Hampshire	5,805,000	Nevada	82,000
Colorado	5,232,000		
Washington	4,738,000	Total	637,615,445

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There were organized during the report year 44 banks, located in 18 States and 2 Territories, with an aggregate capital stock of $4,420,000. Of this number 9 were in Pennsylvania, 5 in Illinois, 3 each in Indiana, Iowa, New York, Ohio, Texas, and Indian Territory, and 1 each in California, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, New Jersey, North Carolina, North Dakota, South Carolina, Tennessee, and Oklahoma Territory. The number located in the New England States is 2, the capital stock aggregating $100,000; in the Eastern States 14, with a combined capital stock of $760,000; in the Southern States 6, having a total capital stock of $1,445,000; in the Middle States 16, with an aggregate capital stock of $1,815,000; in the Western States 5, the capital stock aggregating $250,000, and in the Pacific States 1, having a capital stock of $50,000. The State of Tennessee is first in amount of capital stock, having $1,000,000; Ohio has $750,000, and Pennsylvania $510,000.

The corporate existence of 17 national banks in 12 States, with capital stock of $2,139,000 and a total circulation of $722,700, has been extended during the year. New York has 3, Colorado, Michigan, and Ohio, 2 each, and the following States 1 each: Georgia, Iowa, Maine, Massachusetts, Nebraska, New Hampshire, Pennsylvania, and Texas. Of the total capital New York aggregates $605,000; Colorado, $155,000; Michigan, $100,000; Ohio, $279,000; Georgia, $150,000; Iowa, $50,000; Maine, $100,000; Massachusetts, $150,000; Nebraska, $100,000; New Hampshire, $100,000; Pennsylvania, $100,000, and Texas, $250,000.

Under the act of July 12, 1882, providing for the extension of national banks, the corporate existence of 1,650 banks, representing an aggregate capital stock of $405,386,115, has been extended. Of these New York has 236, with capital stock of $74,177,460; Massachusetts, 229, with capital stock of $92,742,200; Pennsylvania, 205, with capital stock of $53,876,000, followed by Ohio with 114, and an aggregate capital of $18,758,000.

The number of banks leaving the system by reason of the expiration of their corporate existence was 2, having capital stock of $150,000 and circulation of $61,200. These banks were located in New York and Indiana, and were succeeded by new associations with capital stock of $100,000 and circulation of $24,750.

During the year ending October 31, 1898, the corporate existence of 23 banks, with a capital stock aggregating $2,679,000 and circulation of $1,032,975, will expire. They are located as follows: 5 in New York, 4 in Pennsylvania, 3 in Illinois, 2 each in Kentucky and Massachusetts, and 1 each in Delaware, District of Columbia, Indiana, North Dakota, South Dakota, Vermont, and Washington. In the succeeding ten years, from 1898 to 1907, inclusive, the corporate existence of 1,099 banks, having capital stock of $161,228,150 and circulation of $43,683,158, will expire.

The number of banks leaving the system during the year through voluntary liquidation was 71, having capital stock of $9,659,000 and circulation of $1,729,040.

A comparison of the data of this year with that set forth in the report of this Bureau for the year 1896 shows the number of active banks to have decreased 62, with a decrease in capital stock of $11,090,500. The number of banks organized increased 16, and the number going into voluntary liquidation, 33. There has been an increase of 10 in the number of receivers appointed, and a decrease of 9 in the number of extensions of corporate existence. The loss through expiration of charters increased 1, and the number of banks organized to succeed expiring associations increased 1.

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DIAGRAM.

The Comptroller's report for 1886 contained a diagram, exhibiting in a clear and concise way the principal items entering into the statements of the national banks, and showing how each had varied during the twenty-one years of the life of the system, commencing with January 1, 1866. This method so graphically presents the history of the growth of, and changes in, the national banking system that it has been reproduced in this report and made to cover the entire period of its existence—from October 5, 1863, to October 5, 1897, both dates inclusive. To make its meaning still clearer, vertical lines have been introduced at certain points to mark the dates of financial crises and other events which have had a notable effect upon the then existing condition of the banks. The items of resources and liabilities selected are those which most distinctively indicate extension and growth and bear more or less close relation to each other, namely: (1) Capital stock; (2) aggregate of capital stock, surplus, and undivided profits; (3) individual deposits; (4) lawful money reserves held against deposits; (5) national-bank notes on hand; (6) loans and discounts; (7) aggregate of United States bonds held for circulation, Government deposits, and for investment; and (8) national-bank circulation.

The lines in the diagram show the variations in the several items at each date for which reports of condition were made by the banks to the Comptroller, commencing with October 5, 1863, the date on which the first report was made. It is shown by the diagram that there was a steady and substantial increase in the items of loans and discounts, individual deposits and capital stock, aggregate of capital stock, surplus and profits, and circulation until September 12, 1873, when, as the result of speculation, inflation of the currency, and resulting causes, the financial panic of 1873 occurred. This is marked in the sudden falling off in deposits of $80,000,000, and in loans and discounts, respectively, between September 12 and December 26 of that year. Following such condition there was a rapid, though brief, recovery until June 30, 1875, when a steady downward movement in the items of deposits, loans and discounts, capital stock, aggregate of capital stock, surplus, and profits set in, continuing until January 1, 1879.

A period of reaction from high prices measured in a depreciated paper currency and the readjustment of values to a specie basis between the period of the passage of the resumption act in January, 1875, and the successful resumption of specie payments provided for by that act on January 1, 1879, followed. From the latter date the expansion of loans and discounts and of deposits was rapid, while the increase in capital stock, surplus, and profits, though less marked, was continually steady and upward. The first break in this upward movement occurred on April 24, 1884, when the lines on the diagram show a sudden drop of $80,000,000 in the item of deposits between that date and June 20, with a corresponding reduction in the volume of loans and discounts, and a falling off of surplus and profits. This continued until July, 1885, when bank deposits again reached and exceeded the point attained on April 24, 1884.

The same upward tendencies are to be noted in the items of loans and discounts, capital stock and aggregate of capital stock, surplus and profits, until October 2, 1890, when again by December 19, owing to the financial disturbance of that year, a sudden drop of about $78,000,000 in deposits followed. Accompanying this was a similar decrease in the volume of loans and discounts. At the latter date the

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movement of loans and discounts, individual deposits, capital stock and aggregate of capital stock, surplus and profits again became upward and continued steadily until May 4, 1893, the date of the well-defined inception of the most serious financial crisis in the history of the system. The far-reaching extent of this crisis is measured by the lines on the diagram, which show a falling off in deposits between May 4, and July 12, 1893, of $200,000,000, and a further falling off between July 12 and October 3 of that year of $100,000,000 more, making a total withdrawal of deposits within a period of five months of about $300,000,000.

Following this was a contraction of loans and discounts of $140,000,000 between May 4 and July 12, 1893, and a further contraction of nearly $180,000,000 additional between July 12 and October 3 of that year, making a total reduction of nearly $320,000,000.

Within the year following October 2, 1893, $280,000,000 of the $300,000,000 deposits withdrawn during the panic returned to the banks, and the loans and discounts, though at a slower rate, expanded to the amount of $160,000,000. Thereafter in both the deposits and loans and discounts of the banks is shown more or less variation, with a general downward tendency, until the lowest point was touched on October 6, 1896, the date of the reports of condition made a month before the Presidential election in November. The increase in deposits then became rapid and marked, the line indicating this item having touched on October 5, 1897, the highest point in the history of the system. The expansion of loans, though steady, was in smaller measure. In connection with the period from 1890 to 1897 it is worthy of note that the silver-purchasing act was passed in July, 1890, and repealed in August, 1893, and that this period covered the period of greatest activity in the agitation for the free coinage of silver.

In contrast with the upward movement of deposits from October, 1893, to October, 1897, the diagram shows a continually downward movement both for capital stock and for the aggregate capital, surplus, and profits, forcibly illustrating how the shrinkage of values through losses and liquidation during the period of reaction after 1893 either wasted the capital invested in some of the banks or caused its withdrawal because it could no longer be profitably employed.

National-bank circulation is shown, with slight variation, to have kept pace with the capital stock relatively in its increase and decrease from the beginning of the system until December 31, 1881, after which, while capital stock of the banks steadily increased until 1893, circulation steadily decreased until October 2, 1890, when the lowest point at any report date was touched, namely, $122,928,084. Between December 31, 1881, and October 2, 1890, capital stock increased by $184,000,000, while circulation decreased by $202,000,000, the decrease being chiefly due to the compulsory redemption by the Government between 1883 and 1888 of the 3 per cent bonds, of which the banks in 1883 held over $200,000,000 as security for circulation. With the organization of new banks and the legal requirement as to the deposit of bonds to secure circulation a gradual expansion set in until 1893, when, between May 4 and October 3, under the exigencies of the currency famine, the extent of the expansion of bond secured circulation was $31,000,000. This expansion of the circulation strongly contrasts with the contraction in deposits of $300,000,000, withdrawn from the banks during the same period.

It is interesting to note how rapidly after each financial crisis, in 1873, 1884, and 1893, was lawful money reserve accumulated by the banks.

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The accumulation after the panic of 1893 amounted between July 12 and December 19 of that year to $125,000,000, and continued until May 4, 1894, when the national banks held $163,000,000 more cash than they held on July 12, and more than they held at any time in their history. This exhibition of ability on the part of the banks to provide money with which to meet payment of demand obligations, by conversion of their assets into cash, contrasts strongly to the weakness of the Government in times of panic or distrust to maintain payment of its demand obligations except by borrowing large sums of money on interest-bearing bonds. It was distinctly manifest in 1893 and the years following that the banks were meeting their obligations by converting their accumulated assets into cash while the Government to sustain itself was increasing its bonded indebtedness. In the end the Government had to appeal to the banks and through their aid only was enabled to maintain solvency. The difference must be accounted for by the fact that the habilities of the banks were secured by assets readily convertible into cash, and margined by a large amount representing their capital stock, surplus, and profits, while the demand obligations of the Government were supported by a percentage of cash, considered adequate during periods of quiet and confidence, but totally insufficient in time of panic and distrust. The Government was possessed of no asset which could be changed immediately into money. It had only an ability to borrow and then pay its borrowings through funds resulting from taxation. Under such conditions it, at the best, was poorly equipped to maintain itself against the claims of its creditors, holding demand obligations similar in character to the demand evidences of indebtedness held by depositors against a bank.

Outstanding circulation decreased from October 3, 1893, until December, 1894, after which the increase was gradual until March, 1897, followed by a decrease until October, 1897, the changes being influenced by the fluctuations during this period of the prices of United States bonds required to be deposited to secure circulation.

The item of United States bonds held for circulation, Government deposits, and for investment necessarily in the main bears a close relation to the circulation outstanding based thereon. There is a marked variation between January 1 and October 2, 1879, due to the part then taken by the national banks in the refunding operations of the Government. The change between December 9, 1893, and October 5, 1897, shows the extent to which national banks invested in the bonds then issued by the Government.

The line representing national-bank notes on hand demonstrates the very limited amounts to which the notes of other national banks are held in the total cash of the banks, the average holdings throughout the whole period being about $20,000,000.

One noticeable feature of the diagram is the zigzag course of the line indicating individual deposits, marking the frequent variations in volume, in times of prosperity as well as of panic, and in close relation to deposits is the singular course exhibited by the line indicating lawful money reserve held against deposits.

ANALYSIS OF REPORTS OF 1897.

An analysis of the abstracts of the reports made by the banks in response to the five calls required by law, to be found in the appendix, shows the following changes which have characterized the status of the banks at different periods covered by these reports:

The change in the item of individual deposits during the report year of 1897 is shown to be as follows: It increased from $1,597,891,058 on

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October 6, 1896, to $1,639,688,393 on December 17, 1896; to $1,669,219,961 on March 9, 1897; to $1,728,083,971 on May 14, 1897; to $1,770,480,563 on July 23, 1897, and to $1,853,349,128 on October 5, 1897, being $255,000,000 more than the amount shown on October 6, 1896.

The number of banks holding these deposits on October 6, 1896, was 3,676, with a capital stock of $648,540,325, as against 3,610 on October 5, 1897, with capital stock of $631,488,095.

The surplus fund of the banks on October 6, 1896, was $247,690,074, and their net undivided profits $88,652,759. On October 5, 1897, the former had decreased to $246,345,020, while the latter had decreased to $88,406,980.

On October 6, 1896, national-bank notes outstanding secured by bonds deposited amounted to $209,944,019. The returns under each call show variations in the amounts held during the year, the amount on December 17, 1896, being $210,689,985; on March 9, 1897, $202,655,403; on May 14, 1897, $198,278,310; on July 23, 1897, $196,590,790, and on October 5, 1897, $198,920,670.

The amount due to other national banks, which on October 6, 1896, stood at $269,043,386, increased to $317,860,025 on December 17, 1896; to $369,287,235 on March 9, 1897; decreased to $363,219,013 on May 14, 1897, and then again increased to $388,117,906 on July 23, 1897, and to $418,614,281 on October 5, 1897.

The amount due to State banks and bankers, which on October 6, 1896, was $146,058,794, increased steadily throughout the year, being $168,635,982 on December 17, 1896; $194,150,435 on March 9, 1897; $195,001,040 on May 14, 1897; $208,876,900 on July 23, 1897, and $227,063,685 on October 5, 1897.

The liabilities of the national banks for money borrowed in different forms aggregated on October 6, 1896, $38,967,450, had decreased on March 9, 1897, to $18,193,210, and varied very slightly until October 5, 1897, when the amount had increased to $22,930,232.

The total liabilties, which on October 6, 1896, were $3,263,685,313, increased steadily throughout the year, being $3,705,133,707 on October 5, 1897.

On the side of resources the loans and discounts, which on October 6, 1896, amounted to $1,893,268,839, increased to $1,901,160,110 on December 17, 1896, decreased slightly on March 9, 1897, after which it steadily increased, reaching $2,066,776,113 on October 5, 1897, a gain in this item of $173,507,274 since October 6, 1896.

The amount of United States bonds to secure circulation, which on October 6, 1896, was $237,291,650, decreased to $227,483,950 on October 5, 1897.

The banks held on October 6, 1896, $25,135,500 United States bonds other than those securing circulation. On December 17, 1896, the amount had decreased to $24,274,550, then increased on March 9, 1897, to $30,429,900, and to $32,490,750 on October 5, 1897.

The investment of assets in stocks, securities, etc., on October 6, 1896, was $188,995,352. It had increased on October 5, 1897, to $208,831,563.

The investment in banking house, furniture, and fixtures, which on October 6, 1896, was $78,046,817, showed but slight variations during the year, being on October 5, 1897, $79,113,954.

Other real estate and mortgages owned on October 6, 1896, amounted to $27,403,155, and increased to $29,303,532 on October 5, 1897.

The amount due from other national banks (not reserve agents) on October 6, 1896, was $111,830,935; increased to $125,382,562 on December 17, 1896; again increased to $133,467,636 on March 9, 1897, and to

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$140,940,788 on May 14, 1897; then decreased to $135,587,688 on July 23, 1897, after which the increase is marked, the amount due on October 5, 1897, being $155,980,447.

The amount due from State banks and bankers on October 6, 1896, was $29,583,299; increased to $35,971,045 on May 14, 1897; decreased to $34,275,424 on July 23, 1897, and then increased to $41,410,311 on October 5, 1897.

The amount due from approved reserve agents increased from $190,077,533 on October 6, 1896, to $258,430,252 on March 9, 1897, then decreased to $251,948,640 on May 14, 1897, and again increased to $297,017,805 on October 5, 1897.

Exchanges for clearing house, which on October 6, 1896, amounted to $76,760,416, increased to $84,976,088 on December 17, 1896; decreased to $74,830,987 on March 9, 1897; increased to $84,350,553 on May 14, 1897; to $89,457,189 on July 23, 1897, and to $112,305,535 on October 5, 1897.

The specie held by the banks on October 6, 1896, was $200,808,632, while on October 5, 1897, it was $239,387,702.

The amount of legal-tender notes and United States certificates of deposit for such notes, which on October 6, 1896, aggregated $142,334,730, increased to $186,332,852 on March 9, 1897; decreased to $174,144,992 on May 14, 1897, and continued to decrease until October 5, 1897, when the amount held was $149,494,929.

RECEIVERSHIPS.

During the year covered by this report the affairs of 38 banks have been placed under the supervision of receivers. Of this number, 1 has been restored to solvency and resumed business. Of all the insolvent banks, 26 have been finally closed during this year, ending October 31, 1897, on which date 127 trusts still remained under the care of receivers in the process of active liquidation.

There are 46 banks still in the hands of receivers on the inactive list, the affairs of which are practically wound up, but the trusts can not be finally closed because of pending litigation or the possession of valuable assets, the immediate disposition of which would entail an unwarranted sacrifice in value. The expenses of a trust in this condition are nominal and limited to just what is actually necessary for the payment of proper and careful attention to the matters not yet settled. If a considerable period of time elapses before the litigation is finally settled or the remaining assets sold without unnecessary sacrifice, a final dividend is paid from the office of the Comptroller of the Currency after the active supervision of the trust by the receiver is terminated.

A strenuous effort has been made during the period embraced in this report to formally close several receiverships, the available assets of which have been already realized on, but undetermined legal controversies have generally been the barrier preventing the realization of the desires and efforts of the Comptroller in this direction. During the year just closed the crisis, through which the country has been passing for the last four years, has continued and when the enormous shrinkage of values is considered it is a matter of agreeable surprise that many receivers of national banks have so managed their trusts that a total of dividends has been paid which, at the time of failure, seemed impossible.

The increase in rate per cent paid to creditors of, apparently, many hopelessly insolvent institutions is due in part to the greater efficiency and economy in conducting the liquidations, and shows conclusively that governmental supervision is growing more and more effective as new and improved methods are evolved from experience in managing the affairs

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of insolvent associations. The criticism, which it is to be said is not frequent, against receivers because they do not convert the assets into cash quicker than they do and thus pay dividends, is largely because of a failure to appreciate all the difficulties surrounding the situation.

Receivers are not to blame if the trusts to which they are appointed have very little of value in their assets. While banking is free in every part of the country, associations will often be formed by men without business tact, training, or judgment, or, worst of all, without even a rudimentary knowledge of the first principles of commercial banking. Associations formed and managed by such inexperienced men will be, at least, unskillfully managed, and inevitably result in disaster. And, on the other hand, so long as dishonest men see in banking a fair chance to further their schemes they will embark in it, and defalcations and embezzlements will be, accordingly, prevalent. Saddled with either one or the other, or possibly both, of these misfortunes, a bank struggles on through a precarious existence of a few years and ultimately fails. A receiver is appointed, and at once begins an earnest effort to bring order out of confusion so far as possible, and to realize the utmost possible for the creditors from a rather hopeless mass of what generally proves to be slow or doubtful, or absolutely worthless, assets. The commercial paper which comes into his hands is always slow, and most of it either doubtful, bad, or absolutely worthless. With this mass of paper, much of which requires litigation to collect either in whole or in part, the receiver finds his position one of perplexity and frequently of disappointment. The creditors are importunate, the debtors proverbially and almost universally obdurate. With generally no cash on hand to start with, the best commercial paper either rediscounted or hypothecated as collateral security, and often burdened with unsalable real estate, the receiver begins his work of making what collections he can from this mass of almost inconvertible assets. As a rule he is successful, and the records show how much more has been realized from the assets of failed national banks than from those of any other class of banking institutions or other business undertakings.

PAYMENT OF DIVIDENDS DURING THE YEAR JUST CLOSED.

Notwithstanding these conditions, which have always existed to a greater or less extent in connection with insolvent banks, there was paid to creditors within the year covered by this report the sum of $13,169,781 in dividends. The magnitude of this unequaled record will be the more forcibly illustrated if considered in the light of what has been accomplished heretofore in the way of dividend payments to creditors of insolvent institutions. In 1893 there was paid in dividends to creditors of failed national banks the sum of $3,433,646; in 1894, $5,124,577; in 1895, $3,380,552; in 1896, $2,451,959, and in 1897, $13,169,781, making a total of dividends paid within the five years from 1893 to 1897 of $27,560,515, or 36¼ per cent of all the dividends that have ever been paid to creditors of insolvent national banks.

The unprecedented work of receivers during the last year is more conspicuously shown when the fact is realized that since the origin of the national banking system in 1863 there has been paid to creditors of insolvent associations down to and including 1897, a period of thirty-four years, the sum of $75,935,925, and in the one year embraced in this report there has been paid, as above stated, the sum of $13,169,781, or 17⅓ per cent of all the dividends that have ever been paid to the creditors of the 368 banks that have been placed in the charge of receivers.

Since October 31, the date of the closing of this report, seventeen additional dividends, aggregating about $625,000, have been ordered.

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The following table sets forth in detail the names, location, capital stock, and condition of the assets of failed banks of the year at the time of the appointment of receivers therefor:

THE NATIONAL BANKS IN EACH STATE AND GEOGRAPHICAL DIVISION WHICH WERE PLACED IN THE CHARGE OF RECEIVERS DURING THE YEAR ENDED OCTOBER 31, 1897, WITH THEIR CAPITAL, NOMINAL ASSETS, AND LIABILITIES AT DATE OF SUSPENSION.

Name and location of bank.	Capital.	Assets.				Liabilities. *b*
		Estimated good.	Estimated doubtful.	Estimated worthless.	Total. *a*	
First National Bank, Niagara Falls, N. Y	$100,000	$95,791	$135,119	$40,713	$271,623	$161,283
National Bank of Potsdam, N. Y	200,000	152,125	455,334	29,745	637,204	397,365
Keystone National Bank, Erie, Pa	150.000	116,234	426,436	107,053	649,723	492,789
Eastern States	450,000	364,150	1,016,889	177,511	1,558,550	1,051,437
First National Bank, Asheville, N. C	100,000	21,514	52,969	259,747	334,230	215,428
Merchants' National Bank, Ocala, Fla	100,000	32,877	93,336	120,875	247,088	150,611
Merchants' National Bank, Jacksonville, Fla	100,000	153,080	139,608	53,805	346,493	232,154
Mutual National Bank, New Orleans, La	200,000	162,646	269,016	65,848	497,510	290,557
First National Bank, Tyler, Tex	200,000	44,287	182,330	470,037	696,654	441,052
City National Bank, Gatesville, Tex	50,000	11,103	47,988	30,198	89,289	37,405
First National Bank, Newport, Ky	200,000	204,993	344,896	264,025	813,914	650,243
German National Bank, Louisville, Ky	251,500	233,745	306,123	92,185	632,053	370,367
Southern States	1,201,500	864,245	1,436,266	1,356,720	3,657,231	2,387,817
Missouri National Bank, Kansas City, Mo	250,000	541,307	765,013	208,361	1,514,681	1,248,993
First National Bank, Franklin, Ohio	50,000	23,792	98,255	4,985	127,032	80,706
Second National Bank, Rockford, Ill	200,000	168,784	208,257	246,955	623,996	354,120
National Bank of Illinois, Chicago, Ill	1,000,000	7,636,207	1,490,358	4,778,553	13,905,118	11,578,896
First National Bank, East Saginaw, Mich	100,000	231,479	128,033	223,650	583,162	385,562
Big Rapids National Bank, Big Rapids, Mich. *c*	100,000	1,065	30,693	23,490	55,248	27,552
First National Bank, Benton Harbor, Mich	50,000	46,597	81,085	10,649	138,931	92,040
First National Bank, Decorah, Iowa	75,000	63,259	134,526	131,758	329,543	245,383
First National Bank, Sioux City, Iowa *d*	100,000	.....	.....	.....	.....	.....
First National Bank, Griswold, Iowa	50,000	7,576	64,514	39,474	111,564	56,075
Marine National Bank, Duluth, Minn	200,000	50,552	267,451	103,573	421,576	224,791
Columbia National Bank, Minneapolis, Minn	200,000	150,763	202,616	85,057	438,436	253,345
Union National Bank, Minneapolis, Minn	500,000	16,217	507,068	253,916	777,201	282,145
Second National Bank, Grand Forks, N. Dak	50,000	76,049	106,004	7,370	189,423	140,632
Citizens' National Bank, Fargo, N. Dak	100,000	80,160	308,641	76,712	465,513	324,787
Merchants' National Bank, Devils Lake, N. Dak	50,000	48,522	42,074	7,296	97,892	48,683
Dakota National Bank, Sioux Falls, S. Dak	50,000	42,510	157,962	98,495	298,967	212,616
First National Bank, Garnett, Kans	50,000	38,719	85,796	7,624	132,139	74,777
First National Bank, Alma, Nebr	50,000	1,681	71,923	67,503	141,107	87,866
First National Bank, Orleans, Nebr	50,000	7,219	32,549	49,631	89,399	36,682
Western States	3,275,000	9,232,458	4,783,418	6,425,052	20,440,928	15,755,651
The Dalles National Bank, The Dalles, Oreg	50,000	54,801	144,445	21,644	220,890	154,373
Moscow National Bank, Moscow, Idaho	75,000	14,878	95,440	95,325	205,643	100,608
Northwestern National Bank, Great Falls, Mont	250,000	422,388	329,075	217,675	969,138	679,050
Merchants' National Bank, Helena, Mont	350,000	619,922	755,503	287,311	1,662,736	1,220,624
Merchants and Miners' National Bank, Philipsburg, Mont	50,000	9,259	42,170	47,862	99,291	44,123
First National Bank, Olympia, Wash	100,000	77,572	127,122	18,807	223,501	100,493
First National Bank, Eddy, N. Mex	50,000	41,160	57,295	17,090	115,545	54,729
Pacific States and Territories	925,000	1,239,980	1,551,050	705,714	3,496,744	2,354,000
United States	5,851,500	11,700,833	8,787,623	8,064,997	29,153,453	21,548,905

a Exclusive of United States bonds on deposit to secure circulation.
b Exclusive of capital, circulation, surplus, and undivided profits.
c Formerly in voluntary liquidation.
d Restored to solvency and resumed business.

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The number, capital, assets, and liabilities of national banks, in each State, which failed during the past year are shown in the following table:

State.	Banks.	Capital.	Assets. a				Liabilities.
			Estimated good.	Estimated doubtful.	Estimated worthless.	Total.	
New York	2	$300,000	$247,916	$590,453	$70,458	$908,827	$558,648
Pennsylvania	1	150,000	116,234	426,436	107,053	649,723	492,789
North Carolina	1	100,000	21,514	52,969	259,747	334,230	215,428
Florida	2	200,000	185,957	232,944	174,680	593,581	382,765
Louisiana	1	200,000	162,646	269,016	65,848	497,510	290,557
Texas	2	250,000	55,390	230,318	500,235	785,943	478,457
Kentucky	2	451,500	438,738	651,019	356,210	1,445,967	1,020,610
Missouri	1	250,000	541,307	765,013	208,361	1,514,681	1,248,993
Ohio	1	50,000	23,792	98,255	4,985	127,032	80,706
Illinois	2	1,200,000	7,804,991	1,698,615	5,025,508	14,529,114	11,933,016
Michigan	3	250,000	279,141	240,411	257,789	777,341	505,154
Iowa	3	225,000	70,835	199,040	171,232	441.107	301,458
Minnesota	3	900,000	217,532	977,135	442,546	1,637,213	760,281
North Dakota	3	200,000	204,731	456,719	91,378	752,828	514,102
South Dakota	1	50,000	42,510	157,962	98,495	298,967	212,616
Kansas	1	50,000	38,719	85,796	7,624	132,139	74,777
Nebraska	2	100,000	8,900	104,472	117,134	230,506	124,548
Oregon	1	50,000	54,801	144,445	21,644	220,890	154,373
Idaho	1	75,000	14,878	95,440	95,325	205,643	100,608
Montana	3	650,000	1,051,569	1,126,748	552,848	2,731,165	1,943,797
Washington	1	100,000	77,572	127,122	18,807	223,501	100,493
New Mexico	1	50,000	41,160	57,295	17,090	115,545	54,729
Total	38	5,851,500	11,700,833	8,787,623	8,664,997	29,153,453	21,548,905

a Exclusive of one bank in Iowa restored to solvency.

The number of failures of national banks in each year, capital stock, circulation issued, claims proved, and dividends paid by the trusts appear in the following table:

Year.	Number of failures.	Capital.	Circulation.	Claims proved.	Dividends paid.
1865	1	$50,000	$44,000	$122,089	$70,811
1866	2	500,000	265,000	1,104,044	267,156
1867	7	1,370,000	928,900	3,357,563	2,455,515
1868	3	210,000	141,800	308,112	238,322
1869	2	300,000	174,700	239,886	193,259
1872	6	1,806,100	1,388,393	2,558,660	2,200,236
1873	11	3,825,000	2,522,100	6,930,123	5,052,958
1874	3	250,000	230,000	376,579	200,704
1875	5	1,000,000	638,676	2,566,239	644,686
1876	9	965,000	540,609	1,392,406	1,021,056
1877	10	3,344,000	951,728	3,636,723	3,576,632
1878	14	2,612,500	1,322.725	2,739,079	2,334,156
1879	8	1,230,000	516,825	1,108,644	884,454
1880	3	700,000	506,143	778,966	724,328
1882	3	1,561,300	999,400	5,948,150	8,746,278
1883	2	250,000	108,200	609,765	451,375
1884	11	1,285,000	850,120	6,356,830	4,812,642
1885	4	600,000	486,550	3,775,062	2,915,978
1886	8	650,000	328,385	856,802	811,629
1887	8	1,550,000	386,597	5,263,402	3,220,654
1888	8	1,900,000	557,811	3,590,481	2,832,257
1889	2	250,000	56,250	564,794	569,908
1890	9	750,000	171,450	1,108,014	811,864
1891	25	3,622,000	663,852	6,804,464	2,449,860
1892	17	2,450,000	623,153	10,856,609	8,740,575
1893	65	10,935,000	1,886.404	13,929,579	8,645,861
1894	21	2,770,000	626,786	3,663,050	1,156,120
1895	36	5,235,020	963,752	6,144,847	2,730,209
1896	27	3,805,000	784,400	6,576,106	1,314,935
1897	38	5,851,500	1,229,118	18,501,118	10,861,509
	368	61,627,420	20,893,827	121,768,186	75,935,925

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DISTRIBUTION OF NATIONAL BANK STOCK.

In 1876, in compliance with a resolution of Congress, a compilation was made of the number of shares of national bank stock issued, the number of shareholders, the location, etc., of the stock and the shareholders. A similar compilation was made ten years later and continued in 1887, 1888 and 1889. Prior to 1887 shares were taken at the par value, varying from $10 to $200 each, as converted State banks were permitted to reorganize as national banks without change of original divisions of stock; subsequently the shares of every bank were reduced in compiling the returns to a par of $100 each. The abstracts of the reports for 1876 and 1886 are shown separately, the stock being based, as hereinbefore stated, on the varying par values of shares, and differ materially in that respect from the later compilations.

Of the 6,337,114 shares issued on July 5, 1897, 5,464,037 are held by residents of the States in which the banks are located, 873,077 by non-residents, of which 21,729 are held by residents of foreign countries. The number owned by women is 1,418,542.

The investments by residents in the New England and Eastern States in the stock of the national banks located in the Southern States amount to $5,294,600; in the Middle States, $8,678,200; in the Western States, $4,507,300; in the Pacific States, $1,823,600, and in all these sections, $20,303,700.

The shareholders number 281,225, of which 270,149 are natural persons, including 101,944 women. The corporations which are shareholders number 11,076. The average investment by each shareholder is about $2,250. A further classification shows that 169,948 persons or corporations hold stock of the par value of $1,000 or less; 79,756, over $1,000 or less than $5,000; 29,541, $5,000 or less than $30,000, and 1,980, $30,000 or over.

The distribution, etc., of stock and number of shareholders is shown in detail in the appendix. The condensed abstracts of the returns for 1876, 1886, 1887, 1888, 1889, and 1897 are given herewith.

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DISTRIBUTION OF SHARES OF STOCK, ETC., OF NATIONAL BANKS ON THE FIRST MONDAY OF JULY IN 1876 AND 1886.

	1876.		1886.	
	Number.	Per cent.	Number.	Per cent.
National banks in existence	2,091	.....	2,868	.....
Shares held by—				
State residents	5,820,908	89.5	6,426,320	90.3
Non-State residents	655,361	10.1	690,574	9.7
Foreigners	29,661	.4	.....	.....
Natural persons	.....	.....	6,524,143	91.7
Corporations	.....	.....	592,751	8.3
Total issue	6,505,930	.....	7,116,894	.....
Total issue at par of $100 each	5,054,824	.....	5,452,065	.....
Shareholders—				
Natural persons	.....	.....	215,879	96.5
Corporations	.....	.....	7,704	3.5
Resident	183,996	88.3	198,151	88.6
Nonresident	24,490	11.7	25,432	11.4
Owning 10 shares or less	104,976	50.4	117,974	52.8
Owning over 10 and not more than 50	77,496	37.2	78,781	35.2
Owning over 50 and not more than 300	.....	.....	24,770	11.1
Owning over 50 and not more than 500	25,247	12.1	.....	.....
Owning over 300	.....	.....	2,058	.9
Owning over 500	767	.3	.....	.....
Total	208,486	.....	223,583	.....

DISTRIBUTION OF SHARES OF STOCK (AT PAR VALUE OF $100 EACH), ETC., OF NATIONAL BANKS ON THE FIRST MONDAY OF JULY IN 1887, 1888, 1889, AND 1897.

	1887.		1888.		1889.		1897.	
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
National banks in existence	3,009	.....	3,120	.....	3,235	.....	3,615	.....
Shares held by—								
State residents	5,034,325	87.8	5,111,408	86.7	5,209,402	85.4	5,464,037	86.2
Non-State residents	697,400	12.2	785,186	13.3	888,521	14.6	873,077	13.8
Natural persons	5,205,728	90.8	5,317,110	90.2	5,426,270	89	5,698,822	89.9
Religious, charitable, and educational institutions	52,963	.9	63,876	1.1	72,320	1.2	53,529	.9
Municipal corporations	4,094	.1	2,926	.1	4,325	.1	6,580	.1
Savings banks, loan and trust and insurance companies	467,173	8.1	503,893	8.5	572,510	9.4	532,205	8.4
All other corporations	1,767	.....	8,879	.1	22,549	.3	45,978	.7
Women	.....	.....	.....	.....	.....	.....	1,418,542	22.4
Foreigners	.....	.....	.....	.....	.....	.....	21,729	.3
Shares issued, total	5,731,725	.....	5,896,594	.....	6,097,983	.....	6,337,114	.....
Shareholders:								
Natural persons	233,680	96.9	234,950	96.1	241,192	95.6	270,149	96.1
Corporations	7,492	3.1	9,573	3.9	11,166	4.4	11,076	3.9
Resident	212,272	88	210,703	86.2	200,038	79.3	239,010	85
Nonresident	28,900	12	33,820	13.8	52,320	20.7	42,215	15
Women	.....	.....	.....	.....	.....	.....	101,944	36.3
Owning $1,000 or less	139,843	57.9	141,683	58	141,685	56.1	169,948	60.4
Owning over $1,000 or less than $5,000	73,205	30.4	73,132	29.9	81,522	32.3	79,756	28.4
Owning $5,000 or less than $30,000	26,442	11	27,965	11.4	27,434	10.9	29,541	10.5
Owning $30,000 or over	1,682	.7	1,743	.7	1,717	.7	1,980	.7
Total	241,172	.....	244,523	.....	252,358	.....	281,225	.....

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The foreign holdings of national-bank stock are shown in the table following:

NUMBER OF SHARES OF STOCK OF NATIONAL BANKS, LOCATED IN EACH GEOGRAPHICAL DIVISION OF THE COUNTRY, OWNED ABROAD, JULY 5, 1897.

Countries.	New England States.	Eastern States.	Southern States.	Middle States.	Western States.	Pacific States.	Total.
Australia					65		65
Austria	57			50			107
Canada	1,578	1,327	83	248	500	175	3,911
Central America			6				6
Chile	10						10
China	11	3	4	15			33
Cuba		13	10			20	43
Denmark		20		5	13		38
England	870	3,110	682	1,143	2,271	50	8,126
France	378	2,559	136	136	60	260	3,529
Germany	2	1,517	552	272	63	47	2,453
Hawaii		7				469	476
Holland	50	105				20	175
India	60		41				101
Italy	76	272	9	3			360
Jamaica		12					12
Japan		65	25			10	100
Korea						90	90
Mexico		50	311	15		5	381
Norway			1				1
Persia	6	5	9		10		30
Peru	3						3
Russia	5	6					11
Spain		282		99			381
Sweden		5			40		45
Switzerland	5	913	37				955
West Indies	100	57			1		158
Europe (not shown)	17	70					87
Asia	19						19
Africa	6						6
Foreign (not shown)	17						17
Total	3,270	10,398	1,906	1,986	3,023	1,146	21,729

WOMEN EMPLOYEES OF NATIONAL BANKS.

In 1893 the national banks submitted information relative to the number and compensation of women employees. At that time the number was only 383 and their average compensation $485.11. The reports made on July 5, 1897, indicate the employment of 499 women and that their average compensation is $477.62, or an aggregate of $238,331. The number of such employees in the New England States is 92; in the Eastern States, 125; in the Southern States, 33; in the Middle States, 190; in the Western States, 48, and in the Pacific States, 11. This information, in connection with the investment by women in national-bank stock, is shown in detail in the appendix.

EARNINGS AND DIVIDENDS OF NATIONAL BANKS AND TAXES PAID BY THE BANKS TO THE GOVERNMENT.

Six years after the passage of the national-bank act an amendment thereto was passed (sec. 5212, Rev. Stat.), which provided that within ten days after the declaration of a dividend every national bank should report to the Comptroller of the Currency the amount of such dividend and the amount of net earnings in excess of such dividend. While the dividend periods of a majority of the banks are semiannual, some are quarterly and a few bimonthly; but all returns are compiled semiannually, in March and September. In the current report are shown the last semiannual abstracts by reserve cities, States, and geographical

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divisions, of the capital, surplus, gross and net earnings, losses, premiums, expenses and taxes charged off, dividends paid and ratios of net earnings to capital and surplus, dividends to capital and dividends to capital and surplus. In another table are set forth the ratios for every semiannual period from March 1, 1893, to September 1, 1897. This character of information is further supplemented by a table which gives the average number of banks, capital stock, surplus fund, the amount of net earnings and dividends, and the ratios of dividends to capital, dividends to capital and surplus, and net earnings to capital and surplus, from March 1, 1869, to March 1, 1897. The net earnings and dividends paid during the last year were $48,612,927 and $43,215,818, respectively; the percentage of dividends to capital was 6.7, dividends to capital and surplus 4.8, net earnings to capital 7.5, and to capital and surplus 5.4. The average annual net earnings and dividends for the past twenty-eight years were $54,417,014 and $44,425,549, respectively. The average rate per cent of dividends to capital was 8.3, dividends to capital and surplus 6.3, and net earnings to capital and surplus 7.8.

The national banks have paid to the General Government $81,411,384.54 in the form of semiannual duty on their circulation. In addition to this amount they paid taxes on capital and deposits to the amount of $7,855,887.74 and $60,940,067.16, respectively. The aggregate taxes thus paid from 1863 to June 30, 1897, amount to $150,207,339.44. The act of March 31, 1883, repealed the provision requiring the payment of a tax on capital and deposits.

STATE BANKS AND BANKING INSTITUTIONS.

In 1873 Congress enacted legislation providing for the collection and publication by the Comptroller of the Currency in his annual report to Congress of statements showing the resources and liabilities and condition of banks and banking companies and savings banks organized under State and Territorial authority, the necessary information to be obtained from reports made by such institutions to the State legislatures or officers, and the deficiency to be supplied from any other authentic source. In that year, for the first time, returns obtainable from State officials formed a portion of the report, and were confined to 9 States—3 New England, 3 Eastern, and 3 Western. The number of banks reporting is not stated, but the aggregate resources is shown to have been nearly $179,000,000. The amount of capital was $42,700,000 and deposits $110,800,000. In 1887 the Comptroller, owing to the fact that in so many States legislation had not been enacted providing for the supervision of State banks, inaugurated a systematic attempt to secure reports of their condition through direct correspondence with banks located in such States. That this plan was productive of good results is shown by the increase in the number of banks from which reports were received over the prior year, viz, 564. The assets of the banks reporting in that year (1887) were about $685,000,000—capital $141,000,000, and deposits $446,000,000. To secure the necessary returns the same means have been resorted to each year since the above date, but the work incident thereto has been almost constantly lessened by legislative action in a number of the States and Territories in the establishment of banking departments, through which media the desired information has been obtained.

With the exception of Delaware and Maryland, legal provision has been made for the collection and publication of bank returns in each of the New England, Eastern, and Central States. Delaware has but one

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State bank (with three branches). This bank is required to submit statements of condition to the governor, but as they do not appear to be made public this Bureau depends upon the special reports made thereto each year. In Maryland the banks are required to make semiannual statements to the State treasurer of taxable assets, but there is no publication of abstracts of reports of condition. Through the courtesy of the officer above mentioned reports have been obtained from banks which have failed to respond to the Comptroller's request for statements. In Virginia and North Carolina banks are required to make reports on the same days as are national banks, but in the former State no provision is made for the publication of the consolidated returns. Semiannual statements are made by the Florida banks, abstracts of which are obtainable. In Mississippi quarterly reports are called for. In Kentucky five reports are required each year, and abstracts are furnished by the secretary of state. In 1876 Texas legislated against the creation of corporations with banking and discounting privileges and the renewal or extension of the charters of those then doing business. Those still in operation, chartered prior to 1876, are required to make semiannual reports to the secretary of state, from whom copies are obtainable. With these exceptions, it is impossible to obtain any official information relative to the condition of the banks in the Southern States.

Within a recent period it has been possible to obtain quite full returns relative to the condition of the banks in Nebraska, Kansas, North and South Dakota, Montana, Wyoming, and Oklahoma. With the exception of North Carolina, Kentucky, Wisconsin, Nebraska, Kansas, the Dakotas, Wyoming, and California, dependence for information relative to private banks and bankers is placed upon the reports made voluntarily to this Bureau by those addressed. By reference to the comparative statements of the resources and liabilities of State banks from 1873 to 1897 (p. 570) it will be noted that with but one exception (1896) there has been an uninterrupted increase in the number of banks reporting, which is due rather to legislative action providing for the collection of banking statistics than to an actual increase in the number of existing banks of that character, although there has been a normal increase each year.

In January last a personal letter was addressed to the governor of each State and Territory, in which the request was made that necessary legislation be recommended providing for the submission to the proper officer of returns from banks and banking institutions organized under State authority coinciding in time and corresponding in manner with reports required from national banks. Special attention was directed to the desirability of obtaining statements of condition on at least one date of each year, preferably the 1st of July, as on or about that date reports are required from national banks. Reports received on this date could be compiled in ample time for use by the Comptroller in his next succeeding report to Congress. It was also urged that the reports should be required to show in detail the character and amount of actual money held by the banks and also the amount of earnings and dividends declared during the preceding year.

The resulting correspondence developed the fact that in many of the States existing laws fully meet the suggestions with respect to the character of the returns. In other States correspondents indicate a willingness to recommend the necessary legislation, and in a few others unwillingness was expressed to change existing arrangements.

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CONDITION OF STATE BANKS AND BANKING INSTITUTIONS.

From statements of State banks and banking institutions, obtained through the courtesy of officials having supervision of their general operations and from returns made directly to this Bureau by banks in States not requiring reports to be made to State officials, information has been received relative to 5,088 institutions incorporated under State authority, approximately 90 per cent of the number in operation in the year 1897. In addition, statements have beeen obtained from 759 private banks and bankers, a total of 5,847 incorporated and private banks, and an increase over the prior year of 132. In the appendix to this report appear abstracts of the returns, by classes, States, and geographical divisions.

The principal items of resources and liabilities of these banks in 1893 to 1897 inclusive are shown herewith:

Items.	1893.	1894.	1895.	1896.	1897.
Loans	$2,348,193,077	$2,133,628,978	$2,417,468,494	$2,279,515,283	$2,231,013,262
Bonds	1,009,604,350	1,010,248,230	1,375,026,025	1,210,827,389	1,248,150,146
Cash	205,645,203	229,373,004	227,743,303	169,198,601	193,094,029
Capital	406,007,240	398,735,390	422,052,618	400,831,399	386,090,778
Surplus and undivided profits	346,206,287	352,424,784	370,397,003	362,602,702	382,436,990
Deposits	3,070,462,680	2,973,414,101	3,185,245,810	3,276,710,916	3,324,254,807
Resources	3,979,008,533	3,868,474,997	4,138,990,529	4,200,124,955	4,258,677,065

The aggregate resources show an increase over 1896 of $58,552,110, and over 1894, the lowest point during the period mentioned, of $390,202,068. Loans and discounts and capital stock have decreased during the year $48,502,021 and $20,740,621, respectively, but bond and stock investments have increased $37,322,757; cash in bank, $23,895,428; surplus and other profits, $19,834,288, and deposits, $47,543,891.

The capital of the reporting State banks aggregates $228,677,088; surplus and other profits, $102,359,024; deposits, $723,640,795. Loans and discounts amount to $669,973,556; United States bonds, $1,135,609; other bonds, stocks, etc., $105,471,239; cash in bank, $116,849,749, and total resources, $1,138,185,402. Comparing these figures with the returns in 1896, an increase is shown of 149 in number of banks, and $30,997,894 in aggregate resources. The increase in deposits is $27,980,881. These banks held in cash 16.8 per cent of their net deposits, and the credit balance with other banks was 11.5 per cent. The net deposits, cash in bank, and credit with other banks, by States, appear in the table in the appendix.

An attempt was made to ascertain the amount and rate per cent of dividends paid by these financial institutions, but the result is only fairly satisfactory, as the returns are confined to 557 banks, with $37,841,887 capital stock, about one-sixth of the capital of banks reporting their resources and liabilities. The amount of dividends paid was $2,688,248, an average rate of 7 per cent.

CONDITION OF SAVINGS BANKS.

Returns relative to the savings banks in the United States are practically complete, but their value is somewhat impaired by the want of uniformity in dates, showing the condition of the institutions. The latest obtainable information from savings banks in Maine, Massachusetts, Rhode Island, Connecticut, Pennsylvania, Ohio, and Minnesota is from reports made at various dates from October to December, 1896, and in

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the other States from January to July, 1897. The number of institutions covered by this report is 980, 8 less than reported in 1896. It is satisfactory to note, however, that there has been an increase in resources of $55,517,311; in deposits, $47,947,096, and in surplus and other undivided profits, $9,224,585. The increase in number of depositors, 135,638, is about one fifth of 1 per cent greater than the percentage of increase of deposits, and, in consequence, the average deposit shows a reduction from $376.50 to $372.88. Depositors number 5,201,132, and the amount to their credit is $1,939,376,035. This does not include $44,037,529 of deposits subject to check in stock savings banks, which are operated under charters permitting both a commercial and savings-bank business. These two classes show total deposits of $1,983,413,564. The surplus and undivided profit account amounts to $183,939,578, about 9.3 per cent of liabilities to depositors. Nearly 50 per cent ($1,066,507,686) of the resources of the savings banks is represented by loans, of which $822,012,228 are on real estate security and $244,495,458 on other collateral.

Investments in United States bonds amount to $163,886,928, and in other bonds, stocks, etc., $772,374,743. Balances due from other banking institutions and cash on hand aggregate $90,403,074 and $42,507,816 respectively, about 6.7 per cent of the net deposits. The savings-bank returns are exhibited in detail, by States and classes, in the table on page 566. The mutual institutions, that is, those conducted solely for the benefit of depositors, number 668, and, with the exception of 11 (4 in Ohio, 5 in Indiana, and 1 each in West Virginia and Wisconsin), are located in the New England and Eastern States. The deposits and total resources of the mutual savings banks are about 88 per cent and 87 per cent, respectively, of the deposits and resources of all savings institutions. The depositors number 4,691,444, and they have to their credit $1,737,099,370 (of which but $694,545 is subject to check), an average savings deposit of $370.12, an increase of $1.92 over the average for the prior year. The largest average deposit, $504.48, is held by the depositors in the Rhode Island banks; Connecticut follows with $419.41; New York, $413.46; the minimum average being $208.53 in Delaware. The average deposit in the banks in the New England States is $363.81, and in the Eastern States, $376.71. With the exception of Rhode Island, in which there has been a reduction of only about $50,000 in deposits, and New Hampshire (banks in charge of assignees and in liquidation, with resources of about $13,000,000, heretofore included with active banks, but now omitted), substantial gains are shown, the increase in resources and deposits being $56,903,528 and $49,081,708, respectively. The surplus and undivided profit account has increased from $158,595,655 in 1896 to $166,650,990; that is, $8,055,335. Of the resources, $877,476,103 represents loans, $714,600,413 being on real-estate security; $162,804,101, United States bonds; $728,671,010, other bonds and stocks; $66,069,649 with other banks and bankers; $24,480,907, cash on hand, and $34,034,105, bank premises and other real estate.

Nearly 47 per cent of the deposits are held by banks in the New England States, and over 51 per cent by those in the Eastern States. The deposits in the banks of Massachusetts, which are 26 per cent of the total, paid interest at a rate slightly exceeding 4 per cent; the interest rates in the other New England States are, Maine, 3.72; New Hampshire, 3.5; Vermont, 4; Rhode Island, 4.5, and Connecticut, 4. The New York savings banks hold nearly 42 per cent of the total, and pay an average rate of 3.54 per cent. The rate in New Jersey is 3,

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Maryland 3.5, and in Delaware, West Virginia, Ohio, and Wisconsin 4, and in Indiana 4 and 5 per cent. Summarized, it appears that 92 per cent of all deposits in savings banks earn from 3.5 to 4.5 per cent; that is, $876,957,718 (50 per cent) earning 3.5 to 3.72 and $738,746,712 (42 per cent) 4 per cent or over. Information relative to the cost of management has been obtained from but two states, Maine and Massachusetts. In the former the rate is one-fifth of 1 per cent, and in the latter one-fourth of 1 per cent of deposits. Returns showing the classification of deposits are confined to Maine and Connecticut, and are given herewith:

Classification of deposits.	Depositors.		Deposits.	
	Number.	Per cent.	Amount.	Per cent.
MAINE.				
$500 or less	126,614	77	$15,713,392	28
Over $500 and less than $2,000	32,241	20	30,913,841	54
$2,000 and less than $5,000	4,078	2	9,297,083	16
$5,000 and over	182	1	1,552,579	2
Total	163,115	.....	57,476,895	.....
CONNECTICUT.				
$1,000 or less	311,937	88	60,334,104	40
Over $1,000 and less than $2,000	31,035	8	41,538,191	28
Over $2,000 and less than $10,000	13,274	3	44,761,970	30
$10,000 or over	199	1	2,862,291	2
Total	356,445	.....	149,496,556	.....

The assets of the 312 stock savings banks, from which reports have been received, amount to $292,014,025, about 13 per cent of the assets of all reporting savings institutions. The capital of these banks aggregates $26,199,430; surplus and other profits, $17,288,588; savings deposits, $202,971,210, and deposits subject to check, $43,342,984. The number of depositors is 509,688, and the average savings deposit, $398.22. This high average is mainly due to the fact that the deposits and number of depositors in the California banks represent about 63 per cent and 80 per cent, respectively, of the total deposits and number of depositors in all stock savings banks. The average deposit in the California banks is $687.69. The total amount of loans of this class of institutions is $189,031,583, nearly 60 per cent of which is secured by real estate. Investments in United States and other bonds, stocks, etc., amount to $43,703,733; credits with other banks, $24,333,425; cash on hand, $18,026,909; bank premises and other real estate, $13,377,961. These banks hold in cash about 7 per cent of their net deposits, and including credits with other banks, nearly 17 per cent.

LOAN AND TRUST COMPANIES.

Reports have been received relative to the condition of 251 loan and trust companies, all located in the New England and Eastern States, except 4 in Indiana, 11 in Illinois, and 8 in Minnesota. The capital of these companies is $106,968,253; surplus and undivided profits, $89,025,267; deposits, $566,922,205. The loans aggregate $445,629,725; United States bonds owned, $39,097,761; other bonds, stocks, etc., $162,030,259; cash on hand and with other institutions, $28,587,626 and $88,606,800, respectively; real estate, etc., $32,572,077; total resources, $843,713,745. About 18 per cent of the net deposits is held in cash and in credits with other financial institutions. The highest rate of dividends paid on stock during the year was 13.9 per cent, paid

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by the New York State corporations, and the average rate was 7.8 per cent.

Early in the year the editor of the New York Financier inaugurated an investigation relative to the number, capital, deposits, etc., of all trust companies in the country. Returns nearest to January 1, 1897, were obtained from 458 corporations with capital of $141,278,000, an average of $208,500. The surplus and undivided profits amounted to $97,853,000 (69.27 of the capital); deposits, $675,100,000, the average per company being $1,517,000; dividends paid by the New York City companies averaged for the prior year 15.33, nearly one-third higher than the average rate paid by any other class of banking institutions in that metropolis, and about 1½ per cent higher than the average rate paid by trust companies of the State of New York.

PRIVATE BANKS AND BANKERS.

Owing to the fact that in but few of the States and Territories are statistics collected by State officials relating to the condition of private banks and bankers and also to the disinclination of many proprietors to intrust any public official with statements of their banking business, notwithstanding the assurance given that such information will be treated as confidential and used only to obtain for the public a knowledge of the aggregate amount of resources and liabilities of the banks of this character, returns have been received from but 759 concerns, only about 20 per cent of the number doing business. The aggregate resources of the reporting banks are $77,953,444. The loans aggregate $48,902,295; United States bonds, $879,898; other bonds and stocks, $3,273,709, and cash on hand, $5,148,838. The capital is $18,246,007; surplus and undivided profits, $7,113,121, and deposits, $50,278,243.

In the following table are exhibited the principal items of resources and liabilities of these banks and banking institutions:

Items.	State banks.	Loan and trust companies.	Savings banks.	Private banks.	Total.
Loans	$669, 973, 556	$445, 029, 725	$1, 066, 507, 686	$48, 902 295	$2, 231, 013, 262
United States bonds	1, 135, 609	39, 097, 761	163, 886, 928	879, 898	205, 000, 196
Other bonds	105, 471, 239	162, 030, 259	772, 374, 743	3, 273. 709	1, 043, 149, 950
Cash	116, 849, 749	28, 587, 626	42, 507, 816	5, 148, 838	193, 094, 029
Capital	228, 677, 088	106, 968, 253	26, 199, 430	18, 246, 007	380, 090, 778
Surplus and profits	192, 359, 024	89, 025, 267	183, 949, 578	7, 113, 121	382, 436, 990
Deposits	723, 640, 795	566, 922, 205	1, 983, 413, 564	50, 278, 243	3, 324, 254, 807
Total resources	1, 138, 185, 402	843, 713, 745	2, 198, 824, 474	77, 953, 444	4, 258, 677, 065

For the purpose of comparison, and in order to present in the most concise form the principal items of resources and liabilities of banks from which returns have been received, the following table is given. Information with respect to national banks is from the reports of July 23.

Items.	3,610 national banks.	5,847 other banks.	9,457, total banks.
Loans	$1, 966, 891, 501	$2, 231, 013, 262	$4, 197, 904, 763
United States bonds	261, 901, 200	205, 000, 196	466, 901, 396
Other bonds	204, 932, 235	1, 043, 149, 950	1, 248, 082, 185
Cash	435, 106, 500	193, 094, 029	628, 200, 529
Capital	632, 153, 042	380, 090, 778	1, 012, 243, 820
Surplus and profits	330, 267, 222	382, 436, 990	712, 704, 212
Deposits	1, 786, 871, 422	3, 324, 254, 807	5, 111, 126, 229
Total resources	3, 563, 408, 054	4, 258, 677, 065	7, 822, 085, 119

The capital stock of national banks on July 23, and of all other banks, as exhibited by the latest returns to this Bureau, is shown to have been

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$1,012,243,820, a decrease during the year of $39,732,434. The averages per capita of population from 1893 to 1897, inclusive, were $16.29, $15.61, $15.44, $14.71, and $13.86, respectively. In contrast with the decrease in capital stock is the enormous increase in aggregate banking funds—that is, capital, surplus and undivided profits, and deposits—which amount to $6,822,326,870, as against $6,695,486,521 in 1896, an increase of $126,840,349. The per capita average in all banks is $93.43; in national banks, $37.45; State banks, $14.45; loan and trust companies, $10.45; savings banks, $30.04, and in private banks, $1.04.

In the following table are shown the banking funds of national and other banking institutions, arranged in the order of magnitude, followed by the average per capita of population and the average population per square mile:

CAPITAL, SURPLUS, UNDIVIDED PROFITS, AND INDIVIDUAL DEPOSITS OF NATIONAL BANKS ON JULY 23, 1897, AND OF OTHER BANKS AND BANKING INSTITUTIONS AT DATE OF LATEST REPORTS TO THE COMPTROLLER OF THE CURRENCY IN 1896-97; THE PER CAPITA BANKING FUNDS, AND THE AVERAGE POPULATION PER SQUARE MILE.

States.	Capital, etc.	Average per capita of population.	Average population per square mile.
New York	$2,071,531,083	$239.23	140.65
Massachusetts	917,577,194	344.69	320.14
Pennsylvania	692,925,290	115.31	132.89
Illinois	311,622,202	69.08	79.63
California	286,082,372	191.36	9.44
Ohio	269,066,742	63.65	102.94
Connecticut	242,169,665	284.57	170.54
Missouri	160,168,664	50.02	46.12
New Jersey	159,747,994	89.75	217.73
Rhode Island	142,987,148	358.36	319.20
Michigan	141,251,785	59.42	40.34
Maryland	125,556,731	106.40	96.64
Iowa	116,894,615	54.80	38.07
Maine	98,787,054	144.42	20.70
Wisconsin	94,183,940	45.85	36.65
Minnesota	91,407,613	51.70	21.20
Indiana	80,888,258	33.04	67.35
Kentucky	78,933,299	37.86	51.60
New Hampshire	70,080,781	180.15	41.81
Texas	61,357,710	22.45	10.28
Kansas	54,533,251	40.64	16.34
Vermont	53,646,584	160.62	34.91
Nebraska	53,535,031	38.24	18.06
Virginia	45,989,210	26.01	41.64
Colorado	40,478,503	78.29	4.97
Tennessee	39,409,194	20.48	45.75
Louisiana	35,446,503	28.09	25.90
District of Columbia	30,083,839	103.03	4,171.42
West Virginia	27,982,628	31.65	35.67
Georgia	27,307,616	12.73	36.08
Delaware	18,932,507	102.34	78.38
Washington	18,830,090	40.23	6.76
North Carolina	17,464,975	9.82	34.06
Montana	17,055,731	75.80	1.54
Mississippi	15,751,384	10.91	30.85
South Carolina	14,848,744	11.60	41.87
Oregon	14,412,186	33.28	4.50
Alabama	12,780,608	7.63	32.05
South Dakota	12,565,117	32.47	4.98
North Dakota	10,205,968	40.50	3.55
Utah	9,431,702	34.67	3.20
Florida	8,503,906	17.14	8.45
Arkansas	8,178,032	6.01	25.25
New Mexico	4,437,312	22.52	1.60
Wyoming	4,270,585	49.65	.87
Idaho	3,543,551	23.47	1.78
Oklahoma	3,101,892	14.16	5.61
Arizona	3,008,798	41.22	.64
Indian Territory	2,174,545	10.40	6.65
Nevada	1,196,653	26.59	.40
Total	6,822,326,870	.....	.....

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The amount of coin and other currency held by the banks on similar dates was $628,200,529, classified as follows: Gold, $242,353,002; silver, $53,691,730; legal tenders, etc., $246,948,495; specie not classified and fractional currency, $2,678,853, and cash not classified, $82,528,449. The last-named amount unquestionably includes an appreciable quantity of gold and silver, but what proportion it is impossible to state, owing to the failure of many bank officers and public officials to report the amount of each kind of currency held. The holdings of gold have been increased during the year, $41,372,171; silver, $4,859,063; legal tenders, etc., $40,425,543; cash not classified, $10,421,299; the aggregate increase being $96,344,016.

EXISTING BANKS AND BANK FAILURES.

The records show that 12,817 incorporated and private banks were in existence in the country on or about July 1, 1897, and that during the year 160 have failed, of which 38 were national, 56 State banks and trust companies, 19 savings banks, and 47 private banks and bankers. The assets and liabilities of the banks other than national, as shown by reports to the Bradstreet Company, were $17,929,163 and $24,090,879, respectively.

The following table shows the number of each class of banks in existence in 1897 and the number and percentage of failures during the year:

Class.	Number of banks in existence in July, 1897.	Failures.	
		Number.	Per cent.
National banks	3,619	38	1.05
State banks and trust companies	4,090	56	1.36
Savings banks	1,273	19	1.49
Private banks and bankers	3,826	47	1.23
Total	12,817	160	1.25

A statement of the resources and liabilities of the 38 chartered banks of the Dominion of Canada on September 30, 1897, will be found in the appendix. The capital of these banks is $62,279,925; circulation, $38,616,211; deposits, $211,819,044; total resources, $352,950,583. The percentage of specie, bank notes, and checks to deposits was 16.2. The average rate of dividends paid on stock for the past year was 7.4 per cent. During the month of September the average amount of specie and Dominion notes held was $8,743,943 and $17,462,464, respectively, and the greatest amount of circulation outstanding was $39,077,427.

The appendix to this report contains in detail, by classes, States, etc., statistical information relative to the condition of the financial institutions hereinbefore mentioned.

BUILDING AND LOAN ASSOCIATIONS.

In a bulletin issued in May last by the Commissioner of Labor appear statistics and general information relative to building and loan associations in fourteen States for the year 1895–96, and comparisons with the returns from the same States from reports made to that Bureau in 1893. While incomplete, the present returns enable very satisfactory comparisons to be made in view of the fact that, based on the returns

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in 1893, about 76 per cent of the number of associations and nearly 80 per cent of the total assets are represented by associations located in the States named. The current returns show an increase in every item, as follows: Number of associations, 2 per cent; shares outstanding, 5.1 per cent; dues paid, paid-up and prepaid stock, and profits, 21.4 per cent; and total assets, 21.4 per cent. The tables showing the assets and liabilities of the associations in the States reporting in 1895–96, number of associations reporting, shares outstanding, and assets of associations in the fourteen States in 1893 and in 1895–96 are reproduced herewith.

ASSETS AND LIABILITIES OF ASSOCIATIONS IN 14 STATES, 1895–96.

States.	Assets.				Liabilities.		
	Loans.	Cash on hand.	All other.	Total.	Installment dues paid in and paid-up and prepaid stock.	Profits.	All other.
California	$18,843,284	$545,374	$2,081,651	$21,470,309	$14,191,923	e$5,147,605	$2,130,781
Conn	1,804,783	80,167	46,713	1,931,663	f 1,497,753	g 94,168	339,742
Illinois	72,586,419	2,856,919	7,195,920	82,639,258	57,954,956	17,780,821	6,903,481
Indiana	32,035,955	1,268,089	1.042,979	34,347,023	28,460,286	4,369,589	1,517,148
Maine	2,304,802	84,375	80,707	2,469,884	h 2,356,549	(i)	113,335
Mass	19,278,530	795,397	478,740	20,552,667	17,217,776	j 3,186,038	148,853
Missouri	23,304,140	485,139	2,563,676	26,352,955	17,356,496	4,570,375	4,426,084
Nebraska	3,085,930	62,890	775,958	3,924,778	2,744,414	880,329	300,035
New Hamp.	1,742,747	67,818	42,505	1,853,070	1,334,417	445,479	73,174
New Jersey	(a)	(a)	(a)	38,882,110	29,843,237	8,070,538	968,335
New York	44,215,710	2,057,703	3,895,270	50,168,683	35,001,030	8,573,364	6,594,289
Ohio	83,309,560	4,719,307	4,092,784	92,121,651	h 78,792,664	(i)	13,328,987
Pa	90,151,526	2,701,886	6,666,506	99,519,918	j 86,694,994	10,382,782	2,442,142
Tennessee	9,663,913	378,504	3,388,348	b 13,425,765	k 10,144,093	l 2,551,372	730,300
Total	c 402,327,299	c 16,103,568	c 32,351,757	d 489,659,734	m 383,590,588	m 66,052,460	40,016,686

a Not reported.
b This total, although $5,000 less than the sum of the items, is apparently correct.
c Not including amount for New Jersey not reported.
d See preceding notes.
e Including unearned premiums.
f Including profits in 2 associations.
g Profits in 2 associations included in dues paid in.
h Including profits.
i Profits included in dues paid in.
j Including items of premium, interest, and fines.
k Including matured shares in 1 and profits in 7 associations.
l Profits in 7 associations included in dues paid in.
m See preceding notes.

ASSOCIATIONS REPORTING, SHARES OUTSTANDING, AND ASSETS OF ASSOCIATIONS IN 14 STATES, JANUARY 1, 1893, AND 1895–96.

States.	Number of associations reporting.		Shares outstanding.		Assets.	
	1893.	1895–96.	Jan. 1, 1893.	1895–96.	Jan. 1, 1893.	1895–96.
California	133	147	391,222	362,856	$18,093,591	$21,470,300
Connecticut	15	13	18,266	55,912	477,345	1,931,663
Illinois	669	726	2,672,183	2,330,436	75,771,559	82,639,258
Indiana	445	501	573,263	814,811	26,623,795	34,347,023
Maine	29	33	33,472	42,817	1,375,227	2,469,884
Massachusetts	115	119	366,100	461,913	13,653,330	20,552,667
Missouri	366	288	465,388	299,663	35,841,560	26,352,955
Nebraska	70	78	51,567	70,615	3,073,563	3,924,778
New Hampshire	17	18	55,406	(a)	1,447,489	1,853,070
New Jersey	288	301	577,163	693,810	31,714,681	38,882,110
New York	418	361	1,294,746	1,414,166	33,008,552	50,168,683
Ohio	721	745	1,036,184	1,256,872	67,626,374	92,121,651
Pennsylvania	1,079	1,131	1,603,787	1,796,311	81,870,964	99,519,918
Tennessee	78	70	362,008	385,817	12,897,365	13,425,765
Total	4,443	4,531	9,500,755	b 9,985,999	403,475,395	489,659,734

a Not reported. b Not including shares for New Hampshire not reported.

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POSTAL SAVINGS BANKS.

In order to bring within the compass of a single report as much information and as many statistics as possible bearing upon the different kinds of banks and banking systems in the world, I herewith present such data as it has been possible to collect concerning postal savings banks. The system originated in the United Kingdom, and the establishing act, passed May 17, 1881, reads as follows:

CAP. XIV.—An act to grant additional facilities for depositing small savings at interest, with the security of the Government for due repayment thereof.

Whereas it is expedient to enlarge the facilities now available for the deposit of small savings, and to make the general post-office available for that purpose, and to give the direct security of the State to every such depositor for repayment of all monies so deposited by him, together with the interest due thereon:

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same:

1. It shall be lawful for the postmaster-general, with the consent of the commissioners of Her Majesty's treasury, to authorize and direct such of his officers as he shall think fit to receive deposits for remittance to the principal office, and to repay the same, under such regulations as he, with the concurrence of the commissioners of Her Majesty's treasury, may prescribe in that respect.

2. Every deposit received by any officer of the postmaster-general appointed for that purpose shall be entered by him at the time in the depositor's book, and the entry shall be attested by him and by the dated stamp of his office, and the amount of such deposit shall, upon the day of such receipt, be reported by such officer to the postmaster-general, and the acknowledgment of the postmaster-general, signified by the officer whom he shall appoint for the purpose, shall be forthwith transmitted to the depositor, and the said acknowledgment shall be conclusive evidence of his claim to the repayment thereof, with the interest thereon, upon demand made by him on the postmaster-general; and, in order to allow a reasonable time for the receipt of said acknowledgment, the entry by the proper officer in the depositor's book shall also be conclusive evidence of title from ten days from the lodgment of the deposit; and if the said acknowledgment shall not have been received by the depositor through the post within ten days, and he shall before or upon the expiry thereof demand the said acknowledgment from the postmaster-general, then the entry in his book shall be conclusive evidence of title during another term of ten days, and toties quoties: *Provided always*, That such deposits shall not be of less amount than one shilling, nor of any sum not a multiple thereof.

3. On demand of the depositor or party legally authorized to claim on account of a depositor, made in such form as shall be prescribed in that behalf, for repayment of any deposit, or any part thereof, the authority of the postmaster-general for such repayment shall be transmitted to the depositor forthwith, and the depositor shall be absolutely entitled to repayment of any sum or sums that may be due to him within ten days at farthest after his demand shall be made at any post-office where deposits are received or paid.

4. The officers of the postmaster-general engaged in the receipt or payment of deposits shall not disclose the name of any depositor nor the amount deposited or withdrawn, except to the postmaster-general, or to such of his officers as may be appointed to assist in carrying this act into operation.

5. All monies so deposited with the postmaster-general shall forthwith be paid over to the commissioners for the reduction of the national debt; and all sums withdrawn by depositors, or by parties legally authorized to claim on account of depositors, shall be repaid to them out of the said monies, through the office of Her Majesty's postmaster-general.

6. If at any time the fund to be created under the authority of this act by the investment of the deposits shall be insufficient to meet the lawful claims of all depositors, it shall be lawful for the commissioners of Her Majesty's treasury, upon being duly informed thereof by the commissioners for the reduction of the national debt, to issue the amount of such deficiency out of the consolidated fund of the United Kingdom, or out of the growing produce thereof; and the said commissioners of Her Majesty's treasury shall certify such deficiency to Parliament.

7. The interest payable to the parties making such deposit shall be at the rate of two pounds ten shillings per centum per annum, but such interest shall not be calculated on any amount less than one pound or some multiple thereof, and not com-

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mence until the first day of the calendar month next following the day of deposit, and shall cease on the first day of the calendar month in which such deposit is withdrawn.

8. Interest on deposits shall be calculated to the 31st day of December in every year, and shall be added to and become part of the principal money.

9. The monies remitted to the commissioners for the reduction of the national debt under the authority of this act shall be invested in some or in all of the securities in which the funds of savings banks established under the existing laws may be invested; and a separate and distinct account shall be kept by the said commissioners of all receipts, investments, sales, and repayments; and a balance sheet of such account from the first day of January to the thirty-first of December in every year shall be laid before both Houses of Parliament not latter than the thirty-first of March in every year.

10. If any depositor making deposit under this act shall desire to transfer the amount of such deposit to a savings bank established under the acts relating to savings banks, he shall, upon application to the chief office of the postmaster-general, be furnished with a certificate stating the whole amount which may be due to him, with interest, and thereupon his account under this act shall be closed; and upon delivery of such certificate to the trustees or managers of the savings bank to which it is proposed by the depositor to transfer such deposit they shall, if they think fit, open an account for the amount stated in such certificate for such depositor, who shall thereupon be subject to the rules of such savings bank; and the amount so transferred shall, upon such certificate being forwarded to the commissioners for the reduction of the national debt, be written off in the books of the said commissioners from the amount of monies received under the authority of this act, and shall be carried to the account of the savings bank to which such transfer shall have been made; and in like manner, if any depositor in a savings bank, established under the savings bank acts, shall desire to transfer the amount due to him, with interest, from such savings bank to the postmaster-general for deposit under the provisions of this act, the trustees or managers of such savings bank shall, upon his request, furnish such depositor with a certificate, in a form to be approved by the commissioners for the reduction of the national debt, signed by two trustees of such savings bank, and thereupon his account with such savings bank shall be closed, which certificate the depositor may deliver to any officer of the postmaster-general authorized to receive deposits under this act, and such certificate shall, for the amount therein set forth, be considered to be a deposit made under the authority of this act, and, being forwarded to the said commissioners, the said amounts shall then be transferred in the books of the said commissioners from the account of the said savings bank to the credit of the account of monies deposited under the authority of this act: *Provided always,* That nothing contained in this act respecting savings banks shall render it necessary to have the rules and regulations of any savings bank again certified if the same have been before certified according to law.

11. The postmaster-general, with the consent of the commissioners to Her Majesty's treasury, may make and, from time to time, as he shall see occasion, alter regulations for superintending, inspecting, and regulating the mode of keeping and examining the accounts of depositors, and with respect to the making of deposits and to the withdrawal of deposits and interest and all other matters incidental to the carrying this act into execution in his department, and all regulations so made shall be binding on the parties interested in the subject-matter thereof to the same extent as if such regulations formed part of this act; and copies of all regulations issued under the authority of this act shall be laid before both houses of Parliament within fourteen days from the date thereof, if Parliament shall be then sitting, and if not, then within fourteen days from the next reassembling of Parliament.

12. An annual account of all deposits received and paid under the authority of this act, and of the expenses incurred during the year ended the thirty-first of December, together with a statement of the total amount due at the close of the year to all depositors, shall be laid by the postmaster-general before both houses of Parliament not later than the thirty-first of March in every year.

13. The annual accounts of the postmaster-general, and of the commissioners for the reduction of the national debt, to the thirty-first of December in each year in respect to all monies deposited or invested under the authority of this act shall annually, prior to the thirty-first of March in each year, be submitted for examination and audit to the commissioners for auditing public accounts.

14. All the provisions of the acts now in force relating to savings banks as to matters for which no other provision is made by this act shall be deemed applicable to this act so far as the same are not repugnant thereto.

15. All expenses incurred in the execution of this act shall be paid out of the monies received under the authority of this act.

The operations of the system in the United Kingdom demand special attention for the further reason that the accumulations at last reports

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amounted to about 48 per cent of the total deposits in postal savings banks of the world, and the number of depositors to nearly 40 per cent.

The growth of the system is remarkable when it is known that the rate of interest paid on deposits, 2½ per cent, is much below the average allowed on savings deposits in other countries, and that the investment of funds is confined mainly to Government securities. The rate of interest has remained unchanged, and interest ceases when principal and accrued interest of any one account amount to £200. In 1893 the amount receivable from any one depositor in one year was increased from £30 to £50. As a result, the increase in total deposits in 1894 and 1895 was about double the annual increase in prior years. The increase from December 31, 1893, to December 31, 1895 (latest returns), was about £28,500,000 (say $142,000,000). On this point a correspondent of the London Economist of date March 27, 1897, says:

The investment of these millions has been the chief figure in raising the price of consols from 98½ to 112, a price at which they yield to the investor a present annual return of only £2 9s. per cent. * * * The treasury finds itself obliged to accept millions of money, repayable on demand, for which it has no employment, at 2½ per cent, a higher rate of interest than it could borrow at on perpetuities, and to the interest has to be added the expenses of management, so that the deposits are costing the post-office department £2 18s. 5½d. per cent, and can only be invested in securities to yield a return of £2 9s. per cent at present prices of consols. If the loss thus to arise were of small amount and was being incurred in the interest of the class for whose benefit savings banks were founded, there would be few, if any, to raise a voice against it. But in respect of post-office banks the loss (£3,791) is only at its commencement. * * * These institutions, it has to be remembered, were established for the safe custody and increase solely of the small savings of the industrial classes. But it has long been manifest that they are being utilized by classes of the community who have no claim to the special advantages which they afford to depositors.

The following statement by the correspondent referred to shows, by classes, the number of depositors and amount of deposits at the close of the year 1895:

Class.	Deposits not exceeding—	Deposits.		Depositors.	
		Amount.	Per cent.	Number.	Per cent.
A	£50	£35,306,192	36	5,858,191	90
B	100	23,967,268	24	346,463	6
C	200	38,595,515	40	248,943	4
Total		97,868,975		6,453,597	

It is noted that to 90 per cent of the depositors belong only about one-third of the deposits, the average deposit being only about $30. To the remaining 10 per cent belong two-thirds of the deposits, the average being about $525.

The same correspondent states that in view of the fact that deposits are increasing at the rate of about £10,000,000 annually, and that this increase is mainly in the accounts of depositors in the C class, "people who are presumably capable of taking care of their money without the paternal assistance of the Government and have no claim to have their banking accounts conducted for them at a loss to the public," there should be an immediate return to the £30 limit, and that the rate of interest on Class B accounts should be reduced to 2 per cent, and on Class C to 1¾ per cent; the 2½ per cent rate to continue on all deposits not exceeding £50 each.

In addition to investing depositors' funds in Government stocks, for which there are special regulations, the postmaster-general is empowered to insure the lives of persons of either sex for not less than £5 or

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more than £100. An insurance may be effected by any person not over the age of 65 years or under 14, or if the amount does not exceed £5, not under 8 years of age. The postmaster-general is also empowered to grant immediate or deferred annuities for not less than £1 nor more than £100 to any person not under the age of 5 years. All premiums for life insurance or annuities are payable through the medium of the savings-bank deposit accounts and will be accepted in addition to ordinary deposits and deposits for immediate investment in Government stock. All persons insuring their lives or purchasing annuities necessarily become savings-bank depositors and their premiums are deducted from their deposits. (Senate Ex. Doc. No. 154, Fifty-fifth Congress, first session.)

The investments at the close of the year ended December 31, 1895, aggregated a trifle over $525,000,000, classified as follows: Consols, $337,118,355; stocks, $60,377,295; miscellaneous securities, $51,000,000; annuities, $46,540,565; treasury bills, $16,955,675; advances, $8,207,810; dividends accrued but not paid, $3,200,765; bonds, $1,625,625; balance in Bank of England, $294,930.

From the last (1896) annual report of the postmaster-general are taken the following tables, which show minutely the transactions of the post-office savings banks from 1886 to 1895, inclusive, the amount and character of securities held, and the balance sheet on December 31, 1895:

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AGGREGATE RESOURCES AND LIABILITIES OF THE NATIONAL

1881.

Resources.	MARCH 11.	MAY 6.	JUNE 30.	OCTOBER 1.	DECEMBER 31.
	2,094 banks.	2,102 banks.	2,115 banks.	2,132 banks.	2,164 banks.
Loans and discounts	$1,073,786,749.70	$1,093,649,382.18	$1,144,988,949.45	$1,173,796,083.09	$1,169,177,557.16
Bonds for circulation	339,811,950.00	352,653,500.00	358,287,500.00	363,385,500.00	368,735,700.00
Bonds for deposits	14,851,500.00	15,240,000.00	15,265,000.00	15,540,000.00	15,715,000.00
U. S. bonds on hand	46,626,150.00	44,116,500.00	48,584,950.00	40,866,750.00	31,884,000.00
Other stocks and b'ds	49,545,154.92	52,908,123.98	58,049,292.63	61,952,402.95	62,663,218.93
Due from res've ag'ts	120,820,691.09	128,017,627.03	156,258,637.05	132,968,183.12	123,530,465.75
Due from nat'l banks	62,295,517.34	63,176,225.67	75,703,599.78	78,505,446.17	77,633,902.77
Due from State banks	17,032,261.64	16,938,734.56	18,850,775.34	19,306,826.62	17,644,704.62
Real estate, etc	47,525,790.02	47,791,348.36	47,834,060.20	47,329,111.16	47,445,050.46
Current expenses	7,810,930.83	6,696,109.78	4,235,911.19	6,731,936.48	4,647,101.04
Premiums paid	3,530,516.71	4,024,763.60	4,115,980.01	4,138,485.71	3,891,728.72
Cash items	10,144,682.87	11,826,603.16	13,534,227.31	14,831,879.30	17,337,964.78
Clear'g-house exch'gs	147,761,543.96	196,633,558.01	143,960,236.84	189,222,255.95	217,214,627.10
Bills of other banks	17,733,032.00	25,120,933.00	21,631,932.00	17,732,712.00	24,190,534.00
Fractional currency	386,569.83	386,950.21	372,140.23	373,945.96	366,361.52
Specie	105,156,195.24	122,628,562.08	128,638,927.50	114,334,736.12	113,680,639.60
Legal-tender notes	52,156,439.00	62,516,296.00	53,728,713.00	53,158,441.00	60,104,387.00
U. S. cert's of deposit	6,120,000.00	8,045,000.00	9,540,000.00	6,740,000.00	7,930,000.00
Due from U. S. Treas.	17,015,269.83	18,456,600.14	17,251,868.22	17,472,595.96	18,097,923.40
Total	2,140,110,944.78	2,270,226,817.76	2,325,832,760.75	2,358,387,391.59	2,381,890,866.85

1882.

Resources.	MARCH 11.	MAY 19.	JULY 1.	OCTOBER 3.	DECEMBER 30.
	2,187 banks.	2,224 banks.	2,239 banks.	2,269 banks.	2,308 banks.
Loans and discounts	$1,182,661,609.53	$1,189,094,830.35	$1,208,932,655.92	$1,243,203,210.08	$1,230,456,213.97
Bonds for circulation	367,333,700.00	360,153,800.00	355,789,550.00	357,631,750.00	357,047,650.00
Bonds for deposits	16,093,000.00	15,920,000.00	15,920,000.00	16,111,000.00	16,344,000.00
U. S. bonds on hand	28,523,450.00	29,662,700.00	27,242,550.00	21,314,750.00	15,492,150.00
Other stocks and b'ds	64,430,686.18	65,274,999.32	66,691,399.56	66,168,916.64	66,998,620.36
Due from res've ag'ts	117,452,719.75	124,189,945.23	118,455,012.38	113,277,227.87	122,066,106.75
Due from nat'l banks	68,301,645.12	66,883,512.75	75,366,970.74	68,516,841.06	76,073,227.76
Due from State banks	15,921,432.07	16,890,174.92	16,344,688.66	17,105,468.44	18,405,748.49
Real estate, etc	47,073,247.45	46,956,574.28	46,425,351.40	46,537,066.41	46,993,408.41
Current expenses	8,494,036.21	6,774,571.86	3,030,464.69	7,238,270.17	5,130,505.53
Premiums paid	3,762,382.59	5,062,314.52	5,494,224.35	6,515,155.03	6,472,585.82
Cash items	13,308,120.70	12,295,256.96	20,166,927.35	14,784,025.21	16,281,315.67
Clear'g-house exch'gs	162,088,077.94	107,270,094.71	159,114,220.08	208,366,540.08	155,951,194.81
Bills of other banks	19,440,089.00	25,226,186.00	21,405,758.00	20,689,425.00	25,344,775.00
Fractional currency	389,508.07	390,236.36	373,725.83	396,367.64	401,314.70
Specie	109,984,111.04	112,415,806.73	111,694,262.54	102,857,778.27	106,427,159.40
Legal-tender notes	56,633,572.00	65,969,522.00	64,019,518.00	63,313,517.00	68,478,421.00
U. S. cert's of deposit	9,445,000.00	10,395,000.00	11,045,000.00	8,645,000.00	8,475,000.00
Due from U. S. Treas.	17,720,701.07	17,099,385.14	16,830,407.40	17,161,367.94	17,954,069.42
Total	2,309,057,088.72	2,277,924,911.13	2,344,342,686.90	2,399,833,676.84	2,360,793,467.09

1883.

Resources.	MARCH 13.	MAY 1.	JUNE 22.	OCTOBER 2.	DECEMBER 31.
	2,343 banks.	2,375 banks.	2,417 banks.	2,501 banks.	2,529 banks.
Loans and discounts	$1,249,114,879.43	$1,262,339,981.87	$1,285,591,902.19	$1,309,244,781.64	$1,307,491,250.34
Bonds for circulation	354,746,500.00	354,480,250.00	354,002,900.00	351,412,850.00	345,595,800.00
Bonds for deposits	16,799,000.00	16,949,000.00	17,116,000.00	17,081,000.00	16,846,000.00
U. S. bonds on hand	17,850,100.00	15,870,600.00	16,978,150.00	13,593,050.00	13,151,250.00
Other stocks and b'ds	68,428,685.67	68,340,590.79	68,552,073.03	71,114,031.11	71,609,421.62
Due from res've agt's	121,024,154.60	109,306,823.23	126,646,954.62	124,918,728.71	126,999,606.92
Due from nat'l banks	67,263,503.86	68,477,918.02	66,164,638.21	65,714,229.44	77,902,785.07
Due from State banks	16,993,341.72	19,382,129.33	19,451,498.16	18,266,275.05	19,402,047.12
Real estate, etc	47,063,305.68	47,155,909.80	47,502,163.52	48,337,665.02	49,540,760.35
Current expenses	8,949,615.28	7,754,958.86	8,829,278.26	6,808,327.30	4,878,318.44
Premiums paid	7,420,939.84	7,798,445.04	8,079,726.01	8,064,073.60	8,647,252.98
Cash items	11,360,731.07	15,461,050.16	11,109,701.18	13,581,049.94	17,491,804.43
Clear'g-house exch'gs	107,790,065.17	145,900,998.18	90,792,075.08	96,353,211.76	134,545,273.98
Bills of other banks	19,739,526.00	22,655,833.00	26,279,856.00	22,675,447.00	28,809,699.00
Fractional currency	431,931.15	446,318.94	456,447.36	443,951.12	427,754.35
Specie	97,962,366.34	103,607,266.32	115,354,394.62	107,817,983.53	114,276,158.04
Legal-tender notes	60,848,068.00	68,256,468.00	73,832,458.00	70,672,997.00	80,559,796.00
U. S. cert's of deposit	8,405,000.00	8,420,000.00	10,685,000.00	9,970,000.00	10,840,000.00
Due from U. S. Treas.	16,726,451.30	17,497,694.31	17,407,906.20	16,586,712.60	16,865,938.85
Total	2,298,918,165.11	2,360,192,235.85	2,364,833,122.44	2,372,656,364.82	2,445,880,917.49

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POST-OFFICE SAVINGS BANKS

I. *Table showing the business*

Year.	Number of post-office savings banks.	Number of deposits.	Amount of deposits.	Average amount of each deposit.	Interest credited to depositors.	Number of withdrawals.	Amount of withdrawals.	Average amount of each withdrawal.	Expenses of management.	Average cost of each transaction.	Number of accounts opened.
			£	£ s. d.	£		£	£ s. d.	£	d.	
1886.	8,351	*6,562,395	*15,696,852	2 7 10	1,169,590	†2,390,655	†13,689,943	5 14 6	‡290,555	‡7 8/10	758,270
1887.	8,720	*6,916,327	*16,535,932	2 7 10	1,244,074	†2,496,294	†14,680,279	5 17 7	‡288,418	‡7 3/10	794,592
1888.	9,022	*7,540,625	*19,052,226	2 10 6	1,332,838	†2,633,808	†15,802,735	6 0 0	‡326,990	‡7 7/10	887,469
1889.	9,353	*8,101,120	*19,814,308	2 8 11	1,443,186	†2,757,848	†16,814,268	6 1 11	‡336,954	‡7 3/10	924,010
1890.	9,681	*8,776,566	*20,990,692	2 7 10	1,553,355	†2,892,006	†17,908,860	6 3 10	‡326,394	‡6 7/10	997,283
1891.	10,063	*8,941,431	*21,334,903	2 7 9	1,658,148	†3,126,231	†19,019,856	6 1 8	‡343,614	‡6 8/10	992,155
1892.	10,519	*9,478,339	*22,845,031	2 8 2	1,746,263	†3,335,068	†20,346,217	6 2 0	‡354,008	‡6 6/10	1,036,622
1893.	11,018	*9,838,198	*24,649,024	2 10 1	1,860,104	†3,618,721	†21,764,566	6 0 3	‡367,566	‡6 6/10	1,027,130
1894.	11,323	*10,973,651	*30,439,449	2 15 6	2,015,903	†3,863,886	†23,786,927	6 3 1	‡414,557	‡6 7/10	1,135,525
1895.	11,518	*11,384,977	*32,078,660	2 16 4	2,222,545	†4,102,059	†25,698,296	6 5 3	‡414,625	‡6 1/10	1,153,236

* Including, as well as ordinary deposits, (*a*) deposits for immediate investment in stock; (*b*) amounts realized by sale of stock and stock certificates obtained, the amount when stock is sold or a stock certificate obtained being placed to the credit of the savings-bank account so as to be dealt with as a withdrawal; (*c*) dividends; (*d*) deposits for purchase of annuities and payment of insurance premiums, and (*e*) amounts credited to accounts in respect of sums payable to annuitants and insurants and their representatives. For particulars see statements of Government stock business and annuity and insurance business.

† Including, as well as ordinary withdrawals, (*a*) withdrawals for investment in stock, with commission; (*b*) withdrawals consequent on sale of stock and obtaining stock certificates, with commission and fees; (*c*) withdrawals for purchase of annuities and payment of insurance premiums, and (*d*) amounts paid to annuitants and insurants and their representatives. For particulars see statements of Government stock business and annuity and insurance business.

‡ The charges of management in 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, and 1895 include the sums of £28,212, £19 073, £40,988, £20,663, £752, £846, £832, £762, £33,631, and £2,386, respectively, for purchase of land, while the charges in 1889, 1890, 1891, 1892, 1893, 1894, and 1895 also include £17,733, £7,751, £2,274, £3,446, £2,111, £1,774, and £21,502, respectively, for new buildings. Omitting these amounts, but adding interest at the rate of 5 per cent thereon, the cost per transaction will be in 1886, 7 1/10d.; in 1887, 6 9/10d.; in 1888, 6 8/10d.; in 1889, 6 8/10d.; in 1890, 6 5/10d.; in 1891, 6 7/10d.; in 1892, 6 6/10d.; in 1893, 6 6/10d.; in 1894, 6 1/10d., and in 1895, 6d., and the percentage of expenses to capital, 10s. 4½d., 10s., 9s. 10d., 9s. 6½d., 9s 5d., 9s. 6d., 9s. 2½d., 9s. 0½d., 8s. 6½d., and 8s., respectively. Prior to the passing of the post-office savings-bank act, 1861, it was estimated (see Parliamentary Paper No. 523, 1861) that the average cost of each transaction would be 7d.

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OF THE UNITED KINGDOM.

done during the last ten years.

Number of accounts closed.	Number of accounts remaining open at close of the year.	Amount, inclusive of interest, standing to credit of all open accounts at close of the year.	Average amount standing to credit of each open account at close of the year.			Rate per cent of expenses of management to total amount standing to credit of depositors.		Total sum standing to credit of post-office savings banks on books of national debt commissioners at close of the year.	Balance in hands of Postmaster-General after making provision for outstanding warrants at close of the year.	Estimated value of the Central Savings Bank premises in Queen Victoria street.	Total value of assets applicable to payment of depositors at close of the year.	Number, at close of the year, of old savings banks and post-office banks combined.	Number, at close of the year, of depositors in old savings banks and post-office banks combined.
		£	£	s.	d.	s.	d.	£	£	£	£		
562, 499	3, 731, 421	50, 874, 338	13	12	8	11	5	52, 074, 387	272, 263	154, 000	52, 500, 650	8, 756	5, 322, 225
574, 252	3, 951, 761	53, 974, 065	13	13	2	10	8¼	56, 248, 599	322, 553	174, 000	56, 745, 152	9, 120	5, 556, 371
618, 294	4, 220, 927	58, 556, 394	13	17	5	11	2	60, 860, 563	266, 071	219, 000	61, 345, 634	9, 404	5, 800, 473
637, 128	4, 507, 809	62, 999, 620	13	19	6	10	8½	64, 786, 212	253, 615	257, 000	65, 296, 827	9, 699	6, 059, 403
677, 778	4, 827, 314	67, 634, 807	14	0	3	9	7¾	68, 954, 754	155, 673	266, 000	69, 376, 477	10, 005	6, 363, 096
701, 074	5, 118, 395	71, 608, 002	13	19	10	9	7	72, 417, 045	173, 982	269, 000	72, 860, 027	10, 366	6, 628, 677
702, 701	5, 452, 316	75, 853, 079	13	18	3	9	4	78, 123, 988	176, 056	273, 000	78, 573, 044	10, 800	6, 954, 236
731, 237	5, 748, 239	80, 597, 641	14	0	5	9	1½	82, 857, 698	415, 073	276, 000	83, 548, 771	11, 285	7, 219, 385
775, 001	6, 108, 763	89, 266, 066	14	12	3	9	3¼	94, 497, 364	497, 743	312, 000	95, 307, 107	11, 580	7, 579, 709
808, 492	6, 453, 597	97, 868, 975	15	3	4	8	5½	105, 004, 203	384, 181	336, 000	105, 784, 384	11, 763	7, 969, 826

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GOVERNMENT

II.—*Table showing the business*

Year.	Number of stock accounts opened.	Number of stock accounts closed.	Number of stock accounts remaining open at close of the year.	Number of investments.	Number of sales.	Number of stock certificates obtained.	Number of transfers to the Bank of England.	Amount of money invested.	Amount of commission.	Amount of Bank of England fees.	Amount of stock bought.
								£	£ s. d.	£ s. d.	£
1886...	9,653	4,945	35,305	16,563	8,918	59	.....	845,606	1,725 17 6	7 6 0	841,121
1887...	10,669	5,704	40,270	18,204	10,216	50	.....	927,614	1,917 1 0	5 10 0	915,047
1888...	11,629	8,575	43,324	19,413	11,459	44	36	996,217	2,168 2 6	5 2 0	1,003,164
1889*b* .	11,261	7,592	46,993	19,766	11,882	27	126	985,352	2,168 8 3	3 9 0	1,003,368
1890...	14,606	10,536	51,063	22,385	12,096	28	204	1,089,257	2,332 12 6	4 0 0	1,125,310
1891...	11,516	7,494	55,085	20,841	12,500	28	258	989,293	2,332 9 0	3 17 0	1,025,310
1892...	14,110	8,356	60,839	23,976	13,727	27	360	1,234,398	2,745 7 6	3 14 0	1,264,104
1893...	17,195	8,903	69,131	29,298	15,283	26	427	1,533,027	3,218 13 0	3 2 0	1,544,506
1894...	13,188	11,015	71,304	23,532	18,315	12	159	1,650,875	3,227 8 6	1 7 0	1,625,674
1895...	9,725	12,080	68,949	18,090	19,608	17	164	1,185,720	2,837 0 0	3 2 0	1,112,568

a Dividends on 3 per cent stock converted paid quarterly instead of half yearly.

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STOCKS.

done during the last ten years.

Average amount of each purchase of stock.	Amount of stock sold.	Average amount of each sale of stock.	Amount realized by sale of stock.	Amount of stock certificates obtained.	Amount of transfers to the Bank of England.	Amount of stock transferred from old savings banks.	Amount of stock transferred to old savings banks.	Number of dividends credited to stockholders.	Amount of dividends credited to stockholders.	Amount of stock remaining to credit of stockholders at close of the year.	Average amount of stock remaining to credit of each stock account at close of the year.
£ s. d.	£	£ s. d.	£	£	£	£	£		£	£	£ s. d.
50 15 8	389,965	43 14 6	392,053	7,300	.....	1,181	348	65,339	77,908	2,896,941	82 1 1
50 5 4	462,785	45 6 0	469,656	5,500	.....	2,430	1,027	74,748	91,169	3,345,106	83 1 4
51 13 6	573,304	50 0 7	572,113	5,100	6,420	23,079	912	*a*127,918	110,878	3,785,611	87 7 7
50 15 3	605,359	50 18 11	535,631	3,450	21,931	18,154	760	171,270	114,460	4,175,634	88 17 1
50 5 5	590,907	48 17 0	573,168	4,000	37,490	6,819	271	189,109	118,326	*c*4,680,168	91 13 1
49 3 11	607,637	48 12 2	583,658	3,850	42,778	36,991	438	207,970	131,913	5,087,766	92 7 3
52 14 5	688,385	50 2 11	668,689	3,700	67,417	6,776	124	223,538	142,760	5,599,020	92 0 7
52 14 4	711,468	46 11 1	704,329	3,100	72,960	9,036	540	251,625	169,270	6,364,494	92 1 3
69 1 8	978,091	53 8 0	993,459	1,350	22,774	41,220	976	279,362	183,179	7,028,197	98 11 4
61 10 0	1,163,930	59 7 2	1,238,491	3,100	27,611	4,477	653	282,099	193,605	6,949,948	100 16 0

b In 1889 856 persons holding £59,975 redemption money under the provisions of the national debt redemption act 1889 were paid off, and £4,114 of the amount was reinvested free of commission in one or other of the new Government stocks.

c In April, 1890, the residue of redemption money amounting to £248,532 was reinvested in 2¾ per cent consolidated stock at 98, this being the final operation connected with the conversion scheme. The balance of stock was thus increased by £5,072.

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ANNUITIES AND LIFE INSURANCES.

III.—*Table showing the business done during the last ten years.*

Year.	ANNUITIES.											LIFE INSURANCES.					
	Immediate.					Deferred.						Contracts entered into.		Receipts.		Payments.	
	Contracts entered into.		Receipts.	Payments.		Contracts entered into.		Receipts.		Payments.							
	No.	Amount of annuities.	Amount.	No.	Amount.	No.	Amount of annuities.	No.	Amount.	No.	Amount.	No.	Amount of insurances.	No.	Amount.	No.	Amount of claims on death and surrender.
1886	823	£17,388	£211,570	16,234	£153,878	87	£1,772	859	£10,510	246	£3,122	506	£34,188	12,187	£12,623	158	£5,942
1887	912	19,299	234,174	16,556	164,546	90	1,628	869	9,721	264	5,020	585	36,168	12,009	13,492	182	5,976
1888	995	23,404	286,762	17,050	178,160	138	2,719	900	10,853	301	3,877	580	34,819	12,016	14,121	190	5,538
1889	988	23,361	292,846	17,537	193,140	131	2,858	934	11,464	343	4,097	671	32,832	12,275	15,112	343	7,473
1890	948	21,956	273,578	17,976	206,422	116	2,527	914	14,283	412	4,644	468	25,466	11,799	14,422	196	6,841
1891	968	23,673	296,882	18,195	217,595	142	2,183	959	12,578	475	6,341	529	28,930	11,627	15,073	232	8,561
1892	1,157	28,155	355,723	18,523	230,370	214	4,253	1,096	15,360	478	6,932	1,983	80,307	15,517	16,099	190	7,354
1893	1,420	36,746	461,599	19,344	251,474	159	3,091	1,297	16,148	535	8,070	853	44,000	19,365	17,227	228	9,226
1894	1,565	41,495	540,277	20,418	275,243	164	3,772	1,283	17,202	600	9,130	1,128	56,010	20,107	18,229	291	9,641
1895	1,898	49,816	665,363	21,911	305,712	169	4,038	1,300	23,863	646	8,957	720	38,358	20,903	19,140	290	9,861

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IV. TABLE SHOWING THE NUMBER AND AMOUNT OF CONTRACTS ENTERED INTO FROM THE COMMENCEMENT OF BUSINESS ON 17TH OF APRIL, 1865, TO THE 31ST OF DECEMBER, 1895, AND THE NUMBER AND AMOUNT OF CONTRACTS IN EXISTENCE ON THE 31ST OF DECEMBER, 1895.

	Contracts entered into—				Total.	
	From April 17, 1865, to Dec. 31, 1894.		From Jan. 1, 1895, to Dec. 31, 1895.			
	No.	Amount.	No.	Amount.	No.	Amount.
		£ s. d.		£ s. d.		£ s. d.
Contracts for annuities entered into from the commencement of business on April 17, 1865, to Dec. 31, 1895, viz, immediate annuities	24,489	449,699 7 0	1,898	49,816 3 10	26,387	499,515 10 10
Deferred annuities and monthly allowances; money not returnable	765	13,354 10 6	57	1,252 11 0	822	14,607 1 6
Deferred annuities and monthly allowances; money returnable	1,637	35,171 4 0	112	2,785 10 6	1,749	37,956 14 6
Contracts for sums payable at death entered into from the commencement of business on April 17, 1865, to Dec. 31, 1895	15,122	983,380 5 4	720	38,358 9 0	15,842	1,021,738 14 4
Contracts for annuities in existence on Dec. 31, 1895, viz, immediate annuities	.....	.....	.....	.....	14,727	336,614 1 0
Deferred annuities and monthly allowances; money not returnable	.....	.....	.....	.....	713	12,495 4 0
Deferred annuities and monthly allowances; money returnable	.....	.....	.....	.....	995	21,298 13 6
Contracts for sums payable at death in existence on Dec. 31, 1895	.....	.....	.....	.....	10.024	616,522 7 2

V. RETURN OF BALANCE SHEETS OF POST-OFFICE SAVINGS BANKS ON DEC. 31, 1895, SHOWING BALANCE DUE DEPOSITORS, ESTIMATED AMOUNT OF EXPENSES REMAINING UNPAID, VALUE OF SECURITIES ACCORDING TO AVERAGE PRICE OF THE DAY ON DEC. 31, 1895, AMOUNT OF CASH IN HAND AND DIVIDENDS ACCRUED BUT NOT RECEIVED AT END OF YEAR, AND SURPLUS OR DEFICIENCY OF FUNDS TO MEET LIABILITIES (SO FAR AS RELATES TO NATIONAL DEBT OFFICE).

Securities standing in the names of the commissioners for the reduction of the national debt on account of the post-office savings-banks fund.	Amount.	Value of securities at price of Dec. 31, 1895.	Dividends accrued but not received at the end of the year.
	£ s. d.	£ s. d.	£ s. d.
2¾ per cent consols	54,485,191 15 7	58,026,729 0 0	352,044 19 11
2½ percents	9,079,170 15 8	9,396,942 0 0	53,630 17 3
Local loans 3 per cent stock	10,977,690 5 1	12,075,459 0 0	77,858 1 6
2¾ per cent annuities (1905)	75,000 0 0	78,469 0 0	487 12 1
Book debt, per act 55 and 56 Vict., c. 26	10,200,000 0 0	10,200,000 0 0	66,313 17 2
Egyptian guaranteed 3 per cent bonds	303,500 0 0	325,124 0 0	.....
Treasury bills	3,482,900 0 0	3,391,135 0 0	80,817 11 4
Advances per 43 Vict., c. 4; 43 and 44 Vict., c. 14, and 45 and 46 Vict., c. 62, repayable by Irish Land Commission, per 44 and 45 Vict., c. 71	850,000 0 0	850,000 0 0	.....
Advance under British Museum (purchase of land) act, 1894, 57 and 58 Vict., c. 34, s. 1	200,000 0 0	200,000 0 0	1,418 9 6
Annuity for a term of years in lieu of annuities converted per national debt act, 1883, 46 and 47 Vict., c. 54, s. 5, and national debt act, 1885, 48 and 49 Vict., c. 43	321,918 0 0	*a* 2,566,322 0 0	.....
Annuities for terms of years in lieu of stock canceled per national debt act, 1883, 46 and 47 Vict., c. 54; national debt act, 1885, 48 and 49 Vict., c. 43, and national debt and local loans act, 1887, 50 and 51 Vict., c. 16	574,570 0 0	*ab* 4,071,035 0 0	.....
Annuity for a term of years granted to repay advances per 32 and 33 Vict., c. 42, payable by Irish Land Commission per 44 and 45 Vict., c. 71	138,800 0 0	*a* 652,660 0 0	.....

a Value, inclusive of interest, to Dec. 31, 1895.

b Cash value (at the price of consols on Dec. 31, 1895) of the amount of 2¾ per cent consols, estimated to have been unreplaced at Dec. 31, 1895, out of the amount of stock originally canceled in exchange for these annuities. (Act 54 and 55 Vict., c. 24.)

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V. RETURN OF BALANCE SHEETS OF POST-OFFICE SAVINGS BANKS ON DEC. 31, 1895, SHOWING BALANCE DUE DEPOSITORS, ESTIMATED AMOUNT OF EXPENSES REMAINING UNPAID, VALUE OF SECURITIES ACCORDING TO AVERAGE PRICE OF THE DAY ON DEC. 31, 1895, AMOUNT OF CASH ON HAND AND DIVIDENDS ACCRUED BUT NOT RECEIVED AT END OF YEAR, AND SURPLUS OR DEFICIENCY OF FUNDS TO MEET LIABILITIES (SO FAR AS RELATES TO NATIONAL DEBT OFFICE)—Continued.

Securities standing in the names of the commissioners for the reduction of the national debt on account of the post office savings-banks fund.	Amount.			Value of securities at price of Dec. 31, 1895.			Dividends accrued but not received at the end of the year.		
	£	s.	d.	£	s.	d.	£	s.	d.
Annuity for a term of years per national debt act, 1884, 47 Vict., c. 2, s. 2	35,121	0	0	a 250,101	0	0	.....		
Annuities for terms of years per 46 Vict., c. 1, s. 2	6,398	8	6	a 40,007	0	0	.....		
Red Sea and India telegraph annuity, expiring Aug. 4, 1908	3,100	0	0	34,100	0	0	.....		
Annuities for terms of years granted to repay advances under imperial defense act, 1888, 51 and 52 Vict., c. 32	60,431	16	0	a 282,976	0	0	.....		
Annuity for a term of years granted to repay advance under Russian Dutch loan act, 1891, 54 and 55 Vict., c. 26	35,176	18	0	a 330,227	0	0	.....		
Annuities for terms of years granted to repay advances under telegraph act, 1892, 55 and 56 Vict., c. 59	19,078	18	0	a 256,837	0	0	.....		
Annuities for terms of years granted to repay advances under public accounts and charges act, 1891, 54 and 55 Vict., c. 24, s. 4	55,108	4	0	a 387,285	0	0	.....		
Annuity for a term of years granted to repay advances under barracks act, 1890, 53 and 54 Vict., c. 25	13,576	17	0	a 164,186	0	0	.....		
Annuities for terms of years granted to repay advances made under the pensions commutation act, 34 and 35 Vict., c. 36	36,433	6	0	a 193,908	0	0	.....		
Advances under pensions commutation act, 34 and 35 Vict., c. 36, during year ended Dec. 31, 1895, in respect of which an annuity had not been granted	31,561	13	0	31,562	0	0	521	1	7
Advances under public accounts and charges act, 1891, 54 and 55 Vict., c. 24, s. 4, during year ended Dec. 31, 1895, in respect of which an annuity had not been granted	40,000	0	0	40,000	0	0	937	16	1
Advances under telegraph act, 1892, 55 and 56 Vict., c. 59, during year ended Dec. 31, 1895, in respect of which an annuity had not been granted	145,000	0	0	145,000	0	0	2,644	2	0
Advances under naval works act, 1895, 58 and 59 Vict., c. 35, during year ended Dec. 31, 1895, in respect of which an annuity had not been granted	375,000	0	0	375,000	0	0	3,445	0	8
Total	.....			104,365,064	0	0	640,153	9	1
Add value of securities	.....			.....			104,365,064	0	0
Cash balance in Bank of England	.....			.....			58,986	0	3
Total	.....			.....			105,064,203	9	4

a Value, inclusive of interest, to Dec. 31, 1895.

G. W. HERVEY, *Comptroller-General.*

NATIONAL DEBT OFFICE, *June 6, 1896.*

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VI. Balance Sheet.

Return of balance sheets of post-office savings banks for 1895, showing balance due depositors, amount of expenses remaining unpaid, value of securities according to average price of the day on December 31, 1895, amount of cash in hand and dividends accrued but not received at end of year, etc., and surplus of assets over liabilities.

LIABILITIES.	£	s.	d.
Balance due to depositors on Dec. 31, 1895 (including interest)	97,868,974	15	5
Amount of expenses remaining unpaid (partly estimated)	29,750	7	10
Surplus of assets over liabilities	7,885,658	19	10
Total	105,784,384	3	1

ASSETS.	£	s.	d.
Value of securities according to the average price of the day on Dec. 31, 1895	105,005,217	9	1
Amount of cash in hands of commissioners for the reduction of the national debt	58,986	0	3
	105,064,203	9	4
Amount in the hands of Her Majesty's postmaster-general	457,089	15	0
Less amount required to meet warrants issued to depositors but not cashed on Dec. 31, 1895	72,909	1	3
	384,180	13	9
Value of the Central Savings bank premises in Queen Victoria street, E. C	336,000	0	0
Total	105,784,384	3	1

	£	s.	d.
Total amount received from depositors, including interest, to Dec. 31, 1895	445,005,805	4	8
Total amount repaid to depositors to Dec. 31, 1895	347,136,830	9	3

Number of transactions:	
Deposits	163,601,652
Withdrawals	57,308,157
Number of accounts:	
Opened	20,457,018
Closed	14,003,421
Remaining open	6,453,597

The total number of transactions, i. e., deposits and withdrawals, from the commencement of post-office savings-bank business to the end of the year 1895 was 220,909,809.

The sums of £126,279 14s. 11d., £147,116 16s. 0d., £77,787 12s. 1d., £125,345 4s. 11d., £144,879 3s. 11d., £145,799 10s. 1d., £123,139 0s. 1d., £93,794 10s. 2d., £93,040 11s. 5d., £64,608 15s. 11d., £67,001 13s. 3d., £78,805 8s. 9d., £72,495 1s. 8d., £36,050 9s. 4d., £65,662 12s. 2d., £51,117 19s. 2d., £29,922 8s. 3d., £35,100 9s. 10d., and £3,836 10s. 3d. have been paid into the exchequer out of the funds of the post-office savings banks in the years 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, and 1895, respectively, under sec. 14 of the act 40 Vict., c. 13, being the excess of interest which had accrued during the years 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, and 1894. The sum of £218,145, the cost of the site of the new savings bank buildings in Queen Victoria street, and £111,119 toward the cost of the new building, have been paid for out of the funds of the post-office savings banks.

Referring to Table I, it is noted that between 1886 and 1895 the number of banks increased from 8,351 to 11,518; number of deposits from 6,562,395 to 11,384,977; number of accounts opened, from 3,731,421 to 6,453,597; deposits, from £50,874,338 to £97,868,975; average account, from £13 12s. 8d. to £15 3s. 4d.; assets, from £52,500,650 to £105,784,384. The cost of each transaction declined between the same periods from 7$\frac{4}{5}$d. to 6$\frac{2}{5}$d., and the per cent of expenses to deposits from 11s. 5d. to 8s. 5$\frac{1}{2}$d.

Tables II and III set forth, from 1886 to 1895, the transactions in Government stocks and annuities and life insurances; Table IV, number and amount of contracts entered into since 1865; Table V, character and amount of securities, and Table VI the balance sheet for the year 1895.

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The London Bankers' Magazine of November, 1897, contains a brief synopsis of the last annual report (just issued) of the postmaster-general relative to the postal savings banks of the United Kingdom for the year ended on December 31, 1896. On that date the deposits aggregated £108,098,641, an addition during the year of £10,229,666, an increase unparalleled in the history of the postal savings banks. The number of accounts opened during the year was 408,438, against 344,834 in 1895. The total number of accounts at the close of 1896 was nearly 7,000,000. It is stated that about 60½ per cent of the depositors consist of women and children. The average sum to the credit of each account at the end of the year was £15 15s. 1d., against £15 3s. 4d. in 1895. The balance sheet shows a loss on the work of the department during the year of about £32,000. Since the organization of the system the Government has lost but £10,000 through fraud, default, and accident.

The postal savings-bank system is also in operation in France, Netherlands, Sweden, Austria, Hungary, Italy, India, Canada, and in a number of English colonies, but nowhere does it attain the importance, either in magnitude of transactions or relatively to other savings institutions in those countries, that it does in the United Kingdom and its dependencies.

In France the system was established in 1882. Its growth has been so rapid that in volume of deposits it stands second to the United Kingdom, though in number of depositors it is third, being exceeded by Italy. The minimum deposit received is 50 centimes and the maximum 1,500 francs. All deposits are paid over to the Caisse des Depóts et Consignations, a Government board acting as official trustee. Deposits are invested mainly in Government securities, but to some extent in municipal stocks, mortgage bonds, real estate and other loans. The interest rate is 2¾ per cent. At the close of 1895 the accounts numbered 2,488,075; deposits, $150,000,000, approximately, and the average deposit about $60.

Italy, states Mr. H. W. Wolff, in the Journal of the Royal Statistical Society for June, 1897, is the original home of savings banks, the Monti di Pieta, nominally pawn shops, but which transacted general banking business and received and invested savings deposits. It was not until 1875, however, that the postal saving system, based on that of the United Kingdom, was called into existence. At the close of 1895 the banks numbered 4,763, over 90 per cent of the total number of saving institutions in the country, having 2,896,768 accounts and about $90,000,000 deposits, the average being about $31. There are no deposit limits, and interest is paid at the rate of 3 per cent.

On May 28, 1882, was enacted legislation establishing postal saving banks in the Austro-Hungarian Empire, the act taking effect on the 1st day of the following January. Herewith is given a translation of the act, the ministerial decree establishing the board of council, and an article relative to the act from the Neue Freie Presse of October 14, 1882. These translations are reprinted from Senate Doc. No. 154, Fifty-fifth Congress, first session.

LAW OF MAY 28, 1882, REGARDING THE INTRODUCTION OF POSTAL SAVINGS BANKS IN THE COUNTRIES REPRESENTED IN THE REICHSRATH.

With the consent of both houses of the Reichsrath I am pleased to order as follows:

ARTICLE 1. Under the administration and security of the state there will be established in Vienna a Government savings bank, belonging to the department of the minister of commerce and subject to the postmaster-general, under the title "K. K. Postsparcassen-Amt" (Imperial Royal Postal Savings Bank).

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The sphere of action, organizing, and number of persons employed will be made known by special decree.

As depositories of the postal savings banks shall serve the post-offices designated for this purpose by the minister of commerce in the countries represented in the Reichsrath.

The postal savings bank is charged with the administration and carrying out of the business specified by this law; it represents publicly to this end the State Government.

For rendering advice as well as for proposals in matters which concern the postal savings banks a board of council will be established.

The regulations concerning the formation of this board as well as the rules governing its sphere of action will be made known by special decree.

ART. 2. The postal savings bank receives the deposits made at the post-offices and pays out again deposits notified for withdrawal through the post-offices.

ART. 3. All deposits in excess of the current expenses will be invested at interest by the savings bank. Interest on deposits will be procured by purchase of Austrian Government securities paying interest.

ART. 4. Interest, as well as the total expenses of administration and other outlays, will be defrayed from the proceeds of the savings thus invested.

As long as these proceeds are not sufficient to pay the interest and the expenses of administration, the deficit, as well as the expenses of establishing the institution, will be covered by loans advanced by the post-office department.

These loans are to be repaid to the post-office department out of realized surpluses at the close of the fiscal year, without any interest.

The surplus remaining after the redemption of the above-mentioned loans will be used for the formation of a reserve fund.

ART. 5. Every depositor will receive from the post-office where he makes his first deposit a deposit book, in which is entered every deposit made, amount drawn out, and amount of capitalized interest. Each subsequent deposit can be entered in the book at whatever post-office it is made.

The person in whose favor the deposit was made will be regarded as the depositor. The deposit book will be given free of charge and is exempt from stamp duty.

The postal savings bank will open an account with every depositor.

ART. 6. The deposit book will bear the name of the person for whom the deposit was made and contain the memoranda necessary to the identity of the same, as well as the signature of the depositor.

Depositors who can not write must bring with them a reliable person who can vouch for the identity of the depositor and sign the deposit book in his stead.

A transfer of the deposit book to another person will be considered valid only when the act of transfer has taken place before a post-office official authorized by the postal savings bank.

When this is done, the person to whom the transfer was made will be regarded as the owner of the deposit book. (Article 21, line 3.)

Minors likewise are entitled to make deposits, independently, and to draw out money, provided the legal guardian makes no written protest at the postal savings bank against it.

In case a deposit book is lost, a duplicate will be issued in accordance with the provision prescribed in article 14.

For one and the same person only one postal savings bank deposit book can be issued.

Whoever takes out two or more deposit books loses the interest on the capital inscribed in the second book or in those issued subsequently. If, however, the total amount of the deposits in two or more deposit books which the depositor had caused to be issued exceeds 1,000 florins, or if the depositor had deposited more than 300 florins within one year in the two or more books issued to him, then will the depositor lose, in the first case, that part of the capital which surpasses 1,000 florins, and in the second case the part of the capital which surpasses 300 florins.

The minister of commerce is authorized, for reasons worthy of consideration, to remit the loss of capital resulting from the foregoing clause.

The post-office employees are prohibited from giving information to anyone whomsoever, except to their superiors, concerning the names of depositors and amounts paid in by them.

ART. 7. Each deposit must amount to at least 50 kreuzers or a multiple of 50 kreuzers. The total amount deposited in one year shall not exceed three hundred florins, after deducting the sums which have been drawn out during the year.

The amount due to a depositor, in deposits made and interest on capital, shall not exceed the sum of 1,000 florins after deducting the amounts which have been drawn out.

Deposits to the amount of 50 kreuzers may be made in postage stamps or in special postal savings marks as soon as the issue of such by the minister of commerce takes

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place. They must be pasted upon blank forms, which will be furnished free of charge.

ART. 8. The rate of interest for deposits is fixed at 3 per centum per annum. The rate of interest can be changed only by legislation.

ART. 9. The interest on the deposits begins on the 1st and 16th of the month following the day the deposit was made, and ends on the last or 15th of the month preceding the day on which the notice of withdrawal was received at the post-office in Vienna. Amounts of less than one florin will not bear interest. On the 31st of December of each year the interest will be added to the capital, and will likewise henceforth bear interest.

For calculations of interest, the month will be taken at thirty days.

The officially prepared table of interest will be posted up publicly at the places for collection (post-offices).

ART. 10. An amount exceeding the sum of 1,000 florins will not bear interest.

ART. 11. The office of the postal savings bank is obliged to notify the depositor by registered letter to reduce his capital as soon as the deposits and capitalized interest of a depositor exceeds 1,000 florins. If the depositor has not reduced his credit during the month following this notice, there will be purchased for his account, after the lapse of this period, Government bonds of the common state debt, paying interest in paper to the nomiual value of 200 florins at the current rate of exchange, of which proceeding the depositor will be notified.

No interest will be paid for the time which elapses between giving notice and the period when the reduction of the credit of a depositor takes place.

In case the respective depositor shall not have taken possession of the securities bought for his account, the office of the postal savings bank shall draw the interest of these bonds which are in its keeping, and place it as a new deposit to the credit of the respective depositor in the books of the institution.

A book shall be issued to the depositor for such Government bonds as are deposited for him in the office of the postal savings bank.

ART. 12. At the wish of the depositor, and in accordance with the sufficiency of his credit, may the deposits be devoted to the purchase of Austrian Government securities.

ART. 13. The repayment of the credit, or a part of the same, to the depositor or to his legal successor or attorney shall take place upon a notice of withdrawal, which may be done at any place of collection (post-office) designated by the party giving notice.

The payment is made at the place of collection designated in the notice (post-office) on presentation of the deposit book, by virtue of an order from the office of the postal savings bank, except in cases where the provisions as mentioned in article 14 are applicable, or where a protest which has been made (articles 6 and 17) prevents it.

Notified amounts up to 10 florins will be ordered by the office of the postal savings bank to be paid at the places of collection (post-offices) by return of mail, and will be cashed immediately after arrival of the order of the office of the postal savings bank.

The payment of amounts between 10 and 100 florins will take place at the latest in fifteen days; that of amounts between 100 and 500 at the latest in a month; that of amounts above 500 florins at the latest in two months after the arrival of the notice.

ART. 14. If a deposit book is lost, the following proceedings take place: The owner, in order to obtain a duplicate, shall immediately inform the office of the postal savings bank, either direct or through the nearest place of collection, of the loss, with the most accurate description possible of the marks of the book.

The office of the postal savings banks shall note immediately upon its books a memorandum, to the end that for the present payment upon the lost deposit book may be made to no one. At the same time the office of the postal savings banks shall publicly post up at the post-office which issued the lost book, and at that one to which the book would perhaps be presented, an edict by which all are reminded that after the expiration of one month from the date of publication, if within that time no claim for the lost book was made, it will be declared null and void, and a new book will be issued.

If no claim is made within a month, a duplicate will be issued by the office of the postal savings banks on payment of 10 kreuzers, and the deposit book which was lost will be declared as null and void. If a claim is established within a month, the office of the postal savings bank must refer the party to the proper judge for decision, and neither permit the issue of a duplicate nor allow any disposition of the lost book to be made until judgment in regard to the claim set up has been given by competent authority.

ART. 15. The provisions of paragraph 1480 of the common civil law, according to which demands of arrears of interest cease after a lapse of three years, will not be applied to deposits made in the postal savings banks. In regard to the prescription of postal-savings-bank deposits, the general provisions of the common law are in force.

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Deposits falling under the law of prescription revert to the post-office department. Prescription is interrupted by every new deposit, by every notice of withdrawal, and by every entry of interest on the deposit book.

ART. 16. The Government securities purchased by the administrators or at the request of the depositor and held in safe-keeping by the savings bank shall revert to the post-office department if no one applies during forty years either for the securities themselves or for the interest, or if the depositor has never during that length of time made any other application whatever to the postal savings bank concerning the capital or the interest.

ART. 17. Deposits made in the postal savings banks, as well as deposit books, are neither subject to attachment nor can they be mortgaged. Neither is the executive surrender of a postal-savings-bank deposit book admissible. These provisions have no application in regard to the books issued for purchased state *rentes*, as mentioned in articles 11 and 12.

If a depositor is in bankruptcy, the administrator is empowered to give notice to the postal savings bank to draw out and receipt for the balance to his credit.

A protest against the return payment of deposits can receive consideration only in a case of a suit at law for the ownership of the deposit book or under the presumption mentioned in article 6. Such a protest must be made in writing, addressed to the office of the postal savings bank in Vienna, accompanied by the proofs necessary to form a judgment.

ART. 18. The reserve fund, the immediate purpose of which is to cover possible losses which the postal savings bank may possibly encounter, is to be formed by depositing the surpluses which have remained at the close of the fiscal year, after deduction of defrayed interest, expenses of administration, and other outlays, and the return of advances made by the post-office department.

The reserve fund is gradually to be increased until it reaches 5 per centum of the total amount of deposits. It shall not, however, exceed 2,000,000 florins, Austrian currency.

ART. 19. The sums forming the reserve fund are to be invested at interest, and the occasional profits will be added to the reserve fund until the latter has reached the fixed maximum.

When the reserve fund has reached the prescribed limit, the entire surplus will be accredited receipts to the post-office department.

ART 20. The office of the postal savings banks will render due accounts of all deposits made at the places of collection (post-offices), and will be controlled by the chief comptroller.

At the end of every calendar year the minister of commerce will report to both houses of the Reichsrath the general condition of and the business done by the postal savings banks and will cause it to be published in the official part of the Wiener Zeitung.

The office of the postal savings banks will periodically publish in the Wiener Zeitung the condition of the institution.

ART. 21. The correspondence of the office of the postal savings banks and employés with the depositors is free of postage.

The income of the postal savings banks is free from taxes. The deposits addressed to the office of the postal savings banks, to the officers and employés by depositors or by persons empowered by them, as well as the documents for a transfer, as mentioned in article 6, are free from taxes and stamps, and the interest on the deposits is exempt from income tax or any tax taking its place.

ART. 22. The time when the office of the postal savings banks in Vienna and the places of collections will commence operations will be fixed by the minister of commerce.

ART. 23. The minister of commerce is intrusted with carrying out of this law.

Schönbrunn, May 28, 1882.

FRANCIS JOSEPH.
TAAFE.
PINO.

THE BOARD OF COUNCIL OF THE POSTAL SAVINGS BANK.

First. The board of council established by virtue of article 1 of the law of May 28, 1882, shall be an advisory body to the minister of commerce in regard to the business of the office of the postal savings banks.

Second. The board of council consists of nine members, viz:

1. A president, nominated by His Majesty the Emperor, for the term of five years.
2. Four experts, nominated by the minister of commerce from the industrial and mercantile classes.
3. Three Government officials in active service, nominated likewise by the minister of commerce.
4. The director of the imperial royal office of the postal savings bank.

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Third. Two members, experts, taken from the industrial and mercantile classes, and one member taken from among the Government officers, will go out each year according to the turn established in the first year by drawing lots. In the places of those whose term of office has expired, the board of council will elect two members from the industrial and mercantile classes of the population, and the minister of commerce will nominate a new member from the ranks of Government officials. The ex-members of the board of council can be reelected, respectively renominated. The minister of commerce has the right to dissolve the board of council at any time, in which case, however, he will take pains that an immediate formation of a new board takes place.

Fourth. Members who die or are lost to the board of council by other means are replaced in the same manner and at the same time in the category to which they belonged as if they had left in the turn decided by lot.

Fifth. The members of the board must have their domicile in Vienna, with exception of the president and two members taken from the technical men of the industrial and mercantile circles, whose domicile is not limited to Vienna.

Sixth. As members of the board of council can be elected, only such persons who, by virtue of the law of April 2, 1873, R. G. B. No. 41, are eligible to the Reichsrath (paragraphs 19 and 20).

Members who, during their term of office, should lose their right to be elected are to be regarded as members whose term of office has expired.

Seventh. The board of council shall meet in the rooms of the office of the postal savings bank by invitation of the president presiding. In case the president be prevented from being present, the minister of commerce shall nominate a deputy for the time of prevention.

Eighth. The regular annual meeting of the board of council shall take place after the yearly balance has been struck by the office of the postal savings bank—that is to say, upon communication from the director to the president. Aside from this, the board of council shall meet as often as the minister of commerce orders, the director desires, or at least four members of the board demand it. The respective communications are to be addressed to the president. Upon invitation of the presiding officer, functionaries of the ministry of commerce or other persons may be invited as experts. These experts have no right to vote.

Ninth. Those members of the board of council who are not Government officials shall lay their affirmation into the hands of the minister of commerce.

The office of a member of the board of council is honorary and without remuneration. Those members who reside outside Vienna have a claim to a remuneration of 8 florins per day and traveling expenses, according to a schedule to be made.

Tenth. The board of council shall have the right to examine the books and accounts of the office of the postal savings bank, and to ask information of the directors concerning the condition and business manipulation of the office. The board of council shall make suggestions concerning improvements in the business manipulations of the office of the postal savings bank, either in consequence of intimation of the minister of commerce or of its own accord, and submits the respective bills to the minister of commerce. Changes in the regulations of the general management, as well as in the fundamental outlines for the organization of the office of the postal savings bank, and the statutes of organization for the board of council, shall not be made unless the board of council has given its opinion in regard to the utility of the alteration.

Eleventh. The board of council shall take its resolutions by a simple majority of the votes of the members present in the assembly, convoked according to rule. To a valid resolution of the board of council the presence of at least six members, aside from the president, is required. A record of his resolutions shall be kept by the directors of the office of postal savings bank, to be submitted to the minister of commerce.

The director shall have a right, in a given case, to put on record his negative vote, and to represent it in a separate petition.

Twelfth. The board of council shall regulate its own business management, subject to approval of the minister of commerce.

THE PRACTICAL USES OF THE SAVINGS BANKS.

[Translation of an article appearing in the Neue Freie Presse of October 14, 1882, on the formation of the postal savings bank in Austria.]

The regulations necessary to carry out the law of May 28, 1882, concerning the postal savings bank have been approved by the Emperor.

At the beginning of next year the postal savings bank will commence its operations, and if the institution shall prosper, it must be free from the bureaucratic spirit from which so many institutes in Austria suffer.

An effort to accomplish this is seen partially in the regulations of the organization,

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but particularly from the blank forms prepared for the use of the public. They excel in brevity and clearness of text, convenience, and perspicuity; for instance, the forms for the transfer of deposit books, for the protest against payment to minors, for the request for the purchase or sale of Government securities, for authorizing the drawing out of one or more deposits, the forwarding of interest coupons, &c. All these blank forms can be had free of charge at the post-offices, are exempt from taxes and stamp duty, and will be sent free of charge when declared as mail matter containing deposits or as registered letter.

The deposit book is handy, practical, and neatly gotten up, which can not be said of all Government blank forms.

Every depositor finds in his book a short enumeration of the most important regulations and privileges, being an advantage over all deposit books of existing postal savings banks; a table of postal savings banks; a table of interest from which he can learn at a glance the amount of interest due on any capital and for any space of time, as well as the amount due him in a separate column, much more distinctly than in the books of other countries.

We wish now to describe, for the clear understanding of the public, the method of making a deposit as provided by the law. A person wishing to make a deposit in the postal savings bank goes to the nearest post-office, pays over the amount desired, which, however, can not be less than 50 kreuzers, and receives thereupon a deposit book bearing his name, which henceforth he can present at any time at any post-office in the Austrian Empire to make further deposits, which will be placed immediately to his credit by the official, with signature and seal, and be separately receipted for by the office of the postal savings bank by letter, free of postage, wherein he is informed of the receipt of his last deposit and the amount now due him, which must correspond with the entries made on his book. If this should not be the case, he must immediately remonstrate, which he can do by tearing off a perforated blank form attached to the book, fill it out, and put it in the nearest letter box. This insures safety to the depositor and serves as a control over the post officials. The interest will always be added by the office of the postal savings bank on the 31st December. To this end the depositor must send his deposit book, postpaid, on the anniversary of his first deposit to the office of the postal savings bank in Vienna, in conformity with the rules of the English post-office savings bank. Of course he will not lose his interest should he fail to send in his deposit book. Simultaneously with the deposit book the depositor receives a notice book which contains ten blank forms of notice of withdrawal. These notices bear the printed number and series of the book.

If he wishes to draw a certain amount, he simply takes his notice book, fills out the blank with the sum he desires to draw, names the post-office where he wishes the payment to be made, and puts it in the nearest letter box. If he wishes registration, he must ask for it at the post-office, where it will be granted free of charge.

By return of mails he receives a check, upon presentation of which at the post-office singled out by him he will immediately receive payment. He must bring with him his deposit book, in which the payment will be entered. Should he not desire to draw the amount himself, then he must authorize a person for the single case. A depositor may therefore give notice in Graz demanding payment to be made in Prague, and authorize a person in Prague to receive the amount.

This convenience and novelty benefits especially the traveling workingman, who in this manner may send home his savings; the merchant, who thus can send money to his commercial traveler, and the smal tradesman, who by these means may fulfill his obligations in the city. It was proposed that the money should by paid by the letter carrier at the same time that he brought the check, which for the present, however, could not be done, owing to existing post-office regulations, which is much to be regretted.

According to the provisions of the law, a depositor is not allowed to have more than one deposit book. However, for a third person a deposit book may be taken and deposits made; for instance, a father for his children or an office servant for his institution. It is likewise provided that not more than 300 florins be deposited in one book in a single year, and altogether not more than 1,000 florins. To watch over this is the duty of the office of the postal savings bank. These maximums, however, may be reduced by payments or by the purchase of Government interest-bearing securities.

In order to make it possible to save smaller amounts than 50 kreuzers, the following provision has been made:

Oblong pieces of white cardboard will be issued, having a 5-kreuzer postage stamp imprinted in one corner, with a space for pasting on nine additional postage stamps of 5 kreuzers each. Such a "savings card" can be bought for 5 kreuzers wherever postage stamps are sold. When the savings card is filled up with ten postage stamps, including the one imprinted, it represents the minimum of a deposit of 50 kreuzers, and may be offered as such at any post-office, and if it is the depositor's

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first deposit, then a book will be issued to him. Children will in this manner be stimulated to deposit their savings by having an opportunity to watch, so to speak, the growing of their savings with every new 5 kreuzer postage stamp pasted on.

If a deposit book is lost, the nearest post-office is to be advised, and after one month's delay, if not recovered, the book will be canceled free of charge; payment in the meantime to anyone on the book is stopped and a new one will be issued free of charge. The officials and chief of the post-office are bound to treat the personal matters of the depositors as office secrets to their fullest extent; they are not allowed to give information to anyone except their superiors, otherwise they are liable to discharge.

All blank forms employed are printed either in German alone or in two languages, and are lettered, which serves at the same time as marking the series in the deposit books.

The post-offices must render their accounts daily to the chief office in Vienna of all moneys received or disbursements made, on the basis of which the latter makes its daily balance. The deficit or surplus which results is settled every day by the cashier's office of Lower Austria in Vienna.

The organization of the office of the postal savings bank is as follows: At the head is a director, who receives his orders direct from the minister of commerce. The number of employees will be taken partly from the ranks of Government officials and partly be made up from persons engaged for the purpose on monthly pay.

A pension fund will be raised for these from rates deducted from their wages, according to the profits realized by the institution. The remuneration of the post-office officials is for the present fixed at the following rates: One kreuzer for every deposit made at that particular office; five kreuzers for every book issued by that particular office and existing at the end of the year (first deposit); for every thousand florins paid in, deducting the payments up to 20,000 florins, 1 florin and 50 kreuzers; up to 40,000 florins, 1 florin and 25 kreuzers; higher amounts, 1 florin. This remuneration is a trifle higher than the one received by the officials in England and Italy, for this reason, that, particularly in Austria, these employees will have to use their influence to make the institution popular, to which end they are best adapted.

The postal savings banks have, moreover, everything in their favor, since the communication between the depositors and the savings banks and the office of the postal savings bank in Vienna is carried on by about four thousand post-office officials now in existence, with each one of whom they can without difficulty make deposits and receive payments.

No depositor is henceforth required to make long journeys to deposit his savings, as has been the case heretofore in the provinces. He will no longer be compelled to lose a working day to make a deposit or receive a payment.

It is to be hoped, therefore, that the post-office savings banks will flourish here in Austria as they do in England and in Italy. It is greatly to be desired, for economy is the mother of wealth.

The operation of the check or banking department is very fully described by United States Minister Tripp in his report to this Bureau in 1896 on banking in the Empire, as follows:

The depositor uses the postal bank not only as an ordinary bank of deposit, which allows the depositor 2 per cent on open accounts, but also as a means of paying all bills and collecting all indebtedness in every part of the city or country, free of all postage or charges to the depositor. The system in vogue, which is both simple and practical, is briefly as follows: If a depositor wishes to pay a debt to a creditor in any part of Austria-Hungary, he simply fills out a postal check to the order of his creditor, with address of same, together with the date and amount, incloses it in one of the special envelopes addressed to the general office in Vienna, and the post-office authorities find the payee, pay the amount, and take his receipt for same. Within twenty-four hours the depositor receives through the post-office, from the central office of the bank in Vienna, a statement showing the transaction. It contains date, name of depositor, number of the check, amount, and name of post-office where it has been paid; also cash balance of the depositor. These statements reach the depositor after every transaction. If there have been several transactions in one day, they all appear on the statement of the day. The depositor is thus kept informed as to the condition of his account every twenty-four hours, provided he has drawn or made a deposit during the previous day. The check of the depositor, forwarded as above, thus becomes a post-office order without incurring the trouble, time, and expense which the latter system involves. The depositors pay all their bills in this manner, whether in the same city or in different parts of Austria-Hungary. The receiver of the money sends his usual receipt by mail to the payer, and in addition the latter has the daily statement from the postal bank that such a numbered check for such an amount was paid on such a day. Furthermore, if the creditor to

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whose order the check is paid is also a depositor in the postal bank, as it is the custom for all business houses who are depositors in the postal bank to have their deposit number printed on all their bills, statements, receipts, and business cards, the debtor fills in the check with the name and deposit number of his creditor, forwards it in the same manner, free of postage, to the general office in Vienna, and the creditor receives his daily statement that his account has been credited by so much from depositor No. —— (giving number of debtor), and likewise the debtor or issuer of check receives his daily statement that his account has been debited by a like amount paid to account of depositor No. —— (giving the number of creditor). Thus an enormous amount of transactions take place without the cash being withdrawn from the bank.

The deposit blanks consist of two parts, each containing the name, address, and number of depositor printed on their face, in addition to which each blank contains its special number in its order in the book, which number appears on both divisions of the blank. The blanks are used in two ways: If a depositor wishes to make a cash deposit, he fills in a blank with the amount and date, presents it with the cash in person or otherwise, at the nearest post-office (there are 125 post-offices in Vienna alone). The postmaster or his deputy receives the deposit, places the date stamp of the post-office on both portions of the blank, separates the latter, affixes his signature to one portion, which he gives to the depositor as a receipt. The other portion is turned into the general office with the cash at the end of the day. Within twenty-four hours the depositor receives his daily statement, showing his account credited with the above transaction and inclosing the other half of the deposit blank. If a depositor sends a bill to one of his debtors he usually incloses one of his deposit blanks; the person receiving the bill fills in the amount of the bill on both portions of the deposit blank, adds his name and address, and presents it or sends it with the money to the nearest post-office, receiving half of the deposit blank, signed and stamped as above, which he attaches to the original bill as a receipt. When the depositor receives his next daily statement from the bank, he sees at once that his account has been credited by the amount of the bill he has sent to his debtor, and with the statement he receives the other half of the deposit blank which was presented by his debtor at the post-office when the latter made the deposit in his favor. In order that the depositors may enjoy all of the above privileges and conveniences, together with free postage and 2 per cent interest on deposit, each depositor is required to keep a constant balance of 100 florins on deposit unless he express a desire to close up his account; therefore the daily statements are most useful and necessary. Any check he may draw, the payment of which would reduce his balance to 1 kreutzer below 100 florins, would be refused payment; therefore all payments are made direct from the one central office in Vienna, though they may be made through any post-office in the monarchy.

The table on page 587 shows the extent to which use is made of the check department as well as the savings department. Depositors in both branches number 1,418,786. The average saving deposit is only about $20, while the check deposit averages nearly $962. This is stated to be the only country in which the check business is operated through the post-office, and that so well and cheaply is the work performed that transactions of this character are almost entirely monopolized by the postal savings banks. Funds are invested in public securities, railway debentures, and mortgage bonds. Interest on deposits is allowed at the rate of 3 per cent in the savings department, and 2 per cent in the banking department. On each transaction in the latter department there is a charge of 2 kreutzers, the same amount on each check issued in addition to a slight fee on entries on the debit side of accounts.

The postal-savings system in the Netherlands was inaugurated in 1881. The minimum deposit accepted is 25 cents (Dutch), and interest at the rate of 2.64 per cent is allowed on accounts not exceeding 800 florins (say $320). Deposits are invested at the discretion of the department in public and private securities, and in advances on securities, etc. At the close of 1895 the depositors numbered 448,581; the deposits amounted to $17,762,323, and the average account to $39, approximately.

In 1865 a law was passed establishing savings banks in Belgium, under the control, direction, and guaranty of the state, and creating a

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bureau belonging to the department of finance. The necessary machinery was provided, books printed, notices published, blanks furnished free of cost or tax, rates of interest fixed, and disposition of funds directed. All branches of the Banque Nationale act as agents and depositaries. This law was supplemented by an act passed in 1869 which organized the postal system of the country as an auxiliary to the savings banks, and subsequently public schools were added. The savings deposits on each day are transmitted to the central office at the seat of government, leaving only sufficient funds on hand for current daily needs. Unless directed to the contrary by the depositor, all savings are invested in Government securities, but the depositor may direct the investment in certain other specified securities, but at his own risk. The rate of interest was fixed at 3 per cent, but in 1881 the rate was reduced to 2 per cent on sums over $2,400. Sums under $20 can be withdrawn on demand, but for larger amounts notice may be required. Postal savings stamps are issued in denominations from 2 centimes (two-fifths of a cent) to $200. Stamps of similar denominations are made use of largely by school children under special regulations. From the year 1865 to 1877 expenses of the savings banks were met by a tax of one-half of 1 per cent on deposits, and since 1877 by a tax of three-eighths of 1 per cent. The number of depositors in the Belgium savings banks on December 31, 1895, was 882,370, and their deposits $63,693,274; average deposit, $72.18.

The operation of the postal savings system in Sweden began in 1883. The management is conferred on a board, of which the postmaster-general is the chairman, by whom investments are made in public securities, stock, mortgage bonds, municipal loans, etc. The minimum deposit received is 1 kronor (26.8 cents). The interest rate on all accounts not exceeding 2,000 kronor ($536) is 3.6 per cent. At the close of 1895 there were 408,288 accounts and $10,696,745 deposits, the average account amounting to $26.20.

In Canada the postal savings system has been in operation since 1868, although not extended to the entire Dominion until 1885. In 1882 depositors numbered 51,463 and the deposits aggregated $9,473,661. On January 30, 1895, there were 120,628 depositors, with a credit balance of $26,805,542, an average deposit of $222.22. The minimum and maximum deposits are $1 and $1,000 respectively, and the maximum balance $3,000. Interest on deposits, which are turned over to the treasury, is allowed at the rate of 3½ per cent. The following synopsis of the laws and regulations of postal savings banks of the Dominion is reproduced from Senate Doc. 154.

"With a view of enlarging the facilities for the deposit of small savings, the Dominion post-office department was made available by Parliament in April, 1868, for that purpose, and savings banks were established under its auspices, the Government being made directly responsible for the deposits therein, as well as for accumulated interest thereon.

"Under the act the postmaster-general has authority, with the consent of the governor in council, to direct such postmasters as he may deem proper to receive deposits, which shall be remitted daily to him at Ottawa. It is required that each deposit shall be promptly entered in the depositors' books by the postmaster, and the entry attested by him as well as by the dated stamp of his office.

"Upon the receipt of the deposit at Ottawa the postmaster-general shall cause the same to be acknowledged to the depositor, which shall be conclusive evidence of the latter's claim thereto, and such interest as may from time to time accrue thereon.

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"In order, however, that the depositor shall run no risk during the time intervening between the deposit and the receipt of the postmaster-general's acknowledgment, the law provides that the entry in the depositor's book at the post-office of deposit shall be conclusive evidence as to his right to the deposit for ten days from the date thereof. At the expiration of this period, should the postmaster-general's acknowledgment have failed to reach the depositor, the latter may demand it, and the entry in the book in question in such case shall be conclusive evidence of his title to the amount for an additional ten days. A deposit can not be less than $1, nor of any sum not a multiple thereof.

"Money deposited can not be seized or detained while in the hands of the postmaster-general or while in transit to or from that officer, under legal process against the depositor.

"Upon complying with certain rules, the depositor or his representative may withdraw the amount of the deposit, or any part thereof, and the authorities shall allow no unnecessary delay to ensue in this connection.

"Postmasters and others connected with the post-office at which deposits are made or repaid are not allowed to disclose the names of the depositors, the amount of the deposit, or of that withdrawn, to other than the postmaster-general, or such of his officers as may be appointed in connection with the post-office savings bank system.

"All moneys deposited with the postmaster-general on account of this system are immediately paid over to the receiver-general of Canada, who credits them to the post-office savings bank account, and all sums withdrawn by depositors or others authorized are repaid from this fund through the postmaster-general.

"The interest on deposits of this character is 4 per cent, and dates from the 1st of the month following the deposit and ceases on the 1st of the month in which the deposit may be withdrawn.

"The accumulated interest is added to the principal and becomes part thereof on the 30th of June each year.

"A report is required to be made as soon as possible after the expiration of each month, to the auditor of public accounts, of the moneys received and paid during the preceding month, as well as of the total amount on deposit, by the postmaster-general. This statement is published in the Canada Gazette, the official organ of the Government, for the information of depositors and others.

"The postmaster-general is also required to render a statement to Parliament, within ten days after its following session, of the deposits received and the amount withdrawn, the expenses incurred in connection therewith during the fiscal year preceding, together with an exhibit of the total amount due to depositors on the 30th of June as indicated.

"The postmaster-general, subject to the conditions of the act, is empowered to frame regulations governing deposits and all other matters appertaining thereto. He is, however, required to submit such regulations to Parliament fourteen days after they shall have been framed, should it be in session, but if not, then fourteen days after the next ensuing session.

"A deposit of any one person can not exceed $300 in any fiscal year, excepting in special cases and by express authority of the postmaster-general. Interest is not allowed on sums over $1,000 during any period.

"A depositor, upon making his first deposit, is required to give his name in full, and his vocation and residence, to the postmaster or other

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officer of the post-office department, and to make and sign the declaration provided by law and regulations, which must be witnessed by the officer receiving the deposit or some person known to him, or by a justice of the peace.

"Should the declaration or any part thereof not be true, the depositor loses all right and title to the deposit.

"Depositors are not required to continue making their deposits at the original office of deposit, but may do so at any office of deposit in the Dominion. This applies to withdrawing deposits also.

"In changing from one office of deposit to another no notice to the authorities or change of pass book is required.

"Depositors are required, on the anniversary of their first deposit, in each year, to forward their books to the postmaster-general in order that the entries therein may be compared with the entries in the books of his department, as well as for the purpose of adding the accumulated interest to the principal.

"Books for the use of depositors are furnished free by the post-office department. No postage is charged on these books when in transit through the mails to the postmaster-general. Married women, or women who may afterwards marry, have sole control of their deposits."

The postal savings-bank system is in operation in New South Wales, Queensland, Victoria, Western Australia, Tasmania, and New Zealand. The minimum deposit is uniformly 1 shilling, and the maximum, on which interest is allowed, ranges from £150, in Tasmania, to £500, in South Australia and New Zealand. The lowest rate of interest is 3 per cent and the highest 4 per cent, paid only by the New Zealand banks. Investments authorized vary, the principal being in government securities, debentures, stock, and mortgages. In 1895 the depositors in the Australasian postal savings banks numbered 474,635, and the deposits amounted to £14,007,785.

Postal savings-bank returns from Australasia, India, and the Cape Colony have been incorporated with like returns from other countries published in the June, 1897, number of the Bulletin de Statistique, and presumably represent with approximate correctness the deposits, etc., in the world's institutions of this character. The deposits held by postal savings banks in the United Kingdom and dependencies are about 61 per cent of the amount in all such depositaries. The number of depositors, amount of deposits, and average account are shown in the following table:

POSTAL SAVINGS-BANK RETURNS, 1895.

Country.	Number of depositors.	Deposits. *a*	Average deposit.
United Kingdom	6,453,957	$489,344,875	$75.82
France *b*	2,488,075	150,691,705	60.56
Italy	2,896,768	89,724,465	30.97
Australasia	474,635	70,038,925	147.56
Belgium	882,370	63,693,274	72.18
Austria:			
Savings department	1.110,091	22,124,156	19.93
Banking department	28,363	27,270,964	961.50
Hungary:			
Savings department	276,565	5,429,098	19.63
Banking department	3,767	3,634,108	964.72
Canada	125.353	29,252,784	233.36
India	653,892	28,413,460	43.45
Netherlands	499,963	18,557,651	37.12
Sweden	408,288	10,696,745	26.20
Cape Colony	43,672	7,675,270	175.75
Total	16,345,759	1,016,547,480	62.19

a Returns in pounds and francs converted to dollars on the basis of £1=$5 and francs 5=$1.
b Including Algeria and Tunis.

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Credit for a large portion of the foregoing information is due to Mr. H. W. Wolff, who in the June (1897) number of the Journal of the Royal Statistical Society gives a very elaborate description of savings banks at home and abroad. The statistical results of his investigations, set forth in great detail in the table reproduced on page 537, show the population of the countries, the character and number of savings banks, rates of interest paid, deposit limits, aggregate deposits, average deposits, etc., to which is appended a column indicating the mode of investment of deposits. The returns very generally are for the year 1895.

In order that the information above referred to may be presented in the most concise form, the returns from the various classes of savings institutions in each country have been consolidated in the following table. The most notable as well as most satisfactory feature is the enormous amount of deposits in savings banks of the United States, not only relatively, but actually, being nearly 28 per cent of the aggregate in reporting savings banks of the world. This is the more remarkable when it is considered that over 23 per cent of the total is held by the mutual savings banks of the New England States and New York, New Jersey, Pennsylvania, Delaware, and Maryland. The average savings account is $378.31 and the average deposit per inhabitant $26.73. Second to the United States in amount of deposits is Prussia. The savings banks of that country hold only about one-half the amount of those in the United States, although they have nearly one-third more depositors.

With nearly 5,000,000 depositors the Austro-Hungarian banks hold 13.4 per cent of the total, being exceeded only by the United States and Prussia. France follows Austria-Hungary in volume of deposits (12.6 per cent of the aggregate), although occupying the first place of all countries in number of patrons, nearly 9,000,000. Second only to France, in number of depositors, is the United Kingdom, and in amount of deposits it is only slightly behind that country. Including her dependencies the United Kingdom holds 16 per cent of the total deposits, but the United Kingdom alone only 12.3 per cent. The savings deposits in the Australasian banks amount to over $130,000,000; in banks of Canada and Newfoundland, about $60,000,000; India, over $28,000,000, and other Crown colonies over $21,000,000. Next in importance both in respect of deposits and depositors is Italy, the former amounting to $331,330,100 and the latter numbering 4,137,908.

The proportionate extent to which savings banks are used in each country is shown in the column indicating the percentage of population who are depositors. The maximum is 45.4 per cent in Denmark, where also is the largest average deposit per inhabitant ($75.42). In Switzerland the percentage is 39.8 and the per capita average $59.60. In the United Kingdom the percentage is 20.9 and the average $21.47; in France, 23.6 per cent and $21.84; in Prussia, 19.5 per cent and $29.37; in Austria-Hungary, 11.4 per cent and $20.60; in Italy, 13.3 per cent and $11.01, and in the United States, 7.1 per cent and $26.73. Looking to the column showing the average savings account it is seen that, with a single exception (Newfoundland), the United States has by far the highest average, viz, $378.31; Canada follows with an average of $327.97. Austria-Hungary has $180; Denmark, $165.95; Prussia, $150.23; Switzerland, $149.42; United Kingdom, $102.35; France, $92.33; Italy, $80.07.

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The following is the table referred to:

DEPOSITORS, AMOUNT OF DEPOSITS, AND AVERAGE DEPOSIT IN ALL SAVINGS BANKS, POPULATION OF THE COUNTRIES, PERCENTAGE OF POPULATION WHO ARE DEPOSITORS, AND AVERAGE DEPOSIT PER INHABITANT, 1895.

Country.	Depositors.	Deposits.	Average deposit.	Population.	Number of depositors to population.	Deposit per inhabitant.
					Per cent.	
Austria	3,924,902	$658,921,560	$167.88	25,000,000	15.7	$26.35
Hungary	995,397	226,151,760	227.19	18,000,000	5.5	12.56
Bavaria	665,943	57,638,605	86.55	6,000,000	11.1	9.60
Belgium	1,145,408	113,500,080	99.09	6,850,000	16.7	16.59
Denmark	999,854	165,920,525	165.95	2,200,000	45.4	75.42
France	8,986,631	829,783,735	92.33	38,000,000	23.6	21.84
Italy	4,137,908	331,330,100	80.07	31,000,000	13.3	11.01
Netherlands	740,024	43,073,460	58.20	4,250,000	17.4	10.13
Norway	540,053	60,533,905	112.08	2,000,000	27	30.26
Prussia	6,255,507	939,757,555	150.23	32,000,000	19.5	29.37
Sweden	1,460,858	98,170,720	67.20	5,000,000	29.2	19.63
Switzerland	1,196,590	178,792,290	149.42	3,000,000	39.8	59.60
United Kingdom	7,969,826	815,686,750	102.35	38,000,000	20.9	21.47
Australasia	894,879	130,485,880	145.81	4,200,000	21.3	31.07
Canada	175,560	57,578,975	327.97	5,250,000	3.3	10.97
Cape Colony	50,161	8,490,920	169.21	1,600,000	3.1	5.31
India	653,892	28,413,460	43.60	290,000,000	.2	.01
Natal	6,963	861,520	123.01	550,000	1.3	1.57
Newfoundland	6,401	2,821,420	440.71	198,000	3.2	14.25
Crown colonies, other	114,491	12,275,455	107.22	*a* 2,000,000	5.7	6.14
United States	4,875,519	1,844,357,798	378.31	69,000,000	7.1	26.73
Total	45,796,767	6,604,546,473	144.21	584,098,000	7.8	11.31

a Partially estimated.

THE WORLD'S BANKING POWER.

Mr. M. G. Mulhall, the most distinguished of English statisticians, in his History of Prices, issued in 1885, gives statistics relative to the banking power, viz, capital, circulation, and deposits, of the world. For that year the figures for Europe, Australia, and Canada are £2,043,000,000, or $10,215,000,000. In his Industries and Wealth of Nations, issued in 1896, it is stated that in 1894 the banking power of Europe, Australia, Cape Colony, Canada, and Argentina amounted to £2,307,000,000, say $11,535,000,000, the deposits of savings banks being excluded from the calculation. In order to make the returns upon the subject as complete as possible, an investigation has been made by the Comptroller by means of a letter of inquiry sent in March last, through the courtesy of the Department of State, to each diplomatic and consular officer of the United States, in which a request was made for a statement of the resources and liabilities of each class of banks in operation in the country to which the officer addressed was accredited.

The blanks accompanying the letter called for a statement of resources and liabilities in the most concise form, and yet, with the elimination of details ordinarily obtained from banks in this country, the returns are only measurably satisfactory. In some instances investments in stocks, bonds, etc., are joined with loans and discounts; all currency united in one item; surplus and undivided profits added to capital, and balances due from other banks included in deposits. In other cases the correspondents were compelled to accept statements no more recent than 1895 (none late have been made public), and the returns for 1896 run from January to December. It has been necessary in a few instances to draw upon the Economist and Bankers' Magazine (London) for the necessary data, where the correspondents fail to obtain

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or make returns. The information obtained, however, must be regarded as adding to the fund extant on this subject. The number of banks and branches (1,760 and 6,142 respectively) relative to which information has been received appears comparatively small, but it is to be remembered that, especially in Europe, there is a great concentration of banking capital, the six hundred banks in that division having resources aggregating over ten and a quarter billion dollars, nearly 83 per cent of the total resources of foreign banks. The capital, including surplus and undivided profits, circulation and deposits, and non-classified liabilities, aggregate $12,358,411,246, or about $823,000,000 in excess of the estimate of Mr. Mulhall in 1894. The returns by countries are shown in detail in the table on page 591, and are consolidated in the following statement:

RESOURCES AND LIABILITIES OF FOREIGN COMMERCIAL BANKS AND BANKS OF ISSUE.

	Europe.	Other countries.	Total.
RESOURCES.			
Loans and discounts	$3,899,335,668	$1,292,012,848	$5,191,348,516
Stocks, bonds, etc	2,016,392,501	145,226,094	2,161,618,595
Banking premises	23,172,366	18,080,698	41,253,064
Gold	a 974,119,774	20,819,646	994,939,420
Silver	475,519,053	57,647,778	533,166,831
Specie	528,890,578	138,693,319	667,583,897
Other currency	938,444,785	108,362,079	1,046,806,864
All other resources	1,397,988,012	323,706,047	1,721,694,059
Total	10,253,862,737	2,104,548,509	12,358,411,246
LIABILITIES.			
Capital	904,609,720	363,509,370	1,268,119,090
Surplus and other undivided profits	337,437,978	107,791,194	445,229,172
Circulation	2,714,768,668	235,939,769	2,950,708,437
Deposits	4,942,011,246	1,151,706,375	6,093,717,621
All other liabilities	1,355,035,125	245,601,801	1,600,636,926
Total	10,253,862,737	2,104,548,509	12,358,411,246
Number of banks	600	1,160	1,760
Number of branches	4,349	1,793	6,142

a Includes $200,000,000, the approximate amount stated to be held by the Bank of England.

Referring again to Mulhall's statement for 1894, it is noted that the banking power of the United States in that year was 30.9 per cent of that of the world. The combined banking power of foreign banks in 1896, as shown by the foregoing table, was $10,757,771,320, and of the United States (excluding savings institutions) $5,293,366,029, a total of $16,051,137,349, the proportion of the United States being 32.9 per cent.

Inquiry as to the minimum and maximum rates of interest charged on loans and discounts shows the following: In Europe 1 to 7 per cent, Asia 3.5 to 12.41, Australasia 4.5 to 7, Mexico 7 to 7.5, Central America 12 to 18, South America 6 to 17, Pacific and West India islands 3.5 to 18. Interest paid on deposits varies from 0 to 6 in Europe, 0 to 5.5 in Asia, 3.5 in Australasia, 3.25 to 3.5 in Mexico, 5 to 6 in Central America, 3 to 5 in the Pacific and West India islands. The average rate of dividends paid by the joint stock banks of the United Kingdom was approximately 11 per cent during the year ended on June 30, 1896. In the other European States the rate varied, as reported, from 4 to 10 per cent, in Asia and Africa 3 to 12.26 per cent, Canada 7.5, Mexico 3 to 13.5, Central America 8 to 27, South America 8 to 25, and the islands 4 to 40.

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It has been thought best to reproduce the correspondence accompanying the banking returns, except mere letters of transmittal, containing, as it does, valuable information not specially called for, but of interest as bearing indirectly on the subject. The correspondence will be found in the appendix.

BANKS OF THE UNITED KINGDOM.

The returns of the joint stock and private banks of the United Kingdom and of colonial and foreign joint stock banks with London officers, from statements submitted on or about June 30 and December 31 of each year, are published semiannually as a supplement to the London Economist. The returns for the last three semiannual statements are reproduced in the following table, the hundreds being omitted. The number of banks and branches in the United Kingdom on June 30, 1896, was, it will be seen, 147 and 4,332, respectively; on December 31, 1896, 145 and 4,601, respectively, and on June 30, 1897, 139 and 4,725. The assets of these banks on the earliest date mentioned were £957,311,000, capital £84,835,000; deposits and accounts current, £754,049,000, and circulation, £41,593,000. On December 31 of that year the assets were £950,589,000; capital, £84,993,000; deposits, etc., £744,189,000, and circulation, £41,421,000. On the date of the last report the resources amounted to £957,675,000; capital, £84,403,000; deposits, £757,311,000, and circulation, £42,878,000. It will be noted that the notes in circulation of the Bank of England amount to about 65 per cent of the total circulation outstanding. The resources of the colonial and foreign banks on June 30, 1896, were £397,452,000; on December 31, 1896, £394,648,000, and on June 30, 1897, £382,264,000. The following is the table referred to:

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RESOURCES AND LIABILITIES OF JOINT-STOCK AND PRIVATE BANKS OF

[000's omitted.]

JUNE 30, 1896.

	Number of banks.	Number of branches.	Resources.		
			Loans and discounts.	Government and other securities.	Cash and money at call and short notice.
Bank of England	1	11	£29,051	£32,027	£49,156
Banks of England and Wales, including Bank of England	97	2,794	361,271	149,957	173,892
Banks of Scotland	10	1,015	63,465	30,236	21,937
Banks of Ireland	9	509	32,858	18,381	10,214
Banks of Isle of Man and Channel Islands	4	14	1,322	932	359
Total	120	4,332	458,916	199,506	206,403
Banks, private, of England and Wales	27	.....	25,785	17,532	12,717
Total joint-stock and private banks	147	4,332	484,701	217,038	219,120
Colonial joint-stock banks with London offices	29	1,585	163,776	15,905	59,556
Foreign joint-stock banks with London offices	24	168	141,063	14,180	27,402
Grand total	200	6,085	789,540	247,123	306,078

DECEMBER 30, 1896.

Bank of England	1	11	£34,563	£30,553	£34,159
Banks of England and Wales, including Bank of England	95	3,062	372,588	148,024	150,029
Banks of Scotland	10	1,016	64,691	30,530	22,005
Banks of Ireland	9	509	34,042	18,180	9,423
Banks of Isle of Man and Channel Islands	4	14	1,251	1,074	286
Total	118	4,601	472,572	197,808	181,743
Banks, private, of England and Wales	27	.....	26,878	19,357	13,211
Total joint-stock and private banks	145	4,601	499,450	217,165	194,954
Colonial joint-stock banks with London offices	28	1,560	161,074	13,541	55,693
Foreign joint-stock banks with London offices	24	173	110,737	14,091	24,977
Grand total	197	6,334	771,861	244,797	275,624

JUNE 30, 1897.

Bank of England	1	11	£35,373	£30,748	£36,880
Banks of England and Wales, including Bank of England	91	3,179	376,229	149,174	160,881
Banks of Scotland	10	1,019	64,845	30,364	22,452
Banks of Ireland	9	513	35,025	17,634	3,921
Banks of Isle of Man and Channel Islands	3	14	1,248	811	251
Total	113	4,725	477,347	197,983	192,505
Banks, private, of England and Wales	26	.....	25,933	18,883	12,511
Total joint-stock and private banks	139	4,725	503,280	216,866	205,016
Colonial joint-stock banks with London offices	29	1,573	164,414	14,579	48,844
Foreign joint-stock banks with London offices	23	172	104,581	12,257	24,242
Grand total	191	6,470	772,275	243,702	278,102

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THE UNITED KINGDOM IN JUNE AND DECEMBER, 1896, AND JUNE, 1897.

[000's omitted.]

JUNE 30, 1896.

Resources.		Liabilities.					
All other assets.	Total assets.	Capital.	Reserve fund.	Dividends unpaid and other profits.	Notes in circulation.	Deposits and current accounts.	All other liabilities.
.....	£110,234	£14,553	£3,000	£89	£27,034	£65,426	£132
£25,905	711,025	59,704	29,008	2,615	28,146	564,538	26,414
6,738	122,376	9,302	5,889	968	7,275	94,337	4,605
1,286	62,739	7,109	3,129	449	5,907	45,566	579
31	2,644	125	115	24	53	2,310	16
33,960	898,785	76,241	38,742	4,056	41,381	706,751	31,614
2,491	58,526	8,594	.....	.....	211	47,298	2,422
36,451	957,311	84,835	38,742	4,056	41,593	754,049	34,036
8,402	247,639	31,734	7,712	1,243	7,502	172,726	26,723
3,168	149,813	21,569	6,917	2,233	2,993	86,625	29,475
48,021	1,354,763	138,138	53,371	7,532	52,088	1,013,400	90,234

DECEMBER 30, 1896.

.....	£99,275	£14,553	£3,000	£193	£26,664	£54,736	£129
£28,152	698,793	59,756	29,763	3,314	27,675	549,969	28,316
7,068	124,293	9,302	6,044	983	7,335	95,695	4,934
1,236	62,882	7,109	3,151	503	6,134	45,553	432
32	2,643	125	117	26	53	2,306	14
36,488	888,611	76,292	39,075	4,826	41,197	693,523	33,696
2,532	61,978	8,701	.....	.....	224	50,666	2,386
39,020	950,589	84,993	39,075	4,826	41,421	744,189	36,082
11,468	242,376	34,142	7,739	1,332	7,721	162,901	28,539
2,465	152,272	21,922	7,422	2,359	3,045	79,927	37,594
52,953	1,345,237	141,057	54,236	8,517	52,187	987,017	102,215

JUNE 30, 1897.

.....	£103,002	£14,553	£3,000	£98	£28,485	£56,716	£149
£21,595	707,879	59,318	29,617	2,893	29,447	565,006	21,598
7,267	124,929	9,302	6,145	1,006	7,370	95,882	5,223
1,161	62,739	7,114	3,251	475	5,795	45,580	525
23	2,334	105	98	22	54	2,045	9
30,046	897,881	75,839	39,111	4,396	42,666	708,513	27,355
2,465	59,794	8,564	.....	.....	212	48,798	2,219
32,511	957,675	84,403	39,111	4,396	42,878	757,311	29,574
10,660	238,497	33,795	7,820	1,330	7,567	156,320	31,664
2,687	143,767	21,859	7,403	2,242	2,854	72,604	36,802
45,858	1,339,939	140,057	54,334	7,968	53,299	986,235	98,040

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FOREIGN BANKS OF ISSUE.

The specie, circulation, ratio of specie to circulation, deposits and accounts current, loans and discounts, and rates of discount of the principal European banks of issue on March 31, 1897, are shown in the April number of the Bulletin de Statistique, the amounts being expressed in millions of francs. The statement is reproduced herewith:

Banks.	Specie.	Gold.	Silver.	Circulation.	Specie to circulation.	Current accounts and deposits.	Loans and discounts.	Discount rate.
	Francs.	*Francs.*	*Francs.*	*Francs.*	*Per ct.*	*Francs.*	*Francs.*	*Per ct.*
Imperial Bank of Germany	1,076.2	.....	.....	1,501.6	71	513.8	1,032.7	3.5
Bank of Austria-Hungary	.....	654.8	265	1,272.2	72	24.7	701.2	4
National Bank of Belgium	108.7	.....	.....	467.9	23	46.1	422.9	3
National Bank of Bulgaria	9.6	.....	.....	2	480	50.1	72.2	8
National Bank of Denmark	.....	78.8	.....	114	70	12.5	51.9	4
Bank of Spain	.....	213.2	269.4	1,055.8	46	462.7	444.6	5
Bank of Finland	.....	20.1	3.6	67.7	35	13.4	36.4	5
Bank of France	.....	1,918.4	1,226.8	3,702	85	487.3	1,138.8	2
National Bank of Greece	2.7	.....	.....	112.9	2	41.7	57.8	6.5
Bank of Italy, of Naples, and Sicily	.....	444.1	74.8	1,025.2	56	331.9	380.1	5
Bank of Norway	.....	36.4	.....	69.8	52	13.7	52	4.5
Bank of The Netherlands	.....	66.4	176.8	413.4	58	10.7	217.1	3.5
Bank of Portugal	.....	26.7	48	322.9	23	11.2	94.3	5.5
National Bank of Roumania	.....	59.8	2	129.3	47	13.9	54.6	5
Bank of England, of Scotland, and of Ireland	.....	1,166	30	1,011.4	118	965	747.5	3
Imperial Bank of Russia	.....	2 421.4	96.4	2,533.8	99	447.2	692.7	4.5
Bank of Servia	.....	7	4.9	24.7	48	1.1	14.9	6
Royal Bank of Sweden and private banks	.....	43.8	19	168	37	569.1	533.6	4.5
Banks of Switzerland	.....	87.1	8	190.6	50	325.3	697.9	3.5
Imperial Ottoman Bank	33.7	.....	.....	14.2	240	130.3	98.5	3.5
Total	1,230.9	7,244	2,224.7	14,199.4	75	4,471.7	7,541.7	.....

MONETARY SYSTEMS AND WORLD'S STOCK OF MONEY.

The Director of the Mint has courteously enabled a presentation to be made in this report of the latest compiled statistics relative to the world's monetary systems and the stock of gold, silver, and paper currency. To the returns from 34 countries reported in 1896, are now added those from the Cape Colony and South African Republic. There has been no change during the past year in the monetary systems, nor have the ratios of gold to silver been disturbed. The stock of gold has increased from $4,143,700,000 in 1896 to $4,359,600,000 in 1897; the stock of silver from $4,236,900,000 to $4,268,300,000, and the uncovered paper from $2,558,000,000 to $2,565,800,000. The greater portion of the gold, $3,293,700,000 (about 75 per cent), is held in the United States, United Kingdom, France, Germany, and Russia. About 78 per cent of the silver is held in the following-named countries: India, $950,000,000; China, $750,000,000; United States, $634,000,000; France, $441,000,000; Straits Settlements, $242,000,000; Germany, $212,000,000; United Kingdom, $121,000,000. The South American States have in circulation $550,000,000 of uncovered paper currency; Russia, $467,200,000; United States, $397,000,000; Austria-Hungary,

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$177,600,000; Italy, $161,000,000; Germany, $123,800,000; France, $119,200,000, and the United Kingdom $112,100,000.

During the year Russia increased her supply of gold $98,300,000; the United States, $24,100,000, and Austria-Hungary, $11,300,000. The gold stock of the United Kingdom and France is practically unchanged, but Germany and Italy have lost $20,500,000 and $3,500,000, respectively. There has been but a slight increase in the stock of silver, Germany having added only about $5,800,000 and the United States $3,100,000. The supply of silver in France has decreased about $48,300,000. No other material changes are noted in the specie held.

The amount of uncovered paper circulation outstanding in the United States has been reduced $27,400,000. In Austria-Hungary the currency of this character has decreased $26,900,000; in Italy, $7,500,000, and in Germany, $2,300,000. The only material increase is in France, namely, $21,200,000. The uncovered paper currency in Russia, Spain, and the South American States stands at about the same figures as in 1896.

A very interesting feature of this statement is the per capita amount of each kind of money in the countries named. The per capita averages in the principal countries of the world are as follows: United States, 23.70; United Kingdom, 20.65; France, 34.68; Germany, 18.95; Austria-Hungary, 9.33, and Russia, 8.95. The information referred to is shown in the following table:

MONETARY SYSTEMS, POPULATION, AND APPROXIMATE STOCKS OF MONEY IN THE AGGREGATE IN THE PRINCIPAL COUNTRIES OF THE WORLD IN 1897.

Countries.	Monetary system.*	Ratio between gold and full legal tender silver.	Ratio between gold and limited tender silver.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.	Per capita.			
						Full tender	Limited tender.	Total.		Gold.	Silver.	Paper.	Total.
		1 to —	*1 to —*	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*				
United States *j*.	G. and s	15.98	14.95	72.9	$696.3	$558.7	$75.8	$634.5	†$397	$9.55	$8.70	$5.45	$23.70
United Kingdom	G	.....	14.28	39.6	*a* 584	.....	*a* 121.7	121.7	*b* 112.1	14.75	3.07	2.83	20.65
France	G. and s	15½	14.38	38.5	*b* 772	*b* 386	*b* 57.9	443.9	*b* 119.2	20.05	11.53	3.10	34.68
Germany	G	.....	13.957	52.3	*c* 654.5	*c* 95.2	*c* 117.6	212.8	*b* 123.8	12.51	4.07	2.37	18.95
Belgium	G. and s	15½	14.38	6.4	*d* 35	*d* 50	*d* 7	57	*b* 72.5	5.47	8.91	11.32	25.70
Italy	...do ...	15½	14.38	31.3	*b* 96.9	*b* 18.9	*b* 26.5	45.4	*b* 161	3.10	1.45	5.14	9.69
Switzerland	...do ...	15½	14.38	3	*k* 24	.....	*k* 10.7	10.7	*b* 14.3	8	3.56	4.77	16.33
Greece	...do ...	15½	14.38	2.2	*d*. 5	*d*. 5	*d* 1	1.5	*b* 26	.23	.68	11.81	12.72
Spain	...do ...	15½	14.38	18	*d* 45	.....	*d* 49	49	*b* 103	2.50	2.72	5.72	10.94
Portugal	G	.....	14.08	5.1	*d* 5.5	.....	*d* 9.5	9.5	*b* 49.8	1.08	1.86	9.76	12.70
Roumania	G. and s	.....	.....	5.4	*b* 38.6	.....	*b* 10.6	10.6	*b* 11.8	7.15	1.96	2.19	11.30
Servia	...do ...	.....	.....	2.3	*b* 2.7	.....	*b* 1.7	1.7	*b* 2.4	1.18	2.04	1.04	4.26
Austria-Hungary	G	.....	13.60	45	*b* 178.5	*b* 23.7	*b* 40	63.7	*b* 177.6	3.97	1.41	3.95	9.33
Netherlands	G. and s	15⅝	15	4.9	*b* 21.9	*b* 52.8	*b* 3.3	56.1	*b* 37.9	4.47	11.45	7.73	23.65
Norway	G	.....	14.88	2	*b* 7.5	.....	*b* 2	2	*b* 3.8	3.75	1	1.90	6.65
Sweden	...do ...	.....	14.88	5	*b* 10.6	.....	*b* 4.9	4.9	*b* 19	2.12	.98	3.80	6.90
Denmark	...do ...	.....	14.88	2.3	*b* 15.4	.....	*b* 5.4	5.4	*b* 6.4	6.70	2.35	2.78	11.83
Russia	S	15½	12.90	126	*f* 586.9	*b* 32.3	*d* 41.9	74.2	*b* 467.2	4.66	.59	3.70	8.95
Turkey	G. and s	15⅞	15.875	22	*d* 50	*d* 30	*c* 10	40	.....	2.27	1.82	.....	4.09
Australasia	G	.....	14.28	5	*b* 132.1	.....	*d* 7	7	*b* 22.5	26.42	1.40	4.50	32.32
Egypt	...do ...	.....	15.68	7.8	*c* 129.3	.....	*b* 6.4	6.4	.....	16.58	.82	.....	17.40
Mexico	S	16½	.....	13.0	*d* 8.6	*b* 106	.....	106	*b* 4	.67	8.15	3.07	11.89

* G. (gold) S. (silver).

† National-bank notes, gold and currency certificates and United States notes outstanding, less gold coin and bullion in the Treasury.

a Money and Prices, United States State Department.

b Information furnished through United States representatives.

c Haupt.

d Estimate Bureau of the Mint.

f London Economist.

k C. Cramer Frey.

j July 1, 1897; all other countries January 1, 1897.

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MONETARY SYSTEMS, POPULATION, AND APPROXIMATE STOCKS OF MONEY IN THE AGGREGATE IN THE PRINCIPAL COUNTRIES OF THE WORLD IN 1897—Cont'd.

Countries.	Monetary system.*	Ratio between gold and full legal tender silver.	Ratio between gold and limited tender silver.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.	Per capita.			
						Full tender	Limited tender	Total.		Gold.	Silver.	Paper.	Total.
				Millions.	*Millions.*	*Millions.*	*Millions.*	*Millions.*	*Millions.*				
Central American States	S	*1 to —*	*1 to —*	3.3	*d* $1	$18.9	.....	$18.9	*b* $8.4	$0.30	$5.73	$2.54	$8.57
South American States	...do *e*	15½	.....	37.5	*d* 65	*d* 25	*d* $10	35	*d* 550	1.73	.93	14.67	17.33
Japan	G and s	16.18	.....	45	*b* 80.1	75.5	18.5	94	.....	1.78	2.09	.....	3.87
India	...do	15	.....	296	.....	*g* 950	.....	950	*h* 37	.....	3.21	.12	3.33
China	S	.....	.....	360	.....	*d* 750	.....	750	.....	.....	2.08	.....	2.08
Straits Settlements	...do	.....	.....	*i* 3.8	.....	*c* 240	*c* 2	242	.....	.....	63.68	.....	63.68
Canada	G	.....	14.28	5.3	*b* 16	.....	*b* 5	5	*b* 35	3.01	.95	6.60	10.56
Cuba	G and s	15½	.....	1.8	*d* 5	*d* 1.5	.....	1.5	.....	2.78	.83	.....	3.61
Haiti	...do	15½	.....	1	*b* 4	*b* 3	*d* 1.5	4.5	*b* 4.1	4	4.50	4.10	12.60
Bulgaria	...do	15½	14.38	3.3	*d* 1	*d* 3.4	*d* 3.4	6.8	.....	.30	2.06	.....	2.36
Siam	S	.....	.....	5	*b* 20	*b* 193.4	.....	193.4	.....	4	38.68	.....	42.68
Hawaii	G and s	15.98	14.95	.1	*b* 5	*b* 1	.....	1	.....	50	10	.....	60
Cape Colony	G	.....	.....	1.7	*a* 37.5	.....	*a* 1	1	.....	22.06	.58	.....	22.64
South African Republic	G	.....	.....	.8	*a* 29.2	.....	*a* 1.2	1.2	.....	36.50	1.50	.....	38
Total	.....	.....	.....	.....	4,359.6	3,615.8	652.5	4,268.3	2,565.8	.....	.....	.....	.....

* G. (gold), S. (silver).
a Money and Prices, United States State Department.
b Information furnished through United States representatives.
c Haupt.
d Estimate Bureau of the Mint.
e Except Venezuela and Chile.
g F. C. Harrison.
h Indian Currency Committee Report.
i Includes Aden and Perim, Ceylon, Hongkong, Labuan, and Straits Settlements.

DIGEST.

Some years since the increasing importance of a knowledge on the part of bankers of the law, as laid down by the Federal and State courts, affecting the conduct of the banks, warranted the undertaking of a compilation of decisions rendered in bank cases. In the report herewith presented the digest is enlarged to 227 pages, embracing about 1,400 decisions, accompanied by a table of cases alphabetically arranged, together with an index of subjects affected by the court decisions cited.

APPENDIX AND VOLUME II.

To the statistical information usually contained in the appendix of the report several valuable tables have been added, notably classification of the capital of national banks by States and geographical divisions; comparative statement of the capital, bonds, and circulation by States, etc.; resources, liabilities, specie, and lawful money reserve by States, etc., at the date of every report during the year, and a condensed statement of the principal items of the resources and liabilities of the national banks in every State at the date of the last annual call, from October 5, 1863, to October 5, 1897. Volume II contains statements of the resources and liabilities of every national bank on October 5, 1897. The statements are arranged, alphabetically, by towns and States.

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CONCLUSION.

In closing this, my final report to Congress, I can not forbear paying a special tribute of respect to those who have been associated with me during my incumbency of the office of Comptroller of the Currency. The Deputy Comptrollers, the chief clerk, the chiefs of divisions, the clerks, and all others in the office at Washington have been faithful in their attention to duty and earnest in their efforts to promote the efficiency of the service. The labor involved by the increased number of bank examinations and the unprecedented number of bank failures has more than doubled the work necessary to be done, but no increase in the force of employees has been made.

Not less intelligent and careful have been the bank examiners in the field and the receivers in charge of failed banks. The effort of the receivers is shown by the amount of money paid to creditors within the past year, equaling one-sixth of the total amount of dividends paid out to creditors of all failed banks in the history of the system. The difficulties confronting the examiners during the period of prolonged uncertainty affecting the banks of the country have been at times many and intricate. In the first report which I submitted to Congress I recommended that a change be made in the method of compensating examiners from the fee system at present controlling to that of a fixed salary, with an allowance for necessary traveling and other expenses.

This salary should be paid from a fund to be collected from the banks by an assessment in lieu of the fee now charged against them for examinations when made. The expense to the banks would not be increased, but a more even distribution of salaries would be obtained. With a fixed salary, instead of an already-determined fee, examiners would be in position to apportion their time, in making examinations, in accordance with the needs of the banks examined. Only in this way can be had that complete scrutiny of a bank's affairs which is due to the officers and shareholders and to its patrons and the general public.

JAMES H. ECKELS,
Comptroller of the Currency.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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REPORT

OF

THE COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, December 5, 1898.

SIR: I submit herewith in compliance with law my annual report on the operations of the Currency Bureau. This is the thirty-sixth annual report, and is for the year ended October 31, 1898.

CONDITION OF NATIONAL BANKS.

Since October 5, 1897, five reports of condition of national banks have been made, as follows: December 15, 1897, February 18, May 5, July 14, and September 20, 1898. The resources and liabilities of the banks at date of each report are shown in detail in the following table:

SUMMARY OF REPORTS OF CONDITION OF NATIONAL BANKS DURING THE YEAR.

	Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	July 14, 1898.	Sept. 20, 1898.
	3,607 banks.	3 594 banks.	3,586 banks.	3,582 banks.	3,585 banks.
RESOURCES.					
Loans and discounts	$2,082,608,324. 81	$2,138,078,280. 43	$2,097,094,235. 23	$2,151,757,655. 60	$2,155,961,627. 91
Overdrafts	17, 741, 993. 50	14, 093. 400. 41	12, 679, 151. 37	11, 924, 282. 56	16, 557, 982. 63
U. S. bonds to secure circulation	222, 020, 750. 00	212, 425, 300. 00	216, 158, 390. 00	218, 106, 450. 00	224, 628, 840. 00
U. S. bonds to secure U. S. deposits	45, 367, 100. 00	34, 760, 500. 00	28, 630, 500. 00	53, 519, 100. 00	83, 926, 230. 00
U. S. bonds on hand	14, 915, 800. 00	13, 184, 500. 00	16, 365, 000. 00	13, 731, 350. 00	30, 614, 010. 00
Premiums on U. S. bonds	18, 555, 489. 01	17, 789, 744. 59	18, 271, 547. 14	18, 947, 195. 10	18, 971, 197. 22
Stocks, securities, etc	217, 582. 980. 50	230, 346. 748. 92	236, 025, 116. 53	250, 689, 375. 09	255, 198, 927. 69
Banking house, furniture, and fixtures	79. 254. 940. 92	78, 894, 056. 33	79, 463. 235. 21	79, 308, 604. 63	79, 386, 337. 51
Other real estate and mortgages owned	29, 852, 102. 09	30, 119, 511. 21	30, 326, 045. 27	30, 186, 270. 70	30, 484, 417. 71
Due from national banks	168. 825. 189. 92	170, 808, 109. 97	152. 372, 153. 15	161, 138, 722. 49	159, 128, 045. 17
Due from State banks and bankers	48, 012, 498. 55	48, 093, 430. 84	45, 468, 995. 03	43, 248, 800. 85	46, 324, 878. 06
Due from approved reserve agents	309, 569, 861. 34	360, 277, 020. 45	300, 961, 618. 96	320, 015, 035. 43	320, 002, 050. 90
Checks and other cash items	14, 933, 428. 42	13, 100, 061. 68	16, 719, 376. 27	17, 308, 976. 92	16, 828, 942. 11
Exchanges for clearing house	118, 415, 838. 07	113, 590, 539. 43	126, 234, 933. 64	94, 276, 408. 07	110, 286, 935. 55
Bills of other national banks	18, 859, 116. 00	18, 600, 745. 00	21, 338, 292. 00	20, 811, 692. 00	19, 649, 723. 00
Fractional currency, nickels, and cents	925, 465. 16	1. 040, 901. 73	1, 057, 060. 71	1, 093, 904. 16	1, 023, 834. 03

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SUMMARY OF REPORTS OF CONDITION OF NATIONAL BANKS DURING THE YEAR—Continued.

	Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	July 14, 1898.	Sept. 20, 1898.
	3,607 banks.	3,594 banks.	3,586 banks.	3,582 banks.	3,585 banks.
RESOURCES—cont'd.					
Gold coin	$119,747,644.72	$125,710,166.77	$131,081,263.68	$132,888,037.43	$127,990,555.98
Gold Treasury certificates	19,484,500.00	18,062,350.00	18,230,699.00	18,457,340.00	18,323,870.00
Gold clearing-house certificates	67,861,000.00	79,083,000.00	118,333,000.00	133,576,000.00	104,356,000.00
Silver dollars	7,509,247.00	7,459,428.00	8,100,544.00	7,963,587.00	6,861,433.00
Silver Treasury certificates	31,752,596.00	34,964,239.00	35,316,796.00	36,458,014.00	30,679,950.00
Silver coin, fractional	5,808,565.21	6,098,741.84	6,120,479.16	6,334,152.52	5,662,349.41
Legal-tender notes	112,564,875.00	120,265,185.00	119,058,681.00	114,914,997.00	110,038,300.00
U. S. certificates of deposit	45,840,000.00	49,250,000.00	23,975,000.00	20,385,000.00	16,810,000.00
Five per cent redemption fund	9,761,568.38	9,315,860.62	9,520,530.82	9,601,066.56	9,795,055.25
Due from Treasurer United States	1,442,901.40	1,535,292.19	1,064,313.04	11,033,427.06	4,019,551.74
Total	3,829,213,776.00	3,946,947,114.41	3,869,966,858.21	3,977,675,445.17	4,003,511,044.87
LIABILITIES.					
Capital stock paid in	629,655,365.00	628,890,320.00	624,471,670.00	622,016,745.00	621,517,895.00
Surplus fund	246,416,688.48	248,484,530.31	247,695,979.44	247,935,215.65	247,555,108.57
Undivided profits, less expenses and taxes	95,293,663.02	86,143,789.31	99,320,999.16	85,036,427.50	93,015,097.86
National-bank notes outstanding	193,783,985.00	184,106,322.00	188,425,308.50	189,866,298.50	194,483,765.50
State-bank notes outstanding	60,335.50	56,018.50	56,017.50	56,007.50	55,907.50
Due to other national banks	445,061,154.89	594,980,175.82	424,204,634.90	467,634,068.18	446,417,454.05
Due to State banks and bankers	232,877,503.25	259,972,293.60	245,643,049.17	252,182,773.37	251,917,900.89
Dividends unpaid	943,274.07	1,071,997.92	2,000,238.18	2,704,832.25	1,008,410.82
Individual deposits	1,916,630,252.25	1,982,660,933.15	1,999,308,438.96	2,023,357,159.60	2,031,454,540.29
U. S. deposits	39,939,047.71	27,562,931.73	23,095,935.89	48,081,038.95	70,187,368.12
Deposits of U. S. disbursing officers	4,012,185.36	3,870,835.81	3,928,661.49	4,788,377.83	4,977,832.80
Notes and bills rediscounted	3,161,796.07	2,681,072.89	4,467,622.85	5,364,952.85	6,084,815.45
Bills payable	7,722,623.78	5,579,549.06	9,288,156.89	9,283,285.11	11,283,332.33
Liabilities other than those above	13,655,901.62	10,886,344.31	7,060,145.28	19,368,262.88	23,551,615.69
Total	3,829,213,776.00	3,946,947,114.41	3,869,966,858.21	3,977,675,445.17	4,003,511,044.87

Notwithstanding that the number of banks in operation on September 20, 1898, is less than at any date of report since December 19, 1890, the amount of individual deposits, loans and discounts, and total resources is greater than at any time during the existence of the national banking system. On September 20, for the first time, the aggregate resources reached and exceeded the four-billion-dollar mark, the increase since October 5, 1897, being $298,377,337.16. A comparison of the last returns with those of October 5, 1897, indicates an increase during the year of $104,952,189.74 in loans and discounts; $79,194,380 in Government securities on deposit with the Treasurer of the United States to secure circulating notes and public deposits and the amount held by the banks; $57,304,827.34 in specie and legal tenders. The reduction of $25,465,000 in the amount of United States certificates of deposit for legal tenders results in a net increase of lawful money of $31,839,827.34.

The reduction of 25 in the number of banks reporting is accompanied by a decrease of $9,970,200 in capital stock and $4,436,904.50 in circulating notes outstanding. Necessarily the principal increase in the

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liability side of the statement is in individual deposits. On October 5, 1897, the deposits aggregated $1,853,349,128.50, and on September 20, 1898, $2,031,454,540.29, the increase being $178,105,411.79. The balance due other banks and bankers shows an increase of $52,627,388.09 and United States deposits of $59,023,019.27.

By reference to the foregoing table, it will be seen that loans and discounts, which on October 5, 1897, amounted to $2,051,009,438.17, show a material increase up to February 18, 1898. The returns on May 5 show a decrease since the February report of $40,984,045.20. Compared with the amount on May 5, the increase on July 14 was $54,663,420.37, which was further increased on September 20 by $4,203,972.31.

United States bonds on deposit with the Treasurer of the United States to secure circulation have fluctuated between a maximum of $227,483,950 on October 5, 1897, and $212,425,300 on February 18, 1898, the amount on deposit on September 20 being $224,628,840, a reduction during the year of $2,855,110.

Specie held by the banks is greater at date of each report during the year than on October 5, 1897, when it stood at $239,387,702.05. The maximum holding was reached on July 14, being $335,677,130.95. Between that date and September 20 there was a decrease of $41,802,972.56.

Capital stock shows a steady but slight decrease since October 5, 1897. The changes in the surplus and other undivided profit accounts have been slight, although, as compared with October 5, the increase in both items during the year aggregates $5,818,205.60.

The circulation account was greatest at date of statement closing the last report year. The minimum amount outstanding was $184,106,322, on February 18, 1898. From that date there was a gradual increase during the balance of the year, but, as heretofore stated, the amount outstanding on September 20, 1898, was $4,436,904.50 less than on October 5, 1897.

Without an exception, there has been a material increase in individual deposits at date of each report during the year. Starting at $1,853,349,128.50, the account reached on September 20 an aggregate of $2,031,454,540.29, or, as heretofore stated, an increase during the year of over $178,000,000.

The liabilities of the banks on account of notes and bills rediscounted and bills payable were at the maximum on October 5, 1897, being $19,755,556.64. On February 18, 1898, these liabilities amounted to only about $8,000,000. Thereafter there was a steady increase to the close of the year, when the amount was $17,368,147.78.

INVESTIGATIONS AND RECOMMENDATIONS RELATIVE TO BANK-NOTE CURRENCY.

Section 333 of the Revised Statutes of the United States provides that the Comptroller of the Currency in his annual report to Congress shall suggest "any amendment to the laws relative to banking by which the system may be improved and the security of the holders of its notes and other creditors may be increased."

In suggesting some general amendments to the national banking law at this time, it is not the purpose of the Comptroller to review in detail the plans and propositions for the modification of our currency and banking systems which are now, and for some time have been, the subject of economic and general discussion throughout the country; but a reference to them and the principles underlying them is deemed

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imperative in view of the fact that in their present form they seem to ignore the interests of bank depositors, with whose protection the Comptroller is peculiarly charged.

The panic of 1893 having directed attention toward the dangers to the general commercial system, resulting from the disproportion between demand-currency liabilities of the Government, payable in gold, and the gold held in reserve by the Government for their redemption, as well as to the inelasticity of the present bank-note currency, the plans providing for a modification of the banking and currency systems which are now most discussed, may be considered as based upon the following propositions:

First. That the disproportion between outstanding currency liabilities of the Government payable in gold, and the gold held for their redemption, should be lessened by a contraction in the amount of these demand-currency liabilities.

Second. That the void in circulation, caused by such contraction, should be filled by an extension of the circulation of national banks, which circulation, redeemable in gold, is ultimately to depend for its chief security upon a first lien on the commercial assets of the issuing banks.

The more prominent of these plans, which may be considered as embodying in the ablest forms the general principles necessarily involved in a system of bank-note issues secured by the general assets of banks, look to the ultimate displacement of Government-credit money with bank-credit money, the latter eventually being secured by a first lien upon the assets of the issuing banks, and by a 5 per cent redemption fund created in the first instance by taxation upon solvent issuing banks and thus maintained. It is proposed that a first lien shall exist upon all the assets of any insolvent bank which may have issued currency until it has contributed to such fund, to be held by the Government as trustee, an amount sufficient to redeem its outstanding notes in full.

Upon any deficiency occurring in such contribution to the guaranty fund, due to a failure to collect from the assets of the insolvent bank a sufficient amount to redeem its notes in full, resort is to be had to additional taxation upon solvent banks issuing circulation to supply the deficiency, one plan providing, however, that such tax shall not exceed 1 per cent on the amount of their note issues per year.

The assumptions which seem to underlie these plans are:

First. That unless we are to have a currency contraction, some radical extension of bank-note issues is absolutely necessary to the securing of the proper adjustment of Government currency liabilities to its gold reserve, by which adjustment the greater safety of the gold standard is subserved; and,

Second. That through this radical extension and change in the present form of bank-note issues alone, is elasticity to be secured in our currency.

As opposed to these propositions, and in connection with the data given and views expressed hereinafter, relative to changes in the present banking laws, the Comptroller desires to state that his suggestions are based upon the following assumptions:

First. That there is existing no such condition of the United States finances, revenues, or credit as to justify the proposition that the shifting of the burden of gold redemption of outstanding currency from the Government to the banks, is so important as to necessitate of itself radical changes and concessions in national-banking laws relative to

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the issue of notes, which changes and concessions would not be considered wise if the interests of the community, irrespective of Government finances, were alone considered.

Second. That if from considerations of general public policy, irrespective of governmental finances, bank-note issues secured only by commercial assets of banks seem unwise, the resources, credit, and financial condition of the United States are such that by means of revenue laws and other amendments to law suggested by the President in his last annual message, a safer ratio between its outstanding circulation and gold reserve can be attained, the stability of the present gold standard insured, and the currency maintained upon a sound basis without contraction.

It must be remembered, in connection with the discussion of changes in the present banking laws, that by far the most important function of the national banks is that of an acting middleman between the depositors and borrowers of a community, and that its note-issuing functions are secondary in importance and usefulness under the present, or any proposed system of bank-note issues.

It is especially important, therefore, in proposing changes in the laws governing the note-issuing powers of national banks, that the effects of such changes upon the relation of the bank to its depositors and borrowers, be carefully studied.

It is the belief of the Comptroller that the proposed preference of the note holder over the depositor, which is a fundamental basis of all these plans, is not only inherently wrong, and unjustified by any grounds of public policy, but that its practical effect upon the present relation of depositors to banks in the smaller communities of the United States would be so revolutionary as to bring about the most injurious conditions in the general business of the country.

The essential similarity between the liability of a solvent bank expressed by a deposit credit and by a bank note, is generally recognized and emphasized by those advocating these plans.

In view of this recognized similarity before the insolvency of a bank, the radical dissimilarity in their respective treatment when insolvency occurs, is justified by a course of reasoning which is believed to be fallacious.

It may be as sound in principle for a bank to issue bank notes as to take deposits, when the two classes of creditors stand upon the same basis in relation to the assets of the bank to which they have each contributed, but it is not as sound in principle when in case of insolvency, the creditor who claims under a note must be paid in full, before the creditor who claims under a deposit can receive anything.

Under these plans the dollar of the depositor, and the dollar of the note holder, side by side, would be invested by the officers in the assets of the solvent bank, since it is proposed to change the law under which at the present time the note holder's dollar from the first must be invested in Government bonds, to be held separately in trust for his protection.

Side by side, these dollars of depositors and note holders, would be redeemed on demand without question by the solvent banks under the proposed system. Why, then, should the dollar claim of the depositor be paid nothing out of the assets of an insolvent bank until and unless the dollar claim of the note holder is paid in full?

In our judgment there is no relevant answer to this proposition save one, based upon grounds of general public policy, which admits the injustice to the depositor class, but justifies it by claiming the neces-

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sity for the Government and the community, of additional and different circulation than that we have at present.

The claim that a difference so radical and fundamental as this in the treatment of two classes of creditors, can be justified by the fact that the depositor generally deals directly with the bank and has the opportunity to inform himself as to the trustworthiness of it, whereas the notes are issued for general circulation and pass into the hands of those distant from the bank, and therefore unable to form an opinion as to its strength, is not one which will commend itself generally to practical men.

Experience demonstrates that in the banking business the detection of untrustworthiness in banks is, as a matter of fact, not one of the duties with which the depositor, as a general rule, charges himself. He has come to leave that to the officials of the National and State Governments; and while it may be true that as a class he ought to exercise greater discretion in his selection of banks for his deposits, it is equally true that as a class, he has come to have that confidence in the system which has made him comparatively indifferent under normal conditions to this duty.

Again, he is often compelled, by the very nature of his business, to be dependent upon the agency of banks at a distance in handling his funds, in which case he, like the note holder, could not investigate if he so desired.

Certainly the fundamental right to prefer in the distribution of the assets of an insolvent bank the note-holding class to the depositor class, should rest upon some broader ground than the assumed neglect of the depositor class to acquaint itself with the nature of the private business and internal management of banking institutions, whose proper supervision the National Government, as the representative of the depositors and the public, has taken upon itself.

The lien given to the note holder under the present system, first upon the Government bonds deposited expressly in trust as security for said notes, before other assets of the bank can be reached, is far different in practical effect from the general and unqualified priority in lien upon the assets of a bank proposed in these plans.

The priority of lien of the note holders under the present system over the depositor, is first upon the United States bonds deposited in trust for his benefit, and only secondarily, in case of deficiency in bonded security, upon the general assets of the bank. In practical operation this security gives the notes the unquestioned credit necessary to enable them to circulate, and at the same time does not, as a matter of fact, interfere with the rights of the depositor in case of insolvency, since the bonds at public sale bring the amount of the notes, and return to the insolvent bank for the benefit of general creditors practically all the equity originally invested in them.

This being the practical effect of the present bank-note system, it can not rightfully be considered as justifying any assumption that in its theory the rights of note holders are considered as more sacred in themselves, than the rights of depositors.

Under the present system the relation of the note issues of a national bank to its general business, is somewhat the same as the relation of the issue and redemption department of the Bank of England, to its commercial department. They are in reality almost entirely separate, and so intended to be.

If under any new system, the note holder and the deposit holder come into similar relations to the bank, their rights against the common

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assets, to which their money has alike contributed, should be equally sacred.

If, then, there is no inherent moral right to establish a preference of the note-holding creditors of an insolvent bank, as against the deposit-holding creditors, in the distribution of the assets of an insolvent bank, the question arises, does public policy demand, in the interest of the common good, that such a preference should be given in order to establish a bank-note system which will give banks such a profit, that to secure it they will relieve the United States Treasury of the burden of gold redemption, and afford the country a circulating medium having alleged advantages over that now in use.

In order to determine this question, actual data at command must be examined critically in order to understand the nature and extent of the wrong done the depositor class by this preference, and the consequent effects of this wrong upon the community at large and its business.

Statistics have been quoted to show that the burdens which will be imposed upon depositors by such a preference will be light; but the force of these figures, so far as their being a guide to the probable economic effect of the proposed laws is concerned, is immediately lost when it is noted that in them no distinction is made between the rate of loss of depositors in different communities, and between the rate of loss of the depositor in the small banks, and that of the depositor in large banks. They err in assuming that the percentage of loss will be ratably distributed.

The Comptroller presents herewith a series of tables which indicate more exactly upon what class of depositors the real burden of this preference will fall with almost crushing weight.

These tables give approximately the loss which under the proposed plan would result to depositors from the preference of note holders over deposit holders in case of insolvency, based upon the showing made by the 195 insolvent national banks, whose affairs have been finally closed during the existence of the system.

For the purpose of these tables it is assumed in the case of each class of insolvent banks, that their officers would have made the same proportionate losses upon the commercial assets in which the notes issued were invested, that they actually did upon the assets in which the deposits and capital of the banks were invested.

To the good assets of these different classes of insolvent national banks, as shown by the records of this office, has been added the amount which would have been realized from the unsecured notes issued, if loaned or invested with the same rate of loss as was made upon the money invested in the actual assets.

From the assets thus increased, there is subtracted 95 per cent of the preferred-note issues proposed (to wit, the par of the notes less the 5 per cent redemption fund held by the Government), which leaves the amount which would then go to the depositors, and other unsecured creditors.

This amount, in terms of percentage of their total claims, is then compared with the percentage of their claims actually received, and the loss which would be caused by the preference is thus approximately disclosed in the difference.

The tables give these results bearing upon the interests of depositors in banks according to geographical sections, and according to the following classifications of capital: $50,000, $100,000, $200,000, $300,000, $500,000, and banks with a capital exceeding $500,000.

As under the proposed plans circulation, eventually secured only by

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bank assets, might be taken out in different amounts, these amounts have been assumed to be 60 per cent, 80 per cent, and 100 per cent of the capital of the bank, showing what the loss to depositors would approximately be in each of these instances.

As illustrating the method of preparing the tables, we will take the case of a bank of $100,000 capital, which has failed, and upon final liquidation has paid its depositors 50 per cent upon claims of $200,000, to wit, the sum of $100,000. Under the plan proposed assume this bank had issued in notes, secured by a first lien upon its assets, an amount equal to 60 per cent of its capital, to-wit, the sum of $60,000.

Since in investing $300,000, to wit, $100,000 capital and $200,000 deposits, it has lost the sum of $200,000 and has remaining but $100,000, to wit, one-third of its original assets, we assume that of the $57,000 circulation which the bank had to invest in commercial assets (to wit, the $60,000 circulation less $3,000 representing the 5 per cent redemption fund held by the Government) it would have lost the same proportion, and have left of that investment but one-third in good assets, to wit, $19,000. We add, therefore, to the $100,000 actually paid depositors, the sum of $19,000, giving $119,000 for distribution between depositors and note holders. But, as under these plans, the note holders are preferred for the full amount of their $60,000 notes, of which but $3,000 is in the redemption fund, there must be subtracted from this $119,000 the sum of $57,000, leaving for the depositors only $62,000, as against $100,000 which they received under the present system, without any burden of note preferences upon common assets. As $62,000 is but 31 per cent of their total claims of $200,000, upon which under the present system they received $100,000 dividends, or 50 per cent, it follows that their loss, directly traceable to the preference, would amount to 19 per cent of the face of their deposits.

Of necessity these tables, based as they are upon hypothesis, can be considered only as approximately indicating the losses which depositors may expect; but that they furnish a conservative estimate of these losses is believed.

They do not take into consideration the possibility of unusual losses in general bank assets, through an inflation of the currency and resultant speculation brought about by an abnormal increase in the number of national banks.

This increase might be caused by private and State banks and trust companies entering the system for the sake of the profits arising from the currency privilege. These plans provide for a circulation secured by the commercial assets of banks up to a limit of 100 per cent of the capital of the bank, with an increasing tax as the limit is reached.

In this connection it is well to remember that an insolvent bank, as a general rule, will have made every effort before closing its doors to avail itself of the currency privilege to the full limit allowed by law in the effort to avert suspension of payments.

Of the 195 national banks which have been finally liquidated these tables show in reference to the rate of loss experienced in investments:

That 10 banks in the New England States with combined capital of $2,571,300 have paid cash dividends of $9,626,055 on $11,508,426 of claims proved, or 83.64 per cent. These banks had total nominal assets of $17,195,440, of which $10,207,324 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 59.36 per cent.

That 50 banks in the Eastern States, with a combined capital of $9,155,600, have paid cash dividends of $14,469,195 on $18,399 239 of

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claims proved, or 78.64 per cent. These banks had total nominal assets of $31,135,897, of which $17,260,498 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 55.44 per cent.

That 33 banks in the Southern States, with a combined capital of $4,775,000, have paid cash dividends of $6,611,266 on $10,111,715 of claims proved, or 65.38 per cent. These banks had total nominal assets of $15,263,365, of which $6,808,364 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 44.61 per cent.

That 44 banks in the Middle States, with a combined capital of $9,122,000, have paid cash dividends of $7,996,983 on $11,167,256 of claims proved, or 71.61 per cent. These banks had total nominal assets of $24,153,212, of which $11,796,392 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 48.84 per cent.

That 44 banks in the Western States, with a combined capital of $3,382,000, have paid cash dividends of $2,195,061 on $3,552,511 of claims proved, or 61.79 per cent. These banks had total nominal assets of $9,308,471, of which $3,083,292 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 33.12 per cent.

That 14 banks in the Pacific States, with a combined capital of $1,725,000, have paid cash dividends of $1,644,705 on $2,628,811 of claims proved, or 62.56 per cent. These banks had total nominal assets of $5,687,777, of which $2,538,605 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets upon final liquidation 44.63 per cent.

That the total of 195 banks, with a combined capital of $30,730,900, have paid cash dividends of $42,543,265 on $57,367,958 of claims proved, or 74.16 per cent. These banks had total nominal assets of $102,744,162, of which $51,694,475 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets upon final liquidation 50.31 per cent.

Of the 195 national banks which have been finally liquidated, these tables further show in reference to the rate of loss experienced in investments.

That 66 banks of $50,000 capital each, and total capital of $3,280,000,* have paid cash dividends of $2,859,618 on $4,424,178 of claims proved, or 64.64 per cent. These banks had total nominal assets of $8,733,255, of which $3,465,334 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 39.68 per cent.

That 61 banks of $100,000 capital each, and total capital of $5,634,000, have paid cash dividends of $6,262,487 on $9,891,367 of claims proved, or 63.31 per cent. These banks had total nominal assets of $18,034,198, of which $7,584,130 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 42.05 per cent.

That a total of the above 127 banks, having a combined capital of $8,914,000, have paid cash dividends of $9,122,105 on $14,315,545 of claims proved, or 63.72 per cent. These banks had total nominal assets of $26,767,453, of which $11,049,464 were collected in cash or by offsets

* One bank of $30,000 capital included which failed before the full $50,000 capital required by law had been paid.

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or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 41.28 per cent.

That 37 banks, of $200,000 capital each and total capital of $6,355,600, have paid cash dividends of $7,321,036 on $9,211,748 of claims proved, or 79.47 per cent. These banks had total nominal assets of $17,748,526, of which $7,895,311 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets upon final liquidation, 44.48 per cent.

That 16 banks of $300,000 capital each and total capital of $4,350,000 have paid cash dividends of $6,866,897 on $9,042,532 of claims proved, or 75.94 per cent. These banks had total nominal assets of $16,369,761, of which $8,629,562 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 52.72 per cent.

That 9 banks of $500,000 capital each, and total capital of $4,300,000 have paid cash dividends of $12,441,201 on $16,558,203 of claims proved, or 75.13 per cent. These banks had total nominal assets of $23,402,935, of which $15,321,625 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 65.47 per cent.

That 6 banks of $500,000 capital or over each, and total capital of $6,811,300, have paid cash dividends of $6,792,026 on $8,239,930 of claims proved, or 82.43 per cent. These banks had total nominal assets of $18,455,487, of which $8,798,513 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 47.67 per cent.

That the total of 68 banks with capital of $200,000 or over each, and total capital of $21,816,900, have paid cash dividends of $33,421,160 on $43,052,413 of claims proved, or 77.62 per cent. These banks had total nominal assets of $75,976,709, of which $40,645,011 were collected in cash or by offsets or otherwise, making the proportion of valuable assets to nominal assets, upon final liquidation, 53.50 per cent.

These tables further show that the depositors of the 10 insolvent national banks, having a combined capital of $2,571,300 and nominal assets of $17,195,440, with cash dividends paid to depositors of $9,626,055, or 83.64 per cent, situated in the New England States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, would have lost by preference of the note holders in case of an issue of uncovered notes equal to 100 per cent of their capital, 8.62 per cent of their deposits more than under the present system, or 10.30 per cent of their dividends; in case of note issues of 80 per cent of their capital, 6.90 per cent more, or 8.25 per cent of their dividends; and in case of circulation of 60 per cent of their capital, 5.17 per cent more, or 6.18 per cent of their dividends.

The depositors of 50 insolvent banks, having a combined capital of $9,155,600, nominal assets of $31,135,897, with cash dividends paid depositors of $14,469,195, or 78.64 per cent, situated in the Eastern States of New York, New Jersey, Pennsylvania, Delaware, Maryland, and District of Columbia, would have lost by preference of the note holders with a 100 per cent note issue, 21.06 per cent more than under the present system, or 26.78 per cent of their dividends; with an 80 per cent note issue, 16.85 per cent more, or 21.42 per cent of their dividends, and with a 60 per cent note issue, 12.64 per cent more, or 16.07 per cent of their dividends.

The depositors of 33 insolvent banks, having a combined capital of $4,775,000, nominal assets of $15,233,365, and with cash dividends paid

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depositors of $6,611,266, or 65.38 per cent, situated in the Southern States of Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, and Tennessee, would have lost by preference of the note holders with 100 per cent note issue, 24.85 per cent more than under the present system, or 38 per cent of their dividends; with an 80 per cent note issue, 19.88 per cent more, or 30.41 per cent of their dividends, and with a 60 per cent issue, 14.91 per cent more, or 22.80 per cent of their dividends.

The depositors of 44 insolvent banks, having a combined capital of $9,122,000, nominal assets $24,153,212, and with cash dividends paid depositors of $7,996,983, or 71.61 per cent, situated in the Middle States of Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri, would have lost by preference of the note holders, with 100 per cent issue, 39.70 per cent more than under the present system, or 55.44 per cent of their dividends; with an 80 per cent note issue 31.76 per cent more, or 44.35 per cent of their dividends; and with a 60 per cent issue 23.82 per cent more, or 33.26 per cent of their dividends.

The depositors of 44 insolvent banks, having a combined capital of $3,382,000, nominal assets of $9,308,471, and with cash dividends paid depositors of $2,195,061, or 61.79 per cent, situated in the Western States of North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma, and Indian Territory, would have lost by preference of note holders, with a 100 per cent issue 60.49 per cent more than under the present system, or 97.89 per cent of their dividends (being their total dividends, except 1.30 per cent of par of claim); with an 80 per cent issue 48.39 per cent more, or 78.31 per cent of their dividends; and with a 60 per cent issue 36.29 per cent more, or 58.73 per cent of their dividends.

The depositors of 14 insolvent banks, having a combined capital of $1,725,000, nominal assets of $5,687,777, with cash dividends paid depositors of $1,644,705, or 62.56 per cent, situated in the Pacific States of Washington, Oregon, California, Idaho, Utah, Nevada, and Arizona, would have lost by preference of the note holders, with a 100 per cent issue, 34.51 per cent more than under the present system, or 55.16 per cent of their dividends; with an 80 per cent issue 27.61 per cent more, or 44.13 per cent of their dividends; with a 60 per cent issue 20.71 per cent more, or 33.10 per cent of their dividends.

Thus it will be seen that, as compared with the rate of loss to the New England depositor, through the preference of the note holders in cases of insolvency, the issues of uncovered notes being either 100 per cent, 80 per cent, or 60 per cent of the capital, the depositor in the Eastern States will lose at a rate of nearly two and one-half times as great; the depositor in the Southern States at a rate nearly three times as great; the depositor in the Pacific States at a rate four times as great; the depositor in the Middle States at a rate over four and one-half times as great, and the almost obliterated depositor in the Western States at a rate over seven times as great.

These tables also show that the depositors of the 66 insolvent banks of $50,000 capital, having a combined capital of $3,280,000,* nominal assets of $8,733,255, with cash dividends paid to depositors of $2,859,618, or 64.64 per cent, would have lost by preference of the note holders, in case of an issue of uncovered notes equal to 100 per cent of the capital, 42.49 per cent more than under the present system, or 65.73 per cent of

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their dividends; in case of a note issue of 80 per cent, 33.99 per cent more, or 52.58 per cent of their dividends; and in case of 60 per cent issues, 25.49 per cent more, or 39.43 per cent of their dividends.

The depositors of 61 insolvent banks, with a capital of over $50,000 and not exceeding $100,000, aggregating $5,634,000, nominal assets of $18,034,198, with cash dividends of $6,262,487, or 63.31 per cent, would have lost by preference of the note holders, in case of issue of uncovered notes equal to 100 per cent of the capital, 31.35 per cent more than under the present system, or 49.52 per cent of their dividends; and in case of note issue of 80 per cent, 25.08 per cent more, or 39.61 per cent of their dividends; and in case of 60 per cent issues, 18.81 per cent more, or 29.71 per cent of their dividends.

The depositors of 37 insolvent banks, with a capital over $100,000 and not exceeding $200,000, aggregating $6,355,600, nominal assets $17,748,526, with cash dividends paid of $7,321,036, or 79.47 per cent, would have lost by preference of note holders in case of an issue of uncovered notes equal to 100 per cent of the capital, 36.39 per cent more than under the present system, or 45.79 per cent of their dividends; and in case of note issues of 80 per cent, 29.11 per cent more, or 36.63 per cent of their dividends; and in case of 60 per cent issues, 21.83 per cent more, or 27.47 per cent of their dividends.

The depositors of 16 insolvent banks, with a capital over $200,000 and not exceeding $300,000, aggregating $4,350,000, nominal assets of $16,369,761, with cash dividends of $6,866,897, or 75.94 per cent, would have lost by preference of the note holders in case of an issue of uncovered notes equal to 100 per cent of the capital, 21.61 per cent more than under the present system, or 28.46 per cent of their dividends; in case of note issues of 80 per cent, 17.29 per cent more, or 22.77 per cent of their dividends; and in case of 60 per cent issues, 12.96 per cent more, or 17.06 per cent of their dividends.

The depositors of 9 insolvent banks, with a capital over $300,000 and not exceeding $500,000, aggregating $4,300,000, nominal assets of $23,402,935, with cash dividends of $12,441,201, or 75.13 per cent, would have lost by preference of the note holders in case of an issue of uncovered notes equal to 100 per cent of the capital, 8.51 per cent more than under the present system, or 11.33 per cent of their dividends; in case of note issues of 80 per cent 6.81 per cent more, or 9.06 per cent of their dividends; and in case of 60 per cent issues 5.11 per cent more, or 6.80 per cent of their dividends.

The depositors of 6 insolvent banks, with capital exceeding $500,000, aggregating $6,811,300, nominal assets of $18,455,487, with cash dividends of $6,792,026, or 82.43 per cent, would have lost by preference of the note holders in case of an issue of uncovered notes equal to 100 per cent of the capital 41.10 per cent more than under the present system, or 49.86 per cent of their dividends; in case of note issues of 80 per cent 32.88 per cent, or 39.89 per cent of their dividends; and in case of 60 per cent issues 24.66 per cent more, or 29.92 per cent of their dividends.

From the tables which we have given it is evident that from the depositors in smaller national banks of from $50,000 to $100,000 capital, and from the depositors of the newer sections of the country, the greater amount of the cost of this radical experiment in currency must be collected. Thus upon those depositors least able to endure loss, must the heaviest losses fall.

The assumption of the friends of these proposed plans, that the uncovered currency privilege will be availed of in those communities

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where there is now an alleged scarcity of the circulating medium, may be correct.

But this is only another statement of the fact that those banks which will most readily issue notes, are in those communities where statistics show there now occurs the largest proportion of bank failures. In other words, in those communities in which bank depositors have already sustained the greatest percentage of losses, they are to be subjected to still greater losses by having their claims against an insolvent bank made subject to the prior lien of note holders.

In cases of insolvency the records of this office show that, as a rule, those banks pay the smallest dividends to general depositors which at the time of failure have their bills receivable largely collateraled to bills payable, which they have issued for borrowed money.

In effect, a bank which would issue these notes, collaterals its entire assets to its note issues.

Under the laws of competition, the large city banks would gradually receive a larger proportion of deposits of the country, as the effects of the increased percentage of loss to depositors of smaller banks was perceived by the general public. The tendency to hoard money in smaller communities would also be stimulated. One of the purposes of the proposed laws, which is to enlarge the circulation in those districts where it is now scanty, would be thwarted by the ultimate effect of the laws in decreasing in rural communities the deposits, which, while at the command of the depositors, can still be loaned to borrowers and circulated in the form of checks and drafts under the safe and prescribed limits of ordinary banking.

The statistics given in the table showing the record of insolvent banks upon the final liquidation, indicate that the safety of the depositor from the prior lien of the note holder, generally would increase as does the ratio of deposits to capital. This is due to the nature of the assets held by the insolvent banks with large deposit lines, which have yielded larger returns proportionately upon liquidation, than the assets which have been held by the smaller insolvent banks.

The large banking institutions of the great cities have invariably the largest average ratio of deposits to capital. Those locations where deposits are smallest, and therefore where there would be the greatest incentive to the taking out of increased circulation, are those where the depositors would suffer the most severe losses, because of this unjust prior lien of note holders upon the assets of insolvent banks.

The measure will stimulate in still greater degree the tendency of the money of the country to flow to the great money centers, where to fewer institutions, as time and competition progress, would pass the management and control of the savings and capital of the country.

We can not agree to the wisdom of any measure which accelerates the centralization of capital in the great cities, and which, by separating in location those who lend money from the many who use it, will encourage the growth of commerce only in the form which has a tendency to crush out general business individualism.

The temporary effect of such plans might be different, but this ultimate effect is inevitable.

The effect of the passage of such laws would at first be a great stimulus to the business of banking, especially in the West and South. It would probably be followed by the change from the various State banking systems of a very large number of private and State banks, which would be anxious to avail themselves of the currency privilege. The right to issue such currency would give them an advantage over banks organized under the national banking law as it is at present, and its

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effect upon the plans of those interested in the organization of new national banks would be to lessen the estimate of the amount of probable deposits to be received, which would be considered as sufficient to justify the starting of the bank.

Whether a bank which could issue 60 per cent or more of its capital in notes subject only to nominal tax, which notes it could loan at ordinary commercial rates, and not be compelled to invest in low-rate Government securities, as in effect under the present system, would or would not take out its full quota of such notes under the law, would be determined somewhat by the status of its deposit line. If its deposit line was so large as to tax the ability of its management to loan the amounts currently intrusted to it, it might not be the policy of such a bank to take out its authorized currency, although it would be profitable for a smaller bank in the same community to do so. But throughout the West and South, and in the smaller banks of the cities throughout all the country, it may safely be assumed that the profits from the exercise of the currency privilege would at first be eagerly sought.

It is urged in behalf of these plans that they follow the bank-note systems of other countries, which have proved successful; but these arguments fail to lay hold of the fundamental differences in principle and environment of the European system of note issues from those under consideration. In the older sections of this country the note issues of banks, as provided for by these plans, would perhaps be so inconsiderable as compared with their general business and deposits as not to interfere materially with the usefulness of the bank in its relation to depositors and borrowers, but, as we have endeavored to show, in the newer sections of the country this would not be the case. The United States covers a vast territory, embracing every variety of climate and natural resources. These natural resources, however, are not evenly distributed, nor is the acquired wealth and banking capital of the country thus distributed.

As compared with England, Germany, France, Russia, Austria, and the older European nations, with their few great state banks and centralized business, which are the product of the evolution of centuries of financial experience and competition, there are in this country more than 3,600 national banks, scattered throughout its vast domain, surrounded by the most differentiated business and natural environments, and dealing with most dissimilar classes of customers and collaterals.

The advantages of our distributed system of banks over the central governmental banks of Europe are such that we can well afford to recognize its disadvantages in connection with proposed currency issues.

In the bank-note issues of the older European nations, in case of insolvency, the note holders would enjoy no preference over the deposit holders. They would share ratably in the assets. To give the credit which enables the notes of these great banks to circulate, restricted by stringent laws as they are, no injustice to depositors such as is proposed in these plans for the United States, is necessary. In one country only, Canada, are the note holders preferred over the depositors in case of insolvency. The note-issuing banks of Canada are but 38 in number, with a combined circulation of about $38,000,000.

We can not accept as safe any deductions drawn from the bank-note system of these few central institutions of eastern Canada, which would tend to justify the application of the laws governing that system to the 3,600 national banks of this country.

The Comptroller desires to call attention, as a summary of his views upon the proposed plans, to these propositions:

First. As a fundamental proposition, any bank-note system depend-

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ing for security upon the commercial assets of banks, and sanctioned by government, should be inherently fair in its relation to the deposit-holding creditors and the note-holding creditors of an insolvent bank.

Second. No system is inherently fair which creates a preference of the note holder over the deposit holder, in the distribution of the assets of an insolvent bank.

Third. In none of the older countries, to the success of whose uncovered note systems we are referred as tending to justify the experiment in this country, is the note holder by the law preferred over the deposit holder, in case of insolvency of banks of issue. Canada, with its 38 central banks of issue, as compared with 3,600 scattered national banks in this country, furnishes the only exception to this rule.

Fourth. The necessity of the preference under any such system in this country, to give security and credit to the notes, demonstrates that it is the depositors of the country, and not the banks, upon whom the great weight of the guarantee of the note issues must fall.

Fifth. A fairer system would provide that, when a receiver took charge of an insolvent bank, he should not first pay into the general redemption fund held by the Government, an amount derived from the assets of the bank sufficient to pay the note holders in full before paying anything to depositors, but he should pay into the fund that pro rata share of the proceeds derived from the assets, which should go to the note holders, not as preferred creditors, but as creditors in the same class as depositors.

The tax upon the solvent banks for the currency privilege should not then be limited to not exceeding 1 per cent per annum of their annual note issue, or in any other amount, but should be made sufficiently large to provide for the deficit whatever it should prove to be.

Sixth. If under such a system, owing to causes to which we have referred, the tax upon the solvent banks would be so large as to render the issue of such currency unprofitable and unattractive to the banks, it would be a demonstration of the radical difference in the environment and condition of our banking system as compared with the more centralized and older systems of Europe. It would be a demonstration of the fact that, under the proposed legislation, while the banks would take the profits upon the circulation, the depositors would take the bulk of the losses.

It would be a conclusive demonstration of what we believe to be the fact that, under our banking system as at present organized, the absolute safety of notes secured only by commercial assets and issued to the extent proposed in these plans, can be secured only by resort to a grave injustice upon depositors, which can not be justified upon any grounds of public policy.

Seventh. Such a system of uncovered notes as this proposed, providing for a preference of the note holders over other creditors, would interfere radically with the more important functions of national banks, to which the note-issuing function is secondary and subordinate.

This would be against public policy, and would operate against banking in the smaller communities, and in the western, southern, and central portions of our country.

Eighth. The Government of the United States is not in such straits, in connection with its present currency system, as to compel it to enter into a plan of currency changes, by which it in effect sells extended and valuable currency privileges to the national banks of the country, in exchange for assistance from them in meeting its present governmental currency obligations payable in gold.

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Ninth. If the present conditions of governmental currency demand reforms, to secure which will entail cost, it is better for the Government, as the representative of all the people, and under all the circumstances connected with our banking system, to pay an ascertained and exact cost direct, than to endeavor to evade it by granting extensive currency privileges to banks, which of necessity must reimburse themselves from the community and the depositor class for any cost which they incur in assuming the burden of gold redemption, or maintaining the credit of their notes.

The most serious objection which is urged against our present system of bank-note currency, is its inelasticity and inability to respond to the pressing demands and necessity for an increase of circulation in times of enforced liquidation due to a commercial and banking panic.

Under normal business conditions and in normal times, the inelasticity of the present note issues of banks causes but small inconvenience, though at certain seasons of the year, when crops are to be moved, banks in certain sections of the country are compelled to rediscount their paper somewhat to supply the needed currency. The demand, however, is usually readily supplied by the banks of the East, and the growing wealth of the West and South is rapidly bringing about a more even distribution of capital and consequently of currency.

We have at present in this country an enormous volume of what may be called bank-credit currency, based upon the assets of our banks, and consisting of checks, drafts, and bills of exchange. This volume of bank-credit currency expands and contracts in accordance with the demands of trade and business under normal conditions, and is the medium through which the great bulk of the business of our country is transacted.

It is extremely elastic, and varies in amount at different seasons of the year. It is generally amply adequate to the business needs of the country, except in times of disturbed confidence and financial panic.

In France and Germany and other countries, where the check and draft system is not developed as it is here, there exists the greater need for large and elastic bank-note issues. In England, where the check and draft system is so well developed, we find more strict provisions regarding uncovered note issues. The Bank of England issues no notes unsecured either by the deposit of gold bullion or a Government debt. Since the law of 1844, the other banks of issue of England, Scotland, and Ireland can emit no more uncovered notes than the amount in existence at that time. The right to issue uncovered notes is thus limited, and the combined issues of uncovered notes of the banks of England, Scotland, and Ireland is comparatively small.*

* *Fixed issues of the Bank of England and of the other banks of issue in the United Kingdom in December, 1897.*

[London Bankers' Magazine, January, 1898, page 119.]

	Number.	Circulation.
England, Bank of	1	£16,800,000
England, private banks	38	1,374,376
England, joint-stock banks	31	1,762,961
Scotland, joint-stock banks	10	2,676,350
Ireland, joint-stock banks	6	6,354,494
Total	86	28,968,181

The average issues for the four weeks ended on December 4, 1897, of the joint-stock and the private banks of England and of Wales were £1,470,898, or £1,666,439 below the fixed amount.

The average issues of the joint-stock banks of Scotland and Ireland for the four weeks ended on November 27, 1897, were £14,862,261, or £5,831,417 above the fixed issues. These banks held in specie during the same period £9,703,888, leaving uncovered £5,158,373 of their issues.

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The enormous growth of the business of England since the enactment of the law of 1844, has developed no such need of uncovered notes as to have brought about a reversal of that restrictive legislation. While in this country, with its extended system of banks and its great development of the check and draft system, some degree of elasticity in bank-note issues is desirable, it is not essential that it should be an amount so large as to make necessary for its security an injustice upon the depositor, and thus, by interfering with the check and draft system, defeat one of its own prime objects.

The general principles and regulations under which such elasticity might be obtained, are not in any way inconsistent with the principles and arguments we have endeavored to set forth. As covering these general principles, and as a conclusion from the views hereinbefore expressed, the Comptroller would make the following recommendations in regard to the present laws governing the issue of national-bank notes:

First. The existing bank-note system, based upon deposit of Government bonds as security, should not now be abandoned.

Second. For the purpose of allowing elasticity to bank-note issues to protect the banks and the community in time of panic, a small amount of uncovered notes, in addition to the secured notes, should be authorized by law under the following limitations: They should be subjected to so heavy a tax that they could not be issued in normal times for the purpose of profit, but would be available in times of emergency. The tax should be so large upon the solvent issuing banks as to provide a fund which, in connection with the pro rata share of the assets of an insolvent bank, would be sufficient to redeem the notes in full, without necessitating any preference of note holders over depositors of any insolvent issuing bank. The tax should be so large as to force this currency into retirement as soon as the emergency passes.

Such a currency could be used only to lessen the evil effects of the too rapid liquidation of credits which are collapsing under a financial panic, but could not be profitably used as a basis of business speculation and inflation. It should be to the business community what the clearing-house certificates are to our cities in times of panic—a remedy for an emergency, not an instrument of current business.

The tables hereinbefore referred to are as follows:

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TABLE I.—CAPITAL, ASSETS, CLAIMS PROVED, DIVIDENDS PAID; THE TOTAL REAL UPON FINAL LIQUIDATION OF INSOLVENT NATIONAL BANKS, THE AFFAIRS OF GEOGRAPHICAL DIVISIONS.

Geographical divisions.	Number of banks.	Capital.	Total assets.	Claims proved.	Dividends paid.	
					Amount.	Per cent.
New England	10	$2,571,300	$17,195,440	$11,508,426	$9,626,055	83.64
Eastern	50	9,155,600	31,135,897	18,399,239	14,469,195	78.64
Southern	33	4,775,000	15,263,365	10,111,715	6,611,266	65.38
Middle	44	9,122,000	24,153,212	11,167,256	7,996,983	71.61
Western	44	3,382,000	9,308,471	3,552,511	2,195,061	61.79
Pacific	14	1,725,000	5,687,777	2,628,811	1,644,705	62.56
Total	195	30,730,900	102,744,162	57,367,958	42,543,265	74.16

TABLE II.—CAPITAL, ASSETS, CLAIMS PROVED, DIVIDENDS PAID; THE TOTAL REAL FINAL LIQUIDATION OF INSOLVENT NATIONAL BANKS, ARRANGED BY CLASSES,

Class.	Number.	Capital.	Total assets.	Claims proved.	Dividends paid.	
					Amount.	Per cent.
$50,000	66	$3,280,000	$8,733,255	$4,424,178	$2,859,618	64.64
$100,000	61	5,634,000	18,034,198	9,891,367	6,262,487	63.31
Total	127	8,914,000	26,767,453	14,315,545	9,122,105	63.72
$200,000	37	6,355,600	17,748,526	9,211,748	7,321,036	79.47
$300,000	16	4,350,000	16,369,761	9,042,532	6,866,897	75.94
$500,000	9	4,300,000	23,402,935	16,558,203	12,441,201	75.13
Over $500,000	6	6,811,300	18,455,487	8,239,930	6,792,026	82.43
Total	68	21,816,900	75,976,709	43,052,413	33,421,160	77.62
Grand total	195	30,730,900	102,744,162	57,367,958	42,543,265	74.16

STATES EMBRACED WITHIN THE GEOGRAPHICAL

New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut. Southern: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mis Wisconsin, Minnesota, Iowa, Missouri. Western: North Dakota, South Dakota, Nebraska, Kansas, Oregon, California, Idaho, Utah, Nevada, Arizona.

Classification by capital stock is as follows: First division includes banks of $50,000; second, over and not exceeding $300,000; fifth, over $300,000 and not exceeding $500,000, and sixth, over $500,000.

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IZED FROM ASSETS, AND THE RATIO OF VALUABLE ASSETS TO NOMINAL ASSETS WHICH HAVE BEEN FINALLY CLOSED, 1865 TO MAY, 1898—CLASSIFICATION BY

Geographical divisions.	Offsets, dividends, etc.				Ratio of valuable assets to nominal assets upon final liquidation.
	Offsets allowed.	Dividends paid from assets.	Loans paid and other disbursements.	Total realized from assets.	
					Per cent.
New England	$1,361,106	$8,459,272	$386,946	$10,207,324	59.36
Eastern	2,980,153	11,881,870	2,398,475	17,260,498	55.44
Southern	705,499	5,625,641	477,224	6,808,364	44.61
Middle	2,878,784	6,875,456	2,042,152	11,796,392	48.84
Western	578,852	1,470,922	1,033,518	3,083,292	33.12
Pacific	594,573	1,452,295	491,737	2,538,605	44.63
Total	9,098,967	35,765,456	6,830,052	51,694,475	50.31

IZED FROM ASSETS, AND THE RATIO OF VALUABLE ASSETS TO NOMINAL ASSETS UPON THE AFFAIRS OF WHICH HAVE BEEN FINALLY CLOSED, 1865 TO MAY, 1898.

Class.	Offsets, dividends, etc.				Ratio of valuable assets (represented by offsets, dividends, etc.), to nominal assets upon final liquidation.
	Offsets allowed.	Dividends paid from assets.	Loans paid and other disbursements.	Total realized from assets.	
					Per cent.
$50,000	$551,975	$2,268,559	$644,800	$3,465,334	39.68
$100,000	1,231,329	5,259,575	1,093,226	7,584,130	42.05
Total	1,783,304	7,528,134	1,738,026	11,049,464	41.28
$200,000	1,342,693	5,858,655	693,963	7,895,311	44.48
$300,000	1,367,693	5,716,873	1,544,996	8,629,562	52.72
$500,000	3,550,958	11,506,301	264,366	15,321,625	65.47
Over $500,000	1,054,319	5,155,493	2,588,701	8,798,513	47.67
Total	7,315,663	28,237,322	5,092,026	40,645,011	53.50
Grand total	9,098,967	35,765,456	6,830,052	51,694,475	50.31

DIVISIONS REFERRED TO IN TABLES.

Eastern: New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia. sissippi, Louisiana, Texas, Arkansas, Kentucky, Tennessee. Middle: Ohio, Indiana, Illinois, Michigan, Montana, Wyoming, Colorado, New Mexico, Oklahoma, Indian Territery. Pacific: Washington,

$50,000 and not exceeding $100,000; third, over $100,000 and not exceeding $200,000; fourth, over $200,000

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TABLE III.—ESTIMATED LOSS TO DEPOSITORS OF INSOLVENT NATIONAL BANKS, WITH CIRCULATION A PREFERRED CLAIM—ISSUES EQUALING 100, 80, AND 60 PER CENT OF CAPITAL—CLASSIFICATION BY GEOGRAPHICAL DIVISIONS.

Geographical division, by States.[a]	Number of banks.	Per cent of dividends actually paid depositors on claims proved, as shown by preceding tables.	Circulation.	Dividends actually paid depositors on claims, as shown by preceding tables, increased by receipts which would be received from circulation, less 5 per cent fund, in the same ratio as that of valuable assets to nominal assets shown in preceding tables.	Dividends which would remain after deducting circulation (less 5 per cent fund) as a preferred claim from dividends on claims and receipts from circulation, as shown by previous column.	Per cent of dividends which would be paid on claims proved, after deducting circulation, less 5 per cent fund.	Per cent of loss on claims by preference of proposed circulation, being the difference between the percentage of dividends actually paid depositors on claims proved, and the percentage which would be paid on claims after deducting proposed circulation.	Percentage of loss upon the amount actually received by depositors, which would result from preference of proposed circulation.
			100 per cent of capital.					
New England	10	83.64	$2,571,300	$11,076,062	$8,633,327	75.02	8.62	10.30
Eastern	50	78.64	9,155,600	19,291,266	10,593,446	57.58	21.06	26.78
Southern	33	65.38	4,775,000	8,634,887	4,098,637	40.53	24.85	38.00
Middle	44	71.61	9,122,000	12,229,408	3,563,503	31.91	39.70	55.44
Western	44	61.79	3,382,000	3,259,173	46,273	1.30	60.49	97.89
Pacific	14	62.56	1,725,000	2,376,079	737,329	28.05	34.51	55.16
Total	195	74.16	30,730,900	56,866,875	27,672,520	48.24	25.92	34.95
			80 per cent of capital.					
New England	10	83.64	2,057,040	10,786,060	8,831,872	76.74	6.90	8.25
Eastern	50	78.64	7,324,480	18,326,852	11,368,596	61.79	16.85	21.42
Southern	33	65.38	3,820,000	8,230,162	4,601,162	45.50	19.88	30.41
Middle	44	71.61	7,297,600	11,382,923	4,450,203	39.85	31.76	44.35
Western	44	61.79	2,705,600	3,046,350	476,030	13.40	48.39	78.31
Pacific	14	62.56	1,380,000	2,229,804	918,804	34.95	27.61	44.13
Total	195	74.16	24,584,720	54,002,151	30,646,667	53.42	20.74	27.97
			60 per cent of capital.					
New England	10	83.64	1,542,780	10,496,059	9,030,418	78.47	5.17	6.18
Eastern	50	78.64	5,493,360	17,362,437	12,143,745	66.00	12.64	16.07
Southern	33	65.38	2,865,000	7,825,438	5,103,688	50.47	14.91	22.80
Middle	44	71.61	5,473,200	10,536,438	5,336,898	47.79	23.82	33.26
Western	44	61.79	2,029,200	2,833,528	905,788	25.50	36.29	58.73
Pacific	14	62.56	1,035,000	2,083,529	1,100,279	41.85	20.71	33.10
Total	195	74.16	18,438,540	51,137,429	33,620,816	58.61	15.55	20.97

a See foot note, Table I.

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TABLE IV.—ESTIMATED LOSS TO DEPOSITORS OF INSOLVENT NATIONAL BANKS, WITH CIRCULATION A PREFERRED CLAIM—ISSUES EQUALLING 100, 80, AND 60 PER CENT OF THE CAPITAL STOCK—CLASSIFICATION OF BANKS BY CAPITAL STOCK.

Class of banks.	Number of banks.	Per cent of dividends actually paid depositors on claims proved, as shown by preceding tables.	Circulation.	Dividends actually paid depositors on claims, as shown by preceding tables, increased by receipts which would be received from circulation, less 5 per cent fund, in the same ratio as that of valuable assets to nominal assets shown in the preceding tables.	Dividends which would remain after deducting circulation (less 5 per cent fund) as a preferred claim from dividends on claims and receipts from circulation, as shown by previous column.	Per cent of dividends which would be paid on claims proved, after deducting circulation, less 5 per cent fund.	Per cent of loss on claims by preference of proposed circulation, being the difference between the percentage of dividends actually paid depositors on claims proved, and the percentage which would be paid on claims after deducting proposed circulation.	Percentage of loss upon the amount actually received by depositors, which would result from preference of proposed circulation.
			100 per cent of capital.					
$50,000	66	64.64	$3,280,000	$4,096,046	$980,046	22.15	42.49	65.73
$100,000	61	63.31	5,634,000	8,513,129	3,160,829	31.96	31.35	49.52
Total	127	63.72	8,914,000	12,609,175	4,140,875	28.93	34.79	54.59
$200,000	37	79.47	6,355,600	10,006,658	3,968,838	43.08	36.39	45.79
$300,000	16	75.94	4,350,000	9,045,551	4,913,051	54.33	21.61	28.46
$500,000	9	75.13	4,300,000	15,115,650	11,030,650	66.62	8.51	11.33
Over $500,000	6	82.43	6,811,300	9,876,625	3,405,890	41.33	41.10	49.86
Total	68	77.62	21,816,900	44,044,484	23,318,429	54.16	23.46	30.22
Grand total	195	74.16	30,730,900	56,653,659	27,459,304	47.87	26.29	35.45
			80 per cent of capital.					
$50,000	66	64.64	2,624,000	3,848,761	1,355,961	30.65	33.99	52.58
$100,000	61	63.31	4,507,200	8,063,000	3,781,160	38.23	25.08	39.61
Total	127	63.72	7,131,200	11,911,761	5,137,121	35.88	27.84	43.69
$200,000	37	79.47	5,084,480	9,469,533	4,639,277	50.36	29.11	36.63
$300,000	16	75.94	3,480,000	8,609,820	5,303,820	58.65	17.29	22.77
$500,000	9	75.13	3,440,000	14,580,760	11,312,760	68.32	6.81	9.06
Over $500,000	6	82.43	5,449,040	9,259,705	4,083,117	49.55	32.88	39.89
Total	68	77.62	17,453,520	41,919,818	25,338,974	58.86	18.76	24.17
Grand total	195	74.16	24,584,720	53,831,579	30,476,095	53.12	21.04	28.37
			60 per cent of capital.					
$50,000	66	64.64	1,968,000	3,601,475	1,731,875	39.15	25.49	39.43
$100,000	61	63.31	3,380,400	7,612,872	4,401,492	44.50	18.81	29.71
Total	127	63.72	5,348,400	11,214,347	6,133,367	42.84	20.88	32.77
$200,000	37	79.47	3,813,360	8,932,409	5,309,717	57.64	21.83	27.47
$300,000	16	75.94	2,610,000	8,174,089	5,694,589	62.98	12.96	17.06
$500,000	9	75.13	2,580,000	14,045,870	11,594,870	70.02	5.11	6.80
Over $500,000	6	82.43	4,086,780	8,642,785	4,760,344	57.77	24.66	29.92
Total	68	77.62	13,090,140	39,795,153	27,359,520	63.55	14.07	18.13
Grand total	195	74.16	18,438,540	51,009,500	33,492,887	58.38	15.78	21.28

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NATIONAL-BANK EXAMINERS.

The character of the work performed by the national-bank examiners, is most important in its relation to all sections of our country, and to all classes of our people.

For the proper conduct of the work of supervision of our national banks, examiners must be men of the highest personal character, and extended business experience. They should be men who possess some skill in accounting, and at the same time the business judgment to enable them to intelligently pass upon the lines of credit extended by banks under their supervision.

The appointment by the Comptroller to these important positions, of competent and able men, is one of the most sacred duties of his office. To protect by every possible safeguard their independence and disinterestedness, is equally important. With this latter object in view, the Comptroller has forbidden the practice which he found in existence in some of the larger cities, of the employment of the examiners by banks of their district in special examination work for the benefit of the bank, and not for the Comptroller's office. This practice had a tendency to interfere with the rigid impartiality which should characterize the work of a Government official.

During the year the Comptroller has extended over the cities of New York, Boston, Philadelphia, and Baltimore the system of semiannual visitations by examiners, in force in all other sections of the country. He has utilized, with some benefit, the examiners in investigations into the credit of heavy debtors of banks, where such indebtedness constituted a menace to the safety of the banks, and where, despite the criticisms of the Comptroller and the efforts of the bank officials, no material reductions in the amount of the indebtedness could be had.

The necessity for such investigation sometimes arises, and whenever they have been made, the result has been most beneficial.

The verification, by more extended investigation than is possible in the ordinary examination of a bank, of the ex parte statements of interested officials, as to the safety of large, permanent, and unreducible loans, sometimes becomes of vital importance in determining the course of the Comptroller in closing a bank or allowing it to remain open.

For the purposes of this work he recommends an increase in the annual fund provided for examinations of bank-note plates, and for compensation of examiners engaged in special examinations, of $2,000, making the fund $3,000 instead of $1,000, as at present.

LIMITATION OF LOANS.

One of the most important reforms needed in the present national banking law, is a proper provision limiting the amount which can be loaned to any one individual or corporation, in order to insure a general distribution of loans, and to prevent an improper concentration of a bank's funds in the hands of a few borrowers. The provision of the present national banking law designed to carry into effect this important principle is as follows:

SEC. 5200. The total liabilities to any association of any person, or of any company, corporation, or firm, for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed one-tenth part of the amount of the capital stock of such association actually paid

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in. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

Almost as if in admission of the fact that this provision is unscientific, and ill adapted to carry into practical effect the great principles of protection to depositors and shareholders, subserved by generally distributed and safe loans, the present law provides no specific penalty against individuals which the Comptroller can apply for violations of this section in the making of excessive loans, where such violations do not affect the solvency of the bank, nor justify the appointment of a receiver.

A United States court, under the general provision of the law providing for the forfeiture of the franchises of a bank for any violations of the banking act, might adjudicate the question of fact as to such violations, but could apply no other remedy than forfeiture of franchise.

Since the institution of the national banking system the violation of this provision has been common; and the Comptroller, though allowing no known violation to escape his written protest, finds great practical difficulty in his endeavors to enforce this requirement.

On September 20, 1898, the date of the last call by the Comptroller for statements of condition of national banks, 1,124 banks, constituting nearly one-third of the entire number of banks in the system, reported loans in excess of the limit allowed by section 5200, Revised Statutes of the United States.

The principles underlying the present provision of the law, are as valuable to depositors and shareholders in their application to the banks of the larger communities, as to the banks of the smaller communities; but the observance of this provision, while not interfering with the current requirements of either the banks or the public in smaller communities, proves an almost insurmountable obstruction to the business of our larger cities.

The present need is for an amendment to this provision, which, while compelling, under penalties, the safe and proper distribution of loans of larger banks, will enable them to loan more nearly the same per cent of their total assets which the present provision allows to small banks. In this way the officers of larger banks can supply the proper needs of the larger communities without disregarding the law, and the Comptroller can hold them under personal penalty to strict observance of the amended law, which when disregarded would indicate improper distribution of loans, something which infractions of the present provisions in the case of many banks do not necessarily indicate.

The greater ratio borne by banking resources to banking capital in the larger communities, as compared with the like ratio in smaller communities, is responsible for the defective and unequal working of the present provision.

The average ratio of resources to the average capital of the 47 national banks in the city of New York is as 18 is to 1; of the 17 national banks in Chicago as 10.2 is to 1; of the 6 national banks in St. Louis as 7.3 is to 1; of the 257 national banks in other reserve cities as 6.6 is to 1; while in 3,255 country banks the ratio is but as 4.7 is to 1.

The law limiting loans to 10 per cent of the capital, when applied to the 3,255 banks of the smaller communities of the country, as a whole would allow the loaning of 2.14 per cent of their total assets to one individual. As compared with this, the banks of the city of New York, on the average, could not loan over fifty-six one-hundredths of 1 per cent

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of their total assets to any one individual; the banks of Chicago not over ninety-eight one-hundredths per cent of their total assets; the banks of St. Louis not over 1.4 per cent of their total assets; the banks of other reserve cities not over 1.51 per cent of their total assets.

In other words, the proportion of their assets which the country banks of the United States can loan, in strict compliance with section 5200, to one individual, is sixty-three one-hundredths of 1 per cent greater than in 257 reserve cities, seventy-four one-hundredths of 1 per cent greater than in St. Louis, over twice as great as in Chicago, and nearly four times as great as in the city of New York.

This provision as it stands at present constitutes an incentive to the making of loans the larger in proportion to the total assets of banks in smaller communities, where, as a rule, large loans which are safe, are the most difficult to secure; while in the larger business centers of the country, where commercial conditions create a certain demand both from banks and borrowers for large and safe loans, its effect is the reverse to such an extent as to be injurious.

A bank with smaller loans, is not necessarily a bank with the more distributed and safe loans. A bank with $100,000 capital and $100,000 deposits, the latter being loaned in the maximum amounts allowed by the present provision (to wit, to 10 individuals at $10,000 each) has not as well-distributed loans as a bank of $1,000,000 capital and $5,000,000 deposits, the latter loaned to 50 people at the maximum of $100,000 each. In the former case the loans are distributed among only 10 people and in the latter case among 50 people, and yet in each case there is strict compliance with the 10 per cent restriction.

One of the objects evidently designed to be subserved by the present provision of the law, was the protection of the capital of a bank, as distinguished from other assets of the bank.

The framers of the section undoubtedly considered the capital of a bank as a greater safeguard for the depositors against loss, when not over one-tenth part of it was loaned to a single individual or corporation without security. They recognized the fact, however, that when outside security was had for loans, the capital did not need for its protection the 10 per cent restriction; and they provided accordingly for the exemption from the restriction of a certain class of secured loans, as follows:

> But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

In the modification of section 5200, which we will recommend, we invoke the same principle of outside security for the protection of the capital against loss upon loans exceeding the 10 per cent limit.

The size of a loan is of itself, no indication either of its strength or weakness. If the size of a loan is not such as to be an undue concentration of the assets of a banking institution in the hands of one individual or corporation, thus depriving its creditors and shareholders of the safety of the law of average, it is not wise, either upon economic grounds or upon grounds of public policy, to forbid it by law.

If, however, the size of a loan is such as to cause such undue concentration, its prevention is justifiable on both grounds.

Recognizing these truths, it is the easier to understand why in many instances a strict compliance with this provision of the law (sec. 5200, R. S. U. S.) is consistent with all the needs of the current business of a small community and a proper protection to both banks and the

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public, yet in some larger communities it seriously interferes with the business requirements of both the banks and the public, and adds in no way to the safety of the depositor.

The limit of the amount of single loans to an arbitrary percentage of either the capital, or the sum of the capital and surplus of a bank, does not insure a general or proper distribution of loans in all cases. Since, as stated before, the size of a loan is not, per se, related to its safety, the more important proportion to consider, when endeavoring to regulate the distribution of loans by law, is that of the amount of the loan to the total assets, rather than that of the loan to the amount of the capital.

Grounds of public policy suggest as advisable the largest liberty in loans, not inconsistent with the absolute safety of the depositor.

The habitual disregard of the present provision by the officers of so many banks, interferes with the proper supervision of the banks by the Comptroller, and tends to create indifference to the other restrictions of the national banking law.

The failure of the present law to provide the power to apply a personal penalty for the making of excessive loans, sometimes embarrasses the Comptroller in endeavoring to check tendencies toward recklessness in loaning, which point to the ultimate ruin of a banking institution.

As before stated the present provision, when properly altered, should allow the banks of larger communities to have more nearly the privilege of loaning a given per cent of their total assets to one individual, which now belongs, under a strict compliance with the present provision, to the banks of the smaller communities. From this privilege they are now debarred by law.

The desired results can be obtained, in our judgment, by adding, after the words, in section 5200, "shall at no time exceed one-tenth part of the amount of the capital stock of such association actually paid in" the following words:

Provided, That the restriction of this section as to the amount of total liabilities to any association, of any person, or of any company, corporation, or firm for money borrowed, shall not apply where a loan in excess of one-tenth part of the capital stock shall be less than two per cent of the total assets of said bank at the time of making said loan. Said loan shall be at all times protected by collateral security equal to or greater in value than the excess in the amount of said loan over one-tenth of the capital stock.

A strict and personal penalty enforceable by the Comptroller, should then be provided for infractions of the amended section by the officers of banks, to enable the Comptroller to successfully enforce general and strict compliance with its terms.

The suggested amendment will make section 5200 just and equitable in its relation to all national banks, and to all communities of our country, large and small, which it is not at present.

It would not lessen the amount which the smaller banks can now loan in compliance with the section as it stands at present. At the same time it would not allow the larger banks to loan to any one individual or corporation more than 10 per cent of their capital, unless such loan, in addition to being secured for the excess, would still amount to a less per cent of their total assets, than the per cent of total assets which the smaller banks can now loan under the section as it stands at present.

Section 5200 thus amended will not interfere, as at present, with the right of the banks in the larger communities to meet the legitimate requirements of business in these commercial centers. It will enable

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the Comptroller, by its enforcement, to prevent an undue concentration of loans and conserve their general distribution.

Under the section thus amended, the capital of a bank will be protected, inasmuch as no loan in excess of the 10 per cent limit can then be made, except upon proper collateral security.

The penalty clause will enable the Comptroller not only to limit the size, but to enforce the securing of excessive loans.

The following table shows the inequality of the present law in its practical effects upon the banks of larger and smaller communities, so far as the possible distribution of loans is concerned:

Banks in—	Number of banks July 14, 1898.	Average resources.	Average capital.	Maximum average loan 10 per cent of capital.	Ratio of average resources to average capital.	Average maximum loan to average resources now allowed by sec. 5200.
New York City	47	$18,598,379	$1,036,170	$103,617	18 to 1	$\frac{56}{100}$ of 1 per cent.
Chicago	17	11,632,219	1,144,118	114,411	10.2 to 1	$\frac{98}{100}$ of 1 per cent.
St. Louis	6	10,257,586	1,400,000	140,000	7.3 to 1	1.4 per cent.
All central reserve cities	70	16,191,676	1,093,571	109,357	14.8 to 1	$\frac{68}{100}$ of 1 per cent.
Other reserve cities	257	3,909,561	591,343	59,134	6.6 to 1	1.51 per cent.
Country banks	3,255	565,130	120,888	12,088	4.7 to 1	2.14 per cent.
United States	3,582	1,110,462	173,650	17,365	6.4 to 1	1.56 per cent.

For the purpose of ascertaining the general result of the suggested amendment to section 5200, U. S. R. S., an examination has been made of the reports of condition of the national banks of date July 14, 1898, and examiners' reports for approximate dates nearest thereto. In the following table is set forth the number of banks in reserved cities named, total loans outstanding November 1, loans in excess of the legal limit, loans which would be excessive if allowed to the limit of 2 per cent of the total resources, and number of banks in which loans equaling 10 per cent of their capital would be greater than 2 per cent of total assets, the loaning power of which the proposed limit would not increase. The table also shows similar information relative to one hundred banks selected at random from various sections of the country.

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Cities.	Number of banks.	Total number of loans outstanding Nov. 1, 1898.	Number of excessive loans under section 5200.	Number of loans in excess of the proposed 2 per cent limit.	Number of banks in which loans equaling 10 per cent of their capital would be greater than 2 per cent of total assets, the loaning power of which the proposed limit would not increase.
New York	47	29,919	504	30	2
Chicago	17	17,652	53	12	2
St. Louis	6	7,791	24	10	0
Total	70	55,362	581	52	4
Boston	52	43,123	9	1	28
Albany	6	4,326	52	17	0
Brooklyn	5	2,510	32	4	0
Philadelphia	37	25,134	145	38	1
Pittsburg	30	20,570	48	14	10
Baltimore	22	15,533	35	11	16
Washington	11	9,471	21	5	4
Savannah	2	1,230	2	0	2
New Orleans	7	4,605	52	2	2
Louisville	6	5,216	7	2	4
Houston	5	1,421	24	1	4
Cincinnati	13	14,542	14	5	0
Cleveland	13	10,211	27	12	5
Detroit	6	5,600	10	2	1
Milwaukee	5	6,353	6	1	1
Des Moines	4	2,969	2	0	1
St. Paul	5	2,788	4	2	3
Minneapolis	6	2,951	14	2	5
Kansas City	5	3,911	31	9	0
St. Joseph	2	1,447	21	4	0
Lincoln	3	1,190	3	0	3
Omaha	8	4,288	8	1	4
San Francisco	4	2,130	6	2	2
Total	257	191,519	573	135	96
Total all reserve cities	327	246,881	1,154	187	100
Country	100	51,550	250	88	54
Total	427	298,431	1,404	275	154

INSOLVENT BANKS.

The Comptroller of the Currency is charged with general responsibility for the proper liquidation and distribution of the assets of the insolvent banks of the country, in the hands of receivers appointed by him.

At present the assets of insolvent national banks of the country under his direction, are of the nominal value of $48,000,000.

The decision of questions which are daily submitted by different receivers as to the proper disposition of these assets, scattered as they are throughout every section of the country, and consisting of the most diversified kinds of property, constitute a most exacting and often perplexing part of the general duties of the office.

During the past year efforts have been made to cut down the expenses of receiverships, and hasten the final liquidation of the trusts. An annual saving approximating $100,000 has been effected by the reduction of the salaries of receivers and attorneys, to correspond with the gradually lessening assets consequent upon the progress of liquidation, and by the consolidation of various receiverships in the hands of fewer receivers.

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Including the receivers appointed to take charge of banks which have failed during the year, the total number of receivers now at work is 113, a reduction of 14 since the last report of this office was issued.

The books and remaining personal assets of eleven receiverships have been removed to Washington, and are managed by one receiver and two assistants, thus dispensing with ten receivers and five clerks, and resulting in other economies. These latter receiverships were of banks in the last stages of liquidation, with slow assets, of a nature which would involve serious loss at forced sale, or which were involved in unfinished litigation. Eight other receiverships are in process of removal to this office, which will result in dispensing with nineteen receivers in all.

With some marked exceptions, the experience of the office shows that the indifference of local receivers to the demands of the business of their trusts, has a tendency to grow, as the assets of the trust and their compensation diminish; and the results of the policy of consolidations of trusts has thus far amply justified the steps taken.

RULING AS TO SECOND ASSESSMENTS UPON STOCKHOLDERS AND REBATE TO STOCKHOLDERS IN CASE OF INCORRECT ASSESSMENTS.

The practice of this office heretofore has been when an assessment upon stockholders is once decided upon as the proper one to cover a deficiency in the assets of an insolvent bank and to reimburse depositors, to regard such levy as irrevocable and unchangeable, notwithstanding further developments in the administration of a trust may demonstrate error in the assessment.

This practice the Comptroller has found in many cases, to be inconsistent with the exact fulfillment of the law.

If an ordinary trustee, representing two parties to a settlement, is charged with the collection of a debt for one from the other, and after collecting the amount which he believed to be due, discovers afterwards that he has only collected half the amount really due, it is his unquestionable duty to proceed once more to collect the unpaid balance. In like manner, if such a trustee collects what he considers the amount of the debt, and discovers afterwards that he has collected twice the amount actually due, it is his unquestionable duty to return the half of the amount unjustly collected, to the wronged party. No trustee, upon the discovery of his mistake in either instance, would be justified in claiming that his first action was final, and that he owed no further duty to the parties involved.

The Comptroller, therefore, acting as trustee for the proper protection of the interests involved, can not rightfully refrain from making second assessments against stockholders, where the first assessment was too small, or refuse to return to stockholders a portion of their paid assessments, when they were made in the first instance, through error, in an amount larger than that allowed by law.

An assessment is made against the stockholders of an insolvent bank to cover the difference between the claims against it, and the value of its assets.

When the assessment is made after all the assets have been disposed of, there is little likelihood of mistake by the Comptroller and the receiver in the fixing of the amount; but when the assessment is made prior to the final liquidation of the assets, as is generally the case, it is based upon the difference between the claims, and the amount which the Comptroller and the receiver estimate as the cash value of the assets, after deducting allowances for contingencies and expenses.

The diversified nature, location, and condition of the assets of insolvent banks is such, that some errors in the appraisement of the Comp-

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troller and receiver are inevitable and unavoidable. These errors if they exist are of course developed by the final liquidation of the trust. If the final liquidation develops that the total deficiency is so large that it would not have been covered by a fully paid assessment of 100 per cent upon the stockholders, and a 100 per cent assessment had already been declared, a former error in the estimate of the value of the assets would of course be immaterial; but, if the former assessment had been for a less amount than the 100 per cent, it is the Comptroller's plain duty as trustee in the interest of the creditors, for the collection of the legal liabilities of the stockholders, to make a second assessment for an amount which, with the former assessment, would equal the full stockholders' liability, to wit, 100 per cent.

And thus, with any other error in deficient assessments, a second assessment should be made to cover the difference between the deficiency as estimated, and the deficiency as developed by final liquidation.

In like manner, when the estimate of the deficiency upon which the assessment was based proves to be too large, it is evident that the Comptroller has collected from the stockholders a greater sum than that which the law gives him authority to collect, and it is his duty to return the excess to the contributing stockholders.

There can be no reasonable dissent from these propositions. In their practical application it will sometimes happen that a return of an illegally collected excess will be made to stockholders, and at the same time. the creditors of the same bank will not have been paid in full.

This arises from the fact that the Comptroller can assess against each stockholder under the law, only that proportion of the total deficit which his stock bears to the total stock, irrespective of whether or not, through the insolvency of some of the stockholders, a portion of the total deficit for which the assessment is made is uncollectible.

There are at present in the Comptroller's hands eight insolvent banks where a revision of the former assessment is necessary. In three of these a second assessment against stockholders, in the interest of depositors, has been made, and in five cases a rebate in assessments collected will be returned to stockholders.

The Comptroller reproduces here a portion of holding of the United States Supreme Court and the original ruling made by the Comptroller thereunder, May 5, 1898, as more fully explaining the principles and methods involved:

In the case of the United States *v.* Knox (102 U. S., 425), the court uses the following langnage in outlining the process to be pursued in fixing the separate liability of the shareholders:

"In the process to be pursued to fix the amount of the separate liability of each of the shareholders, it is necessary to ascertain (1) the whole amount of the par value of all the stock held by *all the shareholders;* (2) the amount of the deficit to be paid after exhausting all the assets of the bank; (3) then to apply the rule that each shareholder shall contribute such sum as will bear the same proportion to the whole amount of the deficit as his stock bears to the whole amount of the capital stock of the bank at its par value. There is a limitation of this liability. It can not in the aggregate exceed the entire amount of the par value of all the stock.

"The insolvency of one stockholder, or his being beyond the jurisdiction of the court, does not in any wise affect the liability of another; and if the bank itself, in such case, holds any of its stock, it is regarded in all respects as if such stock were in the hands of a natural person, and the extent of the several liability of the other stockholders is computed accordingly." (Crease *v.* Babcock, 10 Metc. (Mass.), 525.)

The court further says: "Although assessments made by the Comptroller under the circumstances of the first assessment in this case, and all other assessments, successive or otherwise, not exceeding the par value of all the stock of the bank, are conclusive upon the stockholders, yet if he were to attempt to enforce one made clearly

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and palpably contrary to the views we have expressed, it can not be doubted that a court of equity, if its aid were invoked, would probably restrain him by injunction."

The Supreme Court of the United States having thus determined the basis upon which, under the law, the Comptroller fixes the amount of the assessment to be levied against the shareholders of an insolvent bank, no other course is proper than a reconsideration of the question of the amount of the deficiency when the matter is brought before him upon complaint of either depositors or stockholders, or where an error becomes manifest to him in the course of the further administration of the trust.

The position of the Comptroller in his relations to the stockholders, is that of a trustee for the collection, in the interest of the creditors, of all the legal liabilities of the stockholders under the statute, and as further defined by the courts.

In pursuance of this duty as trustee, when upon further administration of the trust an error in a former assessment is demonstrated in estimating the deficiency in the assets of the trust at too small an amount, it will become the duty of the Comptroller to review the former action, and, if necessary, to levy an additional assessment upon the stockholders of the insolvent bank, for the purpose of collecting from each stockholder that proportion of the difference between the estimated and the actual deficiency which the stock of the individual stockholder bears to the total stock of the bank.

If, in the endeavor to enforce such liability through an error as to the exact deficiency, there is collected a greater amount from the shareholders than that for which they are legally liable, the Comptroller then becomes trustee for the stockholders who have paid such excess, charged with the return of said excess to the contributing stockholders in the proportion in which they have paid their original assessment to him. The determination of the amount to be returned to such stockholders must necessarily be deferred until the final closing of the trust, an amount being reserved at all times in the hands of the Comptroller sufficient to afford full protection to said contributing shareholders against any contingency of change in the amount collected from the assets, over the estimated value of assets at the time of the assessment.

The following illustrations taken from the records of the office show the application of the ruling:

In the case of the El Paso National Bank, El Paso, Tex., an assessment of 35 per cent on the $150,000 of capital stock was levied December 26, 1894. After all the assets had been liquidated it appeared that if the whole amount of the assessment, $52,500, had been collected, a deficiency of $28,500 still existed, for which the shareholders were liable, and on May 6, 1898, an accounting having been made by the receiver, the individual liability of the shareholders was further enforced by an assessment of 19 per cent on the capital stock.

The process of ascertaining the deficiency is exemplified in the following statement of the liabilities and resources of the bank:

LIABILITIES.

Claims at date of suspension		$263,088.00
Claims established since suspension		21,568.57
Total claims		284,656.57
Expenses:		
Amount paid for betterment of assets	$9,134.35	
Receiver's salary	12,749.75	
Legal expenses	3,444.97	
General expenses	6,547.55	
		31,876.62
Interest at 6 per cent from date of suspension to December 31, 1898:		
On $161,947.45 claims proved	34,600.19	
On $2,914.46 liabilities not proved	881.62	
		35,481.81
Estimated expenses to date of final closing, December 31, 1898		2,000.00
Total liabilities		354,015.00

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RESOURCES.

Collections from all sources, exclusive of $13,650 collected from assessment of 35 per cent upon shareholders	$229,094.70
Offsets allowed against liabilities	43,808.28
Assessment of 35 per cent upon shareholders	52,500.00
Total resources	325,402.98
Remaining deficiency of assets	28,612.02

Or by the following statement of the liabilities and resources, the same result is obtained:

LIABILITIES.

Claims proved	$161,947.45
Liabilities not proved	2,914.46
Interest at legal rate from date of suspension to December 31, 1898, on proved claims	34,600.19
On liabilities not proved	881.62
Estimated expenses of receivership to date of final closing	2,000.00
Total liabilities	202,343.72

RESOURCES.

Cash on deposit in United States Treasury	95.02
Collections from assets, representing dividends paid to creditors on $161,947.45 proved claims	121,136.68
Assessment, 35 per cent, upon shareholders	52,500.00
Total resources	173,731.70
Remaining deficiency of assets	28,612.02

In the case of one national bank, in which an assessment of 70 per cent had been levied upon its capital stock of $60,000, it has been ascertained that an assessment of 32 per cent, if paid in full, would have been sufficient in connection with the collections from the assets, to pay its liabilities, and that $6,856 of the amount collected from the shareholders in excess of the amount that would have been payable on the basis of an assessment at the latter rate, is returnable to them in the following proportions, numbers being used to indicate the shareholders who have paid the assessment of 70 per cent in whole or in part.

Number of claim.	Number of shares.	Amount of capital stock.	Assessment of 70 per cent on capital stock.	Amount collected in cash on 70 per cent assessment.	Assessment 32 per cent, representing actual deficiency of assets.	Amount of overpayment on basis of 32 per cent assessment.
1	10	$1,000	$700	$700	$320	$380
2	7	700	490	490	224	266
3	5	500	350	350	160	190
4	10	1,000	700	700	320	380
5	1	100	70	70	32	38
6	10	1,000	700	700	320	380
7	5	500	350	350	160	190
8	100	10,000	7,000	7,000	3,200	3,800
9	2	200	140	140	64	76
10	2	200	140	140	64	76
11	60	6,000	4,200	3,000	1,920	1,080
Total	212	21,200	14,840	13,640	6,784	6,856

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All assets of the bank having been liquidated, the amount for which the shareholders should have been assessed to meet the deficiency was $19,200, instead of $42,000, as will appear from the following statement of its liabilities and assets:

LIABILITIES.

Claims proved, upon which 60 per cent in dividends have been paid	$28,695.18
Claims not proved, as shown by the books	565.58
Interest on above claims to date	6,793.51
Total liabilities	36,054.27

ASSETS.

Cash on deposit in United States Treasury		$5,376.20
Collections from assets representing dividends 60 per cent on $28,695.18 claims proved		11,478.07
Total assets		16,854.27
Deficiency of assets		19,200.00
Assessment, 32 per cent, on $60,000 capital stock	$19,200	
Assessment, 70 per cent, on $60,000 capital stock	42,000	
Excess over amount of actual deficiency	22,800	
Amount collected on 70 per cent assessment		13,640.00
Proportionate amount that would have been collected on 32 per cent assessment		6,784.00
Amount collected on 212 shares of stock in excess of 32 per cent assessment		6,856.00

DOMESTIC BRANCH BANKING.

The Comptroller recommends, in accordance with former recommendations of his predecessor, that domestic branch banking should be legalized in communities of less than 2,000 inhabitants, many of which are now unable to support independent banks. This would afford some smaller communities banking privileges which are now without them, but would not materially interfere with the scope of the work now so well performed by the existing banks of the smaller communities.

The main arguments which are advanced in favor of the granting of more liberal privileges of branch banking than this, are based largely upon the theory that with branch banking allowed in all communities, irrespective of size, more uniform interest rates would prevail throughout the country, and the flow of capital to points of scarcity would be facilitated.

Such privileges would place the larger banks of the great cities in competition with the banks of smaller communities, and would probably result in a rapid centralization of the banking business of the country in the hands of a constantly lessening number of institutions. Theoretical advantages are claimed for such results, but in our judgment they would be injurious to the best interests of our country.

Such a system would increase the difficulties in the way of the small borrower, though lessening them for the large borrower. It would tend to separate the borrower from the lender, as it would of necessity remove the central lending power from the small borrowers of small communities.

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It may be claimed that the agents in charge of the branch banks would possess the same powers of loaning as the officers of the smaller banks now possess; but such arguments ignore the prevailing tendencies of modern corporate management which magnify of necessity central responsibility, and constantly tend to subordinate to rigid systems, the activities and responsibilities of agents upon detached duty.

The opportunities for individual attention and accommodations to bank customers of limited business, are now well subserved by competing smaller banks. Interest rates are not alone dependent upon local money supply; they also depend upon the risk of loss assumed in loaning. Branch banks in newer communities would not assume unusual risks, without unusual rates. The facilities now afforded by the 3,600 national banks of the country for the movement of capital toward points of scarcity are such that any new system would probably not result in great changes in the general rates of interest. But when the economic tendencies adverse to business individualism involved in unlimited domestic branch banking are considered, the question of interest rates becomes secondary.

FOREIGN AND COLONIAL BRANCH BANKING.

In the matter of foreign and colonial branch banking, however, different considerations, arising from different conditions, present themselves.

The subject of the legislation which should be provided by Congress for the regulation of the domestic banking of the new colonies of the United States, and for the defining and regulation of the banking relations between these colonies and the United States, is one of greatest importance at this juncture of our national and commercial career. This legislation is not only most essential to the welfare of the people of the new territories, but to the people of the United States as well.

The foundation for the greater growth of trade between the United States and her colonies must be speedily and firmly laid in proper banking laws, which will result in enabling her merchants to do business with the people of the colonies without the disadvantages existing at present.

The lamentable lack of proper international banking facilities, under which the merchants of the United States have so long labored, has now become a serious hindrance to the speedy adjustment of our trade relations to the new advantages afforded by territorial expansion. For years before the outbreak of the war with Spain the necessity of providing proper banking facilities for our trade with South American countries, had been recognized and widely proclaimed by the business interests of the country.

These facilities are now not only more important than formerly to our business interests, but at present governmental, as well as trade necessities, demand legislation.

In April, 1890, the International American Congress, held at Washington, discussed the needs of better banking facilities between the American republics, and made recommendations in connection therewith which received the indorsement of President Harrison and Mr. Blaine, the Secretary of State.

In furtherance of this object several bills have been favorably reported from the Committee on Banking and Currency of the House. As yet, however, these efforts, made in the interest of trade stimulation, have not resulted in the enactment of law.

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Our present national banking laws do not authorize the establishment of American international or American intercolonial banks, nor could any national bank establish a branch in a territory or colony such as Porto Rico or Hawaii, even if our present laws unchanged were extended over it.

While it is questionable whether Congress should legalize the establishing of foreign or colonial branches by national banks transacting business under the present law, that it should at least pass laws authorizing, under proper restrictions, the general incorporation of banks organized to carry on international and intercolonial banking, as distinguished from domestic banking, admits of no reasonable doubt.

Unless some such legislation is provided, the American exporter and importer, in his trade with America's own colonies, will be compelled to endure all the disadvantages under which, in all South American markets, and in many other markets of the world, he now labors in his competition with foreigners enjoying superior banking facilities.

When, by means of international banks and their branches, the proper banking facilities are afforded those engaged in foreign trade, they transact their business with these banks in much the same manner as the domestic shippers of the United States transact business with our present banks.

The American, in his South American trade, as compared with the foreigner in the same line of business, is subjected to the same relative disadvantages as are experienced by a domestic shipper without banking facilities, as compared with another who possesses them.

Domestic dealers in supplies, in good credit, may make contracts with domestic wholesale purchasers in good credit, for the sale and shipment of goods, for which the consignee gives his acceptance, payable at different intervals, sometimes months after the delivery to him of the shipment.

The consignor discounts this accepted draft given him for the goods, with his bank, thus receiving his capital at once for reinvestment, and enabling him to transact a larger business than if the capital invested in the goods was locked up until the maturity of the acceptance. On the other hand, the consignee has the difference between the time of the arrival of the shipment, and the maturity of the draft, to sell the goods, and to collect from the purchaser all or a portion of the amount necessary to pay the draft.

The situation of the shipper without banking facilities is in sharp contrast. He must ordinarily sell for cash, instead of on credit, to the consignee, as he needs his capital in most cases for immediate reinvestment. As a result, in his competition with his more favored rivals, he is not only compelled to accept lower prices, involving smaller margins of profit, but he must do a smaller business on the same capital invested.

Thus, as compared with the English exporter, who, when his goods are shipped, can receive advances from an English international bank upon the credit of his bills of lading and of the foreign consignee, concerning whose credit the home bank, through its foreign branch, is well advised, the American shipper, in the majority of instances, is denied such privileges, and must await entire, instead of partial, reimbursement until the arrival of the goods at the foreign market, and the collection of the draft for the purchase price made at the time of shipment.

In addition to this disadvantage, the American exporter and importer in his trade with South American countries, transacts all his business of consequence through English banks in terms of English money, paying the rates of exchange fixed by these foreign institutions.

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The foreign branches of American international and intercolonial banks would obviate many of these difficulties, and would become themselves valuable mediums of introduction of American enterprise into colonial and foreign fields.

The present situation of trade and finance in Porto Rico, is deplorable.

Credit in business is sparingly used, and under most primitive and exacting conditions. While some lines of credit through foreign connections are extended to those engaged in the import and export business, no credits of consequence are extended to this class of trade by Porto Rican banks. The primitive conditions and disadvantages under which business has heretofore been transacted in Porto Rico, have prevented the establishment of Porto Rican branches by foreign banks, and under the new era the American banker in entering this field, will not have the competition of a long established branch bank business, such as exists in most South American countries. That this will prove to be an advantage to American interests from one standpoint, admits of little doubt, provided that new banking laws are framed by Congress authorizing the establishment of international and intercolonial banks, which can perform those numerous and indispensable offices in the facilitation and extension of business between the States and colonies, which domestic banks now perform in the interest of business between the citizens of the States themselves.

The present banking business in connection with American trade in Porto Rico, is done mainly through one house with a New York branch.

This firm of bankers has as agents various commercial houses in different parts of Porto Rico.

Commission merchants are now transacting almost the entire business of this country with Porto Rico. They represent the merchants of the island, and secure or furnish them credit, receiving commissions for their services.

Thus the credits granted in connection with the export and import business of the island, are almost wholly by commission men.

With proper banking facilities, and after the final establishment of a fixed rate of exchange between the present Porto Rican coin and our own money, this country should control almost the entire trade of all kinds in the island.

The determination of the relation of any new banking system, to the existing banks and domestic credits of Porto Rico, differing as they do from those of this country, involves many difficult questions; and legal provision for the appointment of a commission, especially charged with the examination of the conditions of domestic banking and finance on the islands, and with the recommendation of the proper form of laws in connection therewith, is respectfully urged upon Congress.

In Hawaii business conditions are far different. The four commercial banks of Honolulu have adopted largely American methods; and the customs of general business are now American to such an extent that the present national banking act might well be extended over the island, so far as its domestic banking is concerned.

While the present banks, with their correspondents in the United States, now provide reasonably well the exchange and other credits necessary to accommodate the business between the island and the United States, the establishment of intercolonial banks under new laws of Congress, would probably be found of advantage to existing trade relations.

In view of the conditions and necessities of our trade with our new Territories of Porto Rico and Hawaii, and with other South American

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countries, as well as with those other territories over which our country must exercise a more or less extended measure of control, the Comptroller earnestly recommends the passage of laws authorizing the incorporation of banks, organized for the purpose of carrying on international and intercolonial branch banking.

ORGANIZATION OF NATIONAL BANKS.

From the date of the granting of the first certificate of authority, June 20, 1863, to the end of the year covered by this report, there have been 5,151 national banking associations organized—an average for each year of 147. On October 31, 1898, there were in active operation 3,598 banks, having an aggregate authorized capital stock of $624,552,195. The total outstanding circulation amounted to $239,546,281, of which $210,045,456 was secured by United States bonds, and the remainder, $29,500,825, by lawful money deposited with the Treasurer of the United States for account of liquidating and insolvent national banking associations and those reducing circulation. The increase during the year in the amount of circulation secured by bonds was $6,119,776, and the increase in total circulation, including the notes of liquidating and insolvent national banking associations and those reducing circulation, $9,582,771.

The following table shows the amount and kind of bonds on deposit as security for circulating notes on October 31, 1897, and October 31, 1898:

Class.	1898.	1897.	Change.	
			Increase.	Decrease.
Pacific sixes	$2, 906, 000	$9, 030, 000	.....	$6, 124, 000
Fives	16, 231, 900	15, 910, 650	$321, 250	.....
Fours (1907)	139, 436, 050	150, 288, 100	.....	10, 852, 050
Fours (1895)	23, 990, 650	30, 474, 150	.....	6, 483, 500
Twos	22, 047, 750	22, 039, 650	8, 100	.....
Threes	31, 006, 120	.....	31, 006, 120	.....
Total	235, 618, 470	227, 742, 550	*31, 335, 470	23, 459, 550

* Net increase, $7,875,920.

The number and capital of the 3,598 banks in operation on October 31, 1898, in each geographical division are as follows: Five hundred and eighty-two banks, with capital stock of $155,231,620, in the New England States; 961 banks, with capital stock of $193,887,122, in the Eastern States; 539 banks, with capital stock of $64,788,200, in the Southern States; 1,045 banks, with capital stock of $158,653,100, in the Middle States; 348 banks, with capital stock of $31,699,100, in the Western States, and 123 banks, with capital stock of $20,065,000, in the Pacific States.

In point of number of banks in active operation, Pennsylvania, New York, Massachusetts, Ohio, Illinois, and Texas lead with 428, 327, 262, 254, 219, and 197, respectively. According to capital stock, Massachusetts is first, with $91,627,500, New York second, with $82,944,940, Pennsylvania third, with $73,359,390, followed by Ohio, with $45,535,967, Illinois, with $36,746,000, and Texas, with $19,515,000.

During the report year there were organized 56 banks located in 20 States and 2 Territories, with aggregate capital stock of $9,665,000. Of this number, 8 were in Pennsylvania, 7 in Ohio, 6 in Iowa, 5 in Illinois, 4 each in New York and Texas, 3 in Indian Territory, 2 each in Cali-

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fornia, Kansas, Missouri, and New Jersey, and 1 each in Alaska, Delaware, Indiana, Kentucky, Maryland, New Hampshire, North Carolina, South Carolina, Virginia, Wisconsin, and Oklahoma Territory.

In geographical divisions the number of banks organized during the year was as follows: New England States, 1, with capital stock $50,000; Eastern States, 16, with aggregate capital, $1,185,000; Southern States, 8, combined capital, $620,000; Middle States, 22, total capital, $3,960,000; Western States, 6, capital aggregating $300,000, and Pacific States, 3, capital, $3,550,000. California is first in amount of capital stock of banks organized during the year, having $3,500,000; Illinois has $2,250,000; New York, $525,000, and Indiana, $500,000, the total capital of banks in each of the other States ranging from $460,000 down to $50,000.

The corporate existence of 20 national banking associations having capital stock of $2,145,000, total circulation $844,875, and located in twelve States, has been extended during the year as follows: New York 5, Pennsylvania 3, Illinois and Massachusetts 2 each, and the following 1 each: Delaware, District of Columbia, Indiana, Kentucky, North Dakota, South Dakota, Vermont, and Washington. Of the total capital, New York aggregates $585,000, Massachusetts $350,000, Pennsylvania $210,000, Illinois and North Dakota $150,000 each, and Delaware, District of Columbia, Indiana, Kentucky, South Dakota, Vermont, and Washington $100,000 each. Under the act of Congress approved July 12, 1882, providing for the extension of national banking associations, the corporate existence of 1,670 banks, having an aggregate capital stock of $407,531,115, has been extended. Of these, New York has 244, Massachusetts 231, Pennsylvania 208, Ohio 114. The number of banks in each of the other States ranges from 75 down.

By reason of the expiration of corporate existence, three banks, having an aggregate capital stock of $534,000 and total circulation of $165,000, left the system during the year. They were located in Illinois, Kentucky, and Pennsylvania. Those in the last two States were succeeded by new associations with capital stock of $250,000 and circulation amounting to $67,500.

During the coming report year, viz, that closing October 31, 1899, the corporate existence of 22 associations, with capital stock aggregating $3,155,000 and circulation $1,397,250, will expire. These banks are distributed among the States as follows: Massachusetts, New York, and Pennsylvania, 3 each; and 1 each in California, Connecticut, Illinois, Indiana, Iowa, Kentucky, Maryland, Missouri, New Mexico, North Carolina, North Dakota, Ohio, and Vermont. In the ten years from 1899 to 1908, inclusive, the corporate existence of 1,134 banking associations, with capital stock amounting to $162,418,150 and circulation $44,293,753, will expire by limitation.

The number of banks leaving the system during the past year by voluntary liquidation was 69, one of which subsequently passed into the hands of a receiver. The 68 banks which liquidated had a total capital stock of $12,509,000, and circulation amounting to $2,184,958.

LIQUIDATIONS, DIVIDENDS, ETC.

In the Midsummer of 1893 the capital stock of national banks reached the maximum, $699,034,665. Since that date 223 banks have been organized with an aggregate capital of $27,505,000, and 100 have increased their stock in the sum of $8,612,000. In the same period, by failures, reductions of capital stock, and voluntary liquidations,

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$110,599,490 has been eliminated, leaving $624,552,195 on October 31, 1898. While 316 banks, with capital of $43,991,100, liquidated voluntarily, 25 per cent of the number, as shown by the records of this office, were consolidated with other associations. These liquidations and reductions of stock were the inevitable results of constantly decreasing dividends. During the year ended March 1, 1893, the average rate of dividends paid to the shareholders of national banks was 7.5 per cent; in the following year, 6.8 per cent; in 1897, 6.7 per cent; and in 1898, 6.96 per cent. The competition for deposits has developed the very general custom of paying high rates of interest thereon. The prevailing low rates of interest on loans and discounts have also lessened the returns to stockholders.

For the year ended June 30, 1898, the tax on national-bank circulation was $1,901,817, and the total amount paid to the Government as tax on the circulating notes, $83,313,202.25.

DURATION OF NATIONAL-BANK CIRCULATION.

In 1886 the Comptroller, in his annual report to Congress, presented a series of tables indicating the average length of time national-bank notes of the various denominations remain in circulation. On the date in question the office records were not in condition to show accurate data, estimates being necessary for the six years antedating October 31, 1869. In 1889 a very careful examination of the records was made, and as a result the table appearing in the appendix shows correctly the circulation account annually from the date of first issues to October 31, 1898.

From this table was obtained the basis for the following calculations of the average lifetime of the issues of each denomination.

NUMBER OF EACH DENOMINATION OF NATIONAL BANK NOTES ISSUED FROM THE BEGINNING OF THE SYSTEM TO OCTOBER 1, 1898; THE CALCULATED AGGREGATE NUMBER OF LIFE YEARS EXPERIENCED WHEN REDEEMED, AND THE RESULTING AVERAGE LIFETIME OF THE NOTES OF EACH DENOMINATION.

Denominations.	Number of notes issued.	Calculated aggregate number of life years experienced when redeemed.	Resulting average lifetime of each note in years.
One dollar	23, 169, 677	97, 991, 508	4. 229
Two dollars	7, 747, 519	33, 862, 860	4. 371
Five dollars	148, 400, 164	625, 113, 289	4. 212
Ten dollars	62, 520, 341	301, 032, 014	4. 815
Twenty dollars	19, 840, 907	100, 732, 420	5. 077
Fifty dollars	2, 404, 320	11, 657, 443	4. 848
One hundred dollars	1, 919, 771	8, 705, 304	4. 534
Five hundred dollars	23, 894	122, 827	5. 140
One thousand dollars	7, 379	24, 423	3. 309
Total	266, 033, 972	1, 179, 242, 088	4. 433

Theoretically the lifetime of a note of each denomination is as shown above, but practically it can not be stated with exactness, owing to the fact that complete redemptions are not possible. This is evidenced in the following table pertaining to the issues of ones and twos, which ceased in 1879, and the five hundreds and the one thousands, the last issues having been made in 1885 and 1884, respectively. As shown, the average lifetime of these notes, calculated from the data at date of final issues, was: Ones, 3.808; twos, 4.023; five hundreds, 4.979; one thousands, 3.215 years. As indicative of the protracted continuity of

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redemptions, there is also shown in this table the number of each denomination of notes outstanding at the close of the years of final issue, the number and per cent still unredeemed on October 1, 1898, and the percentage of redemptions since last issue.

The following is the table referred to:

Denominations.	Date of last issue.	Total number of notes issued.	Calculated aggregate number of life years experienced when redeemed.	Resulting average lifetime of each note in years.	Number of notes outstanding at close of year of last issue.	Number and per cent of notes outstanding on Oct. 1, 1898.		Percentage of redemptions since last issue.
Ones	1879	23,169,677	88,227,998	3.808	3,569,200	349,633	1.51	90.20
Twos	1879	7,747,519	31,171,435	4.023	1,246,249	84,253	1.09	93.24
Five hundreds	1885	23,894	118,977	4.979	1,167	217	.91	81.40
One thousands	1884	7,379	23,727	3.215	223	28	.38	87.44
Total		30,948,469	119,542,137	3.863	4,816,839	434,131	1.40	90.99

The volume of circulation issued and redeemed annually and the amount outstanding at the close of the years indicated appear in the following table:

NATIONAL-BANK CIRCULATION ISSUED AND REDEEMED ANNUALLY AND THE AMOUNT OUTSTANDING AT THE CLOSE OF EACH YEAR FROM DATE OF FIRST ISSUE ON DECEMBER 21, 1863, TO OCTOBER 31, 1897, AND TO OCTOBER 1, 1898.

Year.	Issued.	Redeemed.	Outstanding.
1864	$58,813,980	.....	$58,813,980
1865	146,285,475	$464,250	204,635,205
1866	89,485,759	1,034,005	293,086,959
1867	9,616,927	3,609,062	299,094,824
1868	6,165,135	5,143,001	300,116,958
1869	8,376,450	8,768,617	299,724,791
1870	16,667,875	14,533,391	301,859,275
1871	48,660,710	26,044,778	324,475,207
1872	59,888,475	34,372,857	340,990,825
1873	46,235,375	38,878,526	348,347,674
1874	51,766,644	51,328,412	348,785,906
1875	136,025,195	141,635,083	343,176,018
1876	78,480,410	101,789,358	319,867,070
1877	75,611,240	79,607,120	315,871,190
1878	63,825,205	60,055,835	319,640,560
1879	58,376,360	42,896,002	335,120,918
1880	43,787,770	36,860,366	342,048,322
1881	73,221,180	56,344,600	358,924,902
1882	80,076,450	78,018,639	360,982,713
1883	78,681,070	88,904,108	350,759,675
1884	81,046,310	99,353,041	332,452,944
1885	83,040,440	100,620,456	314,872,928
1886	62,026,940	75,909,362	300,990,506
1887	36,756,100	66,095,019	271,651,587
1888	49,668,460	82,275,225	239,044,822
1889	30,611,860	67,912,593	201,744,089
1890	32,886,720	55,180,851	179,449,958
1891	46,465,820	53,937,105	171,978,673
1892	49,951,250	49,893,102	172,036,921
1893	86,184,670	49,520,402	208,701,189
1894	66,586,360	68,147,445	207,140,104
1895	57,181,040	50,829,997	213,491,147
1896	78,098,580	57,152,155	234,437,572
1897	82,526,390	86,948,237	230,016,225
1898	70,126,960	64,816,991	235,326,194
Total	2,134,206,185	1,898,879,991	9,679,657,831

From the foregoing statement it is seen that on October 1, 1898, there was $235,326,194 national-bank circulation outstanding. The aggregate number of life years already experienced by the $2,134,206,185 issued is 9,444,331,637 (that is, 9,679,657,831 less 235,326,194), and

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the average number of years 4.425—the division of 9,444,331,637 by 2,134,206,185. The average lifetime is necessarily greater than shown in view of the amount outstanding to be redeemed. On the reasonable assumption that the redemption of this amount will be effected in 4.425 equal annual installments—that is, at the rate of $53,181,061 per annum—the aggregate full lifetime of the total issues ($2,134,206,185) will be 9,853,825,803 and the average lifetime 4.617 years.

STATE BANKS AND BANKING INSTITUTIONS.

Incorporated in the national-bank act is the provision that the Comptroller of the Currency shall include in his annual report to Congress information relative to the condition of banks and banking institutions chartered and operated under State authority, the necessary data to be procured from reports made by such institutions to the legislatures or State officials, and the deficiency to be supplied from other reliable sources. With the exception of Delaware, official returns are obtainable relative to the condition of State banks from all of the New England and Eastern States. Returns of an official nature from the Southern States are confined to Virginia, North Carolina, Georgia, Florida, Mississippi, and Kentucky. In all of the Middle States banking departments exist, managed by boards or elective officers from whom returns are obtainable. The same can be said of the Western States, with the exception of Montana and Oklahoma. California appears to be the only Pacific State which has such a department.

With a very few exceptions, it is not possible to obtain data relative to the condition of these institutions for a recent date corresponding as to time with returns received from national banks, a fact which causes an impairment of the value of the combined statistics. Efforts were made by my predecessor to induce State officers to urge the enactment of laws which would be remediable in this respect, and it is the intention to continue like efforts in that direction until the desired end is attained. The custom of this office, begun in 1887, to supplement official returns with reports of banks made directly to this office upon request, has been continued. Through both sources it is possible to present statistics relative to practically all of the mutual savings banks and about 90 per cent of the banks of discount and deposit, classed as "State banks." The returns from private banks and loan and trust companies are not so satisfactory, nor will they be until such institutions are subjected by State laws to the same surveillance and requirements with respect to publicity as State and savings banks.

An abstract of returns for the current year shows that reports have been received from 3,965 State banks, 934 savings banks, 246 loan and trust companies, and 758 private banks. In the appendix of this report are given in detail the resources and liabilities of each class by States.

For the purpose of comparison the aggregates of the principal resources and liabilities for the years 1894 to 1898 are set forth in the following table:

Items.	1894.	1895.	1896.	1897.	1898.
Loans	$2,133,628,978	$2,417,468,494	$2,279,515,283	$2,231,013,262	$2,480,874,360
Bonds	1,010,248,230	1,375,026,025	1,210,827,389	1,248,150,146	1,304,890,322
Cash	229,373,004	227,743,303	169,198,601	193,094,029	194,913,450
Capital	398,735,390	422,052,618	400,831,399	380,090,778	370,073,788
Surplus and undivided profits	352,424,784	370,397,003	362,602,702	382,436,990	399,766,497
Deposits	2,973,414,101	3,185,245,810	3,276,710,916	3,324,254,807	3,664,797,296
Resources	3,868,474,997	4,138,990,529	4,200,124,955	4,258,677,065	4,631,328,357

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With each year a steady and substantial increase is shown in the total assets. Deposits also have steadily increased. Capital exhibits great fluctuations. The maximum amount was reported in 1895. There was a decrease of nearly $22,000,000 in the following year, about $22,000,000 in 1897, and, approximately, $10,000,000 in 1898.

Reports from State banks to the number of 3,965 have been received. The capital of these institutions is $233,587,353; surplus and other profits, $109,554,519; deposits, $912,365,406. Loans and discounts aggregate $813,749,803; United States bonds, $4,185,304; other bonds, stocks and securities, $127,500,484; cash in bank and amounts due from other banks and bankers, $327,773,826, and total assets, $1,356,084,800. Compared with 1897, there is shown an increase of 108 in number of banks reporting and $217,899,398 in aggregate assets.

It is impossible to state exactly the average rate per cent of dividends paid by these banks, owing to the fact that information on the point is confined to 1,163 banks. It is seen, however, that on stock aggregating $69,209,285 dividends to the amount of $4,963,240, or 7.17 per cent, were paid.

SAVINGS BANKS.

Reports have been received relative to the condition of 979 savings banks, including 45 commercial banks (in one State) having savings departments. This is but one less than reported in 1897. The principal investments, loans and securities—corporate and other—amount to $1,070,755,293 and $74,700,217, respectively. In all States the character of loans is not shown, but real estate appears as collateral to accommodations amounting to $864,968,285. Government bonds are held to the amount of $140,029,726; State, county and municipal bonds, $497,416,292, and other bonds, stocks and securities, $337,254,199. The total assets are $2,241,344,991, the liabilities to depositors are $2,066,601,864, and these banks have $187,475,971 in surplus and undivided profits. The latter amount is equivalent to nearly 8.4 of the total liabilities.

The depositors who are the exclusive participators in the profits of the mutual savings banks, but who, in stock savings institutions, are paid specific rates of interest, number 5,385,746, and their average deposit is $383.54. Compared with 1897 there is an increase of $83,188,300 in deposits and 184,614 in number of depositors. Mutual savings banks are confined almost exclusively to the New England and Eastern States. Outside of the two sections named, but 11 banks of that character have made reports, as follows: 1 in West Virginia, 4 in Ohio, 5 in Indiana, and 1 in Wisconsin. The aggregate assets of the mutual savings banks, which amount to about 90 per cent of the assets of all savings institutions, are $2,005,950,646; loans aggregate $920,477,133, over 81 per cent of which are secured by real estate; United States bonds, $139,561,601; State, county and municipal bonds, $495,726,686; other bonds, stock and securities, $294,706,936. Deposits amount to $1,824,963,410; number of depositors, 4,835,138, and the average deposit, $377.44. This indicates an increase during the year of $87,864,040 in deposits, $7.32 in the average deposit, and 143,694 in number of depositors. The average rate of interest paid on savings accounts is practically 4 per cent in all of the States except Maine, New Hampshire, New York, New Jersey, and Maryland, in which the rate ranges from 3 to 3¾ per cent.

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Information with respect to the classification of deposits is confined to savings banks in Maine and Connecticut, and is as follows:

Classification of deposits.	Depositors.		Deposits.	
	Number.	Per cent.	Amount.	Per cent.
MAINE.				
$500 or less	129,865	77.30	$48,214,077	80.9
Over $500 and less than $2,000	33,558	20.00		
Over $2,000	4,456	2.70	11,384,272	19.1
Total	167,879	.....	59,598,349	.....
CONNECTICUT.				
$1,000 or less	320,149	87.31	63,195,480	40.52
Over $1,000 and less than $2,000	32,313	8.81	42,505,536	27.25
Over $2,000 and less than $10,000	13,964	3.81	46,869,038	30.05
$10,000 or over	235	.07	3,399,744	2.18
Total	366,661	.....	155,969,798	.....

The capital of the 275 reporting stock savings banks is $18,536,130; deposits, $203,244,999; number of savings depositors, 403,743, and the average savings deposit, $501; the total assets are $235,394,345, of which $150,574,286 represent loans, and $44,704,994 bonds, stocks and other securities.

LOAN AND TRUST COMPANIES.

Returns relative to the condition of 246 loan and trust companies have been received. These corporations are capitalized for $101,228,555, and have $97,643,666 surplus and profits, and $662,138,397 deposits. Loans aggregate $539,317,059; United States bonds, $34,186,440; other bonds, stocks and securities, $159,791,312; cash on hand and due from other corporations, etc., $118,028,856. The average rate of dividends paid by all these companies during the past year, as shown by reports relative to that point, was 11.23 per cent.

PRIVATE BANKS.

The laws of but few of the States provide for reports from unincorporated banks and private bankers, and, in view of the disinclination of the representatives of most of such concerns to submit statements of condition to this office as requested, statistics relative thereto are meager. The abstract of returns from 758 banks show total resources of $91,436,387; capital, $16,721,750; deposits, $62,085,084, and other liabilities, $12,629,553. Loans and discounts aggregate $58,174,248; bonds, stocks and other securities, $4,526,565, and credits with other banks and cash on hand, $16,161,020 and $5,857,132 respectively.

The principal items of resources and liabilities of each class of banks hereinbefore referred to are shown herewith:

Items.	State banks.	Loan and trust companies.	Savings banks.	Private banks.	Total.
Loans	$813,749,803	$539,162,445	$1,070,755,293	$57,206,819	$2,480,874,360
United States bonds	4,185,304	34,186,440	140,029,726	927,473	179,328,943
Other bonds	127,500,484	159,791,312	834,670,491	3,599,092	1,125,561,379
Cash	133,877,133	22,250,862	32,928,323	5,857,132	194,913,450
Capital	233,587,353	101,228,555	18,536,130	16,721,750	370,073,788
Surplus and profits	109,554,519	97,643,666	187,475,971	5,092,341	399,766,497
Deposits	912,365,406	662,138,397	2,028,208,409	62,085,084	3,664,797,296
Total resources	1,356,084,860	942,462,179	2,241,344,991	91,436,387	4,631,328,357

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In the following table is exhibited in the most concise form the main items of assets and liabilities of national banks on July 14, 1898, and of other banks, banking institutions, and private banks above referred to:

Items.	3,582 national banks.	5,903 other banks.	9,485 total banks.
Loans	$2,151,757,655	$2,480,874,360	$4,632,632,015
United States bonds	285,356,900	179,328,943	464,685,843
Other bonds	250,689,375	1,125,561,379	1,376,250,754
Cash	492,882,724	194,913,450	687,796,174
Capital	622,016,745	370,073,788	992,090,533
Surplus and profits	332,971,643	399,766,497	732,738,140
Deposits	2,076,226,576	3,664,797,296	5,741,023,872
Total resources	3,977,675,445	4,631,328,357	8,609,003,802

The total banking funds—that is, capital, surplus, profits, and individual deposits—of all banks reporting amount to $7,416,355,568, and, by comparison with returns in 1897, an increase of $594,028,698 is shown. The per capita distribution by States and classes of banks is set forth in the Appendix. The national bank average is $39.93; State bank, $16.82; loan and trust company, $11.54; savings bank, $29.93; private bank, $1.12; and total, $99.34.

The specie and other currency held by national banks on July 14 and by other banks on the date of the latest reports aggregate $687,796,173, an increase since 1897 of $59,595,644. Classified, the holdings are as follows: Gold, $341,108,985; silver, $58,947,221; specie not shown in detail, $2,131,917; legal tenders and other paper currency, $199,915,862; fractional currency, $1,093,904; "cash," $84,598,284. The latter amount undoubtedly includes a quantity of specie, but how much can not even be estimated. The reports from a number of States show merely "cash on hand." It is interesting to note the changes which have occurred since 1897 in the amount of each kind of currency. Gold has increased $98,755,983; silver, $5,255,491; fractional currency, $112,123; specie not classified, $434,845; "cash," $2,069,835. Legal tenders and other paper currency decreased $47,032,633.

In July, 1898, 3,590 national banks and, approximately, 9,500 other banks, banking institutions, and private banks were in operation in the United States. During the year ended October 31, 1898, 7 national banks were found to be insolvent and placed in charge of receivers. From reports made to the Bradstreet Company and furnished to this Bureau, covering the year closed August 31, 1898, it is seen that the failures of banks other than national number 53, the assets and liabilities at date of failure being $4,493,577 and $7,089,190, respectively. There were 33 private bank failures, 14 State, 4 savings bank, and 2 trust company. The number, assets, and liabilities of failed banks of each class, by States, will be seen by reference to the Appendix.

The abstract of the reports of condition of the 38 chartered banks of the Dominion of Canada made on September 30, 1898, has been received, from which it is noted that capital stock aggregates $62,900,034; circulation outstanding, $40,071,143; deposits, $242,128,762; total liabilities, $382,331,503. The banks held, in specie, Dominion notes, bank notes, and checks, 15.5 per cent of deposits. The average rate of dividends paid during the past year was 7.6 per cent.

POSTAL AND OTHER FOREIGN SAVINGS BANKS.

In the following table is shown the number of depositors, amount due depositors, and average deposit in postal savings banks in all of the countries named, except Russia, on December 31, 1896. The returns

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from Russia are of date January 1, 1898. This information appeared in the July edition of the Bulletin de Statistique de Paris and the Russe de Statistique de St. Petersburg.

Country.	Number of depositors.	Deposits.	Average deposit.
Austria	1,174,902	*a* $23,592,961.58	$20.08
	30,837	*b* 30,459,509.94	987.76
Belgium	968,486	67,216,981.40	69.29
Canada	130,503	30,495,941.19	239.52
France	2,682,908	151,495,389.95	56.47
Hungary	295,597	*a* 5,555,480.49	18.79
	4,517	*b* 4,477,588.81	991.27
Italy	2,997,562	89,789,354.68	29.95
Netherlands	561,989	21,425,571.53	38.12
Great Britain	6,862,035	526,165,811.11	73.74
Sweden	451,872	13,342,089.00	29.53
Russia	530,840	*c* 32,902,082.00	61.98

a Savings. *b* Subject to check. *c* January 1, 1898.

Information of a like character to the foregoing with respect to savings institutions other than postal savings banks in France, Russia, United Kingdom, and the United States is given herewith:

Country.	Date.	Number of banks.	Number of depositors.	Deposits.	Average deposit.
France	Dec. 31, 1896	545	6,633,447	$652,794,618	$98.40
Russia	Jän. 1, 1898	861	1,870,637	198,423,532	106.07
United Kingdom	Dec. 31, 1896	*a* 239	1,527,217	235,853,935	154.43
United States	1897-1898	979	5,385,746	2,065,631,298	383.54

a November 20, 1896.

FOREIGN BANKS OF ISSUE.

The principal items of resources and liabilities of leading banks of issue in Europe on the dates indicated, reported in the London Economist, October 15, 1898, are set forth in the following table, the amounts being expressed in millions of pounds:

	Bank of England. Oct. 13, 1898.	National bank of Belgium, Oct. 6, 1898.
Circulation	£27.7	£19.6
Deposits, etc	43.6	3.4
Specie and bullion	31.2	4.3
Securities	41.1	17.2

	Bank of France, Oct. 13, 1898.	Bank of Spain, Oct. 8, 1898.
Circulation	£147.8	£57.4
Deposits, etc	28.6	35.4
Specie	123.2	16.2
Securities	61.6	.....
Discounts, etc	.....	45.7

	Bank of Germany, Oct. 7, 1898.	Austro-Hungarian Bank, Oct. 7, 1898.
Circulation	£64.7	£59.5
Deposits, etc	21.8	.....
Specie and bullion	36.3	39.7
Discounts, etc	53.5	20.6

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	Netherlands Bank, Oct. 8, 1898.	Bank of Russia, Sept. 28, 1898.
Circulation	£17.9	£77.9
Deposits	.3	18.8
Specie and bullion	11	106.6
Discounts, etc	7.8	20.9
Securities	.....	3.5

	Bank of Italy, Sept. 20, 1898.	Swiss Banks of Issue, Sept. 24, 1898. (a)
Circulation	£30.6	£8.3
Deposits, etc	9.5	.....
Specie and bullion	14.4	4.2
Discounts, etc	7.3	.....

a Direct official statement.

MONETARY SYSTEMS AND APPROXIMATE STOCKS OF MONEY IN THE PRINCIPAL COUNTRIES OF THE WORLD.

Through the courtesy of the Director of the Mint the Comptroller is enabled to present data relative to the monetary standards, ratios of gold to full legal-tender and limited-tender silver, the stocks of gold, silver, and uncovered paper, and the per capita of gold, silver, and paper in the principal countries of the world in 1898. Statistics are shown relative to thirty-seven countries having an aggregate population of 1,311,400,000. The gold held in these countries aggregates $4,619,000,000; silver, $3,977,500,000, and uncovered paper, $2,322,800,000. Compared with the returns in 1897 there is an increase in gold of $259,400,000. The amount held by the United States is $925,100,000, an increase since 1897 of $228,800,000; Russia has increased her supply $169,700,000; Austria-Hungary, $79,300,000; France, $38,600,000; Germany, $14,000,000, and the South American republics, $12,500,000. The amount of gold held in the United Kingdom decreased from $584,000,000 in 1897 to $438,000,000, a reduction of $146,000,000. Egypt apparently has $99,300,000 less than a year ago, Roumania $24,100,000 less, and Belgium $5,000,000 less.

The changes in the amount of silver are not material, in the aggregate, as compared with 1897. Apparently there has been a falling off, but the decrease shown is mainly due to the revised estimate of the quantity of this metal in India, which is now stated to be $592,100,000. In 1897 the estimate submitted by a different authority was $950,000,000. There is noticed a reduction of $33,600,000 in the amount of silver in Japan, $24,100,000 in France, and $12,000,000 in Belgium. The stock in the United States has increased $3,700,000, in Russia $54,200,000, and in Austria-Hungary $81,800,000.

The stock of uncovered paper has apparently been reduced $243,000,000. In 1897 the amount of uncovered paper in Russia was $467,200,000, and none in 1898; in Austria-Hungary the reduction has been $91,400,000, in the United States $70,900,000, and in Portugal $10,800,000. The principal increase in uncovered currency is as follows: The South American Republics, $200,600,000; India, $80,300,000; Spain, $34,500,000; Roumania, $21,900,000; Sweden, $8,700,000; Italy, $8,500,000; Germany, $8,400,000, and the Netherlands, $7,600,000.

By reference to the table it will be noticed that the average per capita of gold is $3.52, silver $3.03, and uncovered paper $1.77. Hawaii has the largest amount of gold per capita, namely, $40; the South African Republic is second, with $32.44; Australasia, $26.42; France, $21.06; Cape Colony, $20.83; Germany, $12.78; United States, $12.42; United

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Kingdom, $11.01. The maximum per capita of silver, $62.05, is in the Straits Settlements; the next largest per capita is $38.68, in Siam; $11.45 in the Netherlands, $10.90 in France, $10 in Hawaii, and $8.56 in the United States.

The largest per capita of uncovered paper is $20.01, in the South American States; Greece and Belgium follow with $12.75 and $12.17, respectively. The last column of the table shows the per capita of gold, silver, and uncovered paper combined in each of the countries named. The range is from a maximum of $62.05 in the Straits Settlements to a minimum of $1.94 in Cuba.

MONETARY SYSTEMS AND APPROXIMATE STOCKS OF MONEY IN THE AGGREGATE AND PER CAPITA IN THE PRINCIPAL COUNTRIES OF THE WORLD IN 1898.

Countries.	Monetary system.*	Ratio between gold and full legal-tender silver.	Ratio between gold and limited tender silver.	Population.	Stock of silver.					Per capita.			
					Stock of gold.	Full tender.	Limited tender.	Total.	Uncovered paper.	Gold.	Silver.	Paper.	Total.
		1 to —	1 to —	Millions.	Millions.	Millions.	Millions.	Millions.	Millions.				
United States *a*	G and S	15.98	14.95	74.5	$925.1	$561.5	$76.7	$638.2	$326.1	$12.42	$8.56	$4.38	$25.36
United Kingdom	G		14.28	39.8	*b* 438.0		*c* 121.7	*c* 121.7	*b* 112.0	11.01	3.06	2.81	16.88
France	G and S	15½	14.38	38.5	*b* 810.6	*b* 373.5	*b* 46.3	*b* 419.8	*b* 124.6	21.06	10.90	3.23	35.19
Germany	G		13.957	52.3	*e* 668.5	*d* 95.2	*d* 117.6	*d* 212.8	*b* 132.2	12.78	4.07	2.53	19.38
Belgium	G and S	15½	14.38	6.5	*e* 30.0	*c* 40.0	*e* 5.0	*e* 45.0	*b* 79.1	4.62	6.92	12.17	23.71
Italy	...do	15½	14.38	31.3	*b* 96.5	*b* 16.0	*b* 26.5	*b* 42.5	*b* 199.5	3.08	1.36	5.41	9.85
Switzerland	...do	15½	14.38	3	*f* 24.0		*f* 10.7	*f* 10.7	*b* 14.3	8.00	3.56	4.77	16.33
Greece	...do	15½	14.38	2.4	*e*. 5	*e*. 5	*e* 1.0	*e* 1.5	*b* 30.6	.21	.62	12.75	13.58
Spain	...do	15½	14.38	18	*g* 45.5		*g* 49.8	*g* 49.8	*g* 137.5	2.53	2.76	7.61	12.93
Portugal	G		14.08	5.1	*b* 5.2		*b* 6.1	*b* 6.1	*b* 39.0	1.02	1.20	7.64	9.86
Roumania	G and S			5.4	*b* 14.5		*b* 10.6	*b* 10.6	*b* 33.7	2.69	1.96	6.24	10.89
Servia	...do			2.3	*b* 1.2		*b* 2.7	*b* 2.7	*b* 2.7	.52	1.17	1.17	2.86
Austria-Hungary	G		13.69	45.4	*b* 251.8	*b* 48.5	*b* 97.0	*b* 145.5	*b* 86.2	5.55	3.20	1.90	10.65
Netherlands	G and S	15⅔	15	4.9	*b* 21.9	*b* 52.7	*b* 3.4	*b* 56.1	*b* 45.5	4.47	11.45	9.28	25.20
Norway	G		14.88	2	*b* 7.8		*b* 2.3	*b* 2.3	*b* 3.8	3.90	1.15	1.90	6.95
Sweden	...do		14.88	5	*b* 8.6		*b* 5.7	*b* 5.7	*b* 27.7	1.72	1.14	5.54	8.40
Denmark	...do		14.88	2.3	*b* 15.3		*b* 5.4	*b* 5.4	*b* 7.0	6.65	2.35	3.04	12.04
Russia	...do	15½	12.90	129.2	*b* 756.6	*b* 83.4	*b* 45.0	*b* 128.4		5.86	.99		6.85
Turkey	G and S	15⅞	15.875	24.1	*e* 50.0	*e* 30.0	*d* 19.0	*e* 40.0		2.07	1.66		3.73
Australasia	G		14.28	5	*b* 132.1		*b* 7.0	*b* 7.0	*b* 22.5	26.42	1.40	4.50	32.32
Egypt	...do		15.68	9.7	*e* 30.0		*b* 6.4	*b* 6.4		3.09	.66		3.75
Mexico	S	16⅛		13	*e* 8.6	*b* 106.0		*b* 106.0	*b* 4.0	.67	8.15	3.07	11.89
Central American States	...do			3.3	*b* 1.3	*b* 19.0		*b* 19.0	*b* 8.4	.39	5.76	2.54	8.69
South American States	S *h*	15½		37.5	*b* 77.5	*e* 25.0	*e* 10.0	*e* 35.0	*b* 750.6	2.07	.93	20.01	23.01
Japan	G and S	32.36		45.	*b* 79.9	*b* 41.9	*b* 18.5	*b* 60.4		1.77	1.34		3.11
India	...do	15		296.9		*b* 592.1		*b* 592.1	*b* 117.3		1.99	.40	2.39
China	S			383.3		*e* 750.0		*e* 750.0			1.96		1.96
Straits Settlements *i*	...do			3.9		*d* 240.0	*d* 2.0	*d* 242.0			62.05		62.05
Canada	G		14.28	5.3	*b* 16.0		*b* 5.0	*b* 5.0	*b* 35.0	3.01	.95	6.60	10.56
Cuba	G and S	15½		1.8	*e* 2.0		*e* 1.5	*e* 1.5		1.11	.83		1.94
Haiti	...do	15½		1.	*b* 4.0	*b* 3.0	*e* 1.5	*b* 4.5	*b* 4.1	4.00	4.50	4.10	12.60
Bulgaria	...do	15½	14.38	3.3	*e* 1.0	*e* 3.4	*e* 3.4	*e* 6.8		.30	2.06		2.36
Siam	S			5.	*b* 20.0	*b* 193.4		*b* 193.4		4.00	38.68		42.68
Hawaii	G and S	15.98	14.95	.1	*b* 4.0	1.0		*b* 1.0		40.00	10.00		50.00
Cape Colony	G		14.28	1.8	*e* 37.5		*e* 1.0	*e* 1.0		20.83	.55		21.38
South African Republic	...do		14.28	.9	*c* 29.2		*e* 1.2	*e* 1.2		32.44	1.33		33.77
Finland	...do		15.50	2.6	*g* 4.3		*g*. 4	*g*. 4	*g* 9.4	1.65	.15	3.62	5.42
Total				1,311.4	4,619.0	3,276.1	701.4	3,977.5	2,322.8	3.52	3.03	1.77	8.32

* G (gold). S (silver).

a Nov. 1, 1898; all other countries Jan. 1, 1898.

b Information furnished through United States representatives.

c Money and Prices, State Department, United States.

d Haupt.

e Estimate, Bureau of the Mint.

f C. Cramer Frey.

g Bulletin de Statistique, Paris, January, 1898.

h Except Venezuela, Chile, and Peru.

i Includes Aden, Perim, Ceylon, Hongkong, Labuan, and Straits Settlements.

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In conclusion, the Comptroller desires to commend the associates of his office for their faithful, able, and efficient services, much of it rendered to the Government during extra hours of labor without compensation.

To Mr. Lawrence O. Murray, Deputy Comptroller; Messrs. A. D. Lynch and George T. May, in charge of work connected with insolvent banks; George S. Anthony, W. J. Fowler, W. W. Eldridge, E. E. Schreiner, in charge of divisions; T. O. Ebaugh; W. D. Swan; J. Y. Paige, chief clerk, and to Mr. T. P. Kane, secretary, the Comptroller desires to publicly express his appreciation of their fidelity to the best interests of the governmental work in which they are engaged.

Charles G. Dawes

Comptroller of the Currency.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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REPORT

OF

THE COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, December 4, 1899.

SIR: In compliance with the requirements of section 333 of the Revised Statutes of the United States, I submit herewith the thirty-seventh annual report of the operations of the Currency Bureau for the year ended October 31, 1899.

CONDITION OF BANKS.

During the year five statements of condition of national banks have been made, and in the following table are set forth, in detail, the resources and liabilities of the banks at date of each report.

SUMMARY OF REPORTS OF CONDITION OF NATIONAL BANKS DURING THE YEAR.

	Dec. 1—3,590 banks.	Feb. 4—3,579 banks.	April 5—3,583 banks.	June 30—3,583 banks.	Sept. 7—3,595 banks.
RESOURCES.					
Loans and discounts	$2,214,394,838.15	$2,299,041,947.32	$2,403,410,895.66	$2,492,230,584.52	$2,496,751,251.11
Overdrafts	22,674,456.74	18,542,345.20	17,945,729.63	15,724,395.38	19,231,907.24
U. S. bonds to secure circulation	238,586,290.00	235,209,290.00	233,731,140.00	228,870,310.00	229,639,610.00
U. S. bonds to secure U. S. deposits	95,528,020.00	89,100,240.00	89,200,540.00	78,497,040.00	80,976,980.00
U. S. bonds on hand	29,224,090.00	25,028,370.00	22,154,400.00	21,031,310.00	19,328,220.00
Premiums on U. S. bonds	19,859,781.31	19,061,207.41	18,569,916.95	17,715,752.92	17,626,212.72
Stocks, securities, etc	259,135,309.88	276,704,595.54	300,281,257.80	305,428,927.40	320,437,066.36
Banking house, furniture, and fixtures	79,190,505.00	79,173,842.32	79,006,522.33	78,905,167.54	79,064,021.51
Other real estate and mortgages owned	30,965,488.61	30,583,528.03	30,900,209.90	30,477,935.92	30,255,465.34
Due from national banks	193,886,881.09	203,074,179.21	213,213,074.25	223,873,819.92	212,431,744.50
Due from State banks and bankers	56,246,803.91	60,391,784.03	58,340,492.61	56,634,310.02	59,288,465.86
Due from approved reserve agents	359,371,346.51	432,035,501.85	412,677,297.19	406,668,464.82	414,126,660.44
Checks and other cash items	19,223,078.51	17,056,884.10	18,806,769.38	25,631,637.24	17,414,999.52
Exchanges for clearing house	194,981,281.67	75,672,644.30	212,818,211.29	203,003,934.53	154,800,514.95
Bills of other national banks	22,092,333.00	20,650,964.00	20,711,021.00	19,557,261.00	20,077,605.00
Fractional currency, nickels, and cents	1,016,620.94	1,107,636.03	1,109,785.32	1,107,699.27	1,121,297.56
Gold coin	129,009,745.61	134,336,296.20	133,190,652.27	137,690,618.39	117,082,951.86
Gold Treasury certificates	17,586,450.00	17,669,500.00	17,708,880.00	23,152,390.00	41,389,130.00
Gold clearing-house certificates	134,879,000.00	169,910,000.00	166,311,000.00	148,495,000.00	133,140,500.00

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SUMMARY OF REPORTS OF CONDITION OF NATIONAL BANKS DURING THE YEAR—Continued.

	Dec. 1—3,590 banks.	Feb. 4—3,579 banks.	April 5—3,583 banks.	June 30—3,583 banks.	Sept. 7—3,595 banks.
RESOURCES—cont'd.					
Silver dollars	$8,012,695.00	$8,151,429.00	$8,246,829.00	$8,361,974.00	$7,998,538.00
Silver Treasury certificates	32,700,654.00	35,359,818.00	32,193,899.00	32,578,638.00	32,458,505.00
Silver fractional coin	6,412,166.84	6,416,451.75	6,511,292.62	6,543,425.80	6,501,758.97
Legal-tender notes	117,845,702.00	116,003,066.00	110,235,423.00	116,337,935.00	111,214,651.00
U. S. certificates of deposit	17,905,000.00	21,140,000.00	19,820,000.00	18,590,000.00	16,540,000.00
Five-per-cent redemption fund	10,484,284.11	10,286,903.25	10,306,883.84	10,095,518.01	10,116,130.63
Due from Treasurer U. S.	2,181,696.22	2,174,649.66	1,736,037.32	1,629,855.16	1,340,945.87
Total	4,313,394,519.10	4,403,883,073.20	4,639,138,160.36	4,708,833,904.84	4,650,355,133.44
LIABILITIES.					
Capital stock paid in	620,516,245.00	608,301,245.00	607,262,570.00	604,865,327.00	605,772,970.00
Surplus fund	246,695,552.28	247,522,450.02	246,169,893.65	248,146,167.55	248,449,234.99
Undivided profits, less expenses and taxes	94,403,831.31	86,439,845.17	93,687,856.72	94,175,584.64	102,066,430.50
National-bank notes outstanding	207,093,317.50	203,636,184.50	203,829,270.00	199,358,382.50	200,345,567.50
State-bank notes outstanding	55,107.50	53,112.50	53,110.50	53,108.50	53,108.50
Due to other national banks	521,988,336.98	600,964,563.63	599,170,922.37	598,340,332.85	594,609,884.34
Due to State banks and bankers	272,965,525.82	312,136,056.50	333,177,342.39	334,064,533.98	334,258,085.48
Dividends unpaid	1,243,005.18	1,455,443.30	1,932,494.28	7,735,327.07	1,137,392.24
Individual deposits	2,225,269,813.21	2,232,193,156.59	2,437,223,420.29	2,522,157,508.99	2,450,725,595.31
U. S. deposits	88,324,695.73	81,120,873.13	81,340,227.75	70,481,616.36	72,826,840.37
Deposits of U. S. disbursing officers	5,580,659.42	5,502,537.62	5,832,609.61	5,831,775.01	6,053,440.79
Notes and bills rediscounted	4,131,642.54	1,752,621.33	1,620,476.19	2,154,782.17	4,365,777.08
Bills payable	6,076,208.25	3,383,891.06	5,675,587.74	6,078,284.70	9,945,237.89
Liabilities other than those above	19,050,578.38	19,421,092.85	22,162,378.87	15,391,173.52	19,745,568.45
Total	4,313,394,519.10	4,403,883,073.20	4,639,138,160.36	4,708,833,904.84	4,650,355,133.44

On September 7, 1899, reports of condition were submitted by 3,595 national banks, with a paid-in capital of $605,772,970. The surplus fund and undivided profits amounted to $248,449,234.99 and $102,066,430.50, respectively. The individual deposits reached $2,450,725,595.31 and the aggregate liabilities $4,650,355,133.44. The loans and discounts on the date named aggregated $2,496,751,251.11.

By comparison of the September 7 returns with those made on September 20, 1898, there is shown an increase in loans and discounts of $340,789,623.20. Of the aggregate loans on the former date, $1,063,701,130 were secured by stocks, bonds, and other collateral; $907,109,304 represents two or more name paper, and $525,940,817 single-name paper, including both demand and time.

An examination of the loans, as classified in the returns, indicates that 62.83 per cent of the loans of banks in central reserve cities is secured by stocks, bonds, or other collateral; 21.65 per cent is paper with two or more individual or firm names, and 15.52 per cent single-name paper. Of the loans of the banks in other reserve cities, 46.68 per cent is with collateral, 29.66 per cent two or more name paper, and 23.65 per cent single name. Outside of the reserve cities, 26.76 per cent of the loans is covered by collateral, 50.12 per cent is represented by two or more name paper, and 23.13 per cent single-name paper.

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Of the total loans of all national banks, 42 per cent is with collateral security; nearly 37 per cent is paper with two or more individual or firm names, and 21 per cent paper with one or more individual or firm names, including both demand and time.

In amounts due from other banks and bankers there was an increase of $160,391,896.68; in specie, $44,697,225.44; and in aggregate resources, $646,844,088.57. The decrease during the year in capital stock has been $15,652,568; and the increase in surplus and profits, $9,945,459.06; individual deposits, $419,271,055.02; and in bank deposits, $230,532,614.88.

By comparison of the returns on June 30 with those on September 7, it is noted that the resources of the banks on the former date were greater by $58,478,771.40 than on September 7, the reduction being occasioned by the withdrawal of deposits between those periods. Notwithstanding this reduction in total resources, the loans and discounts of the banks on September 7 exceeded the amount on June 30 by $4,520,666.59, and were the highest at any date during the existence of the national-banking system.

The fluctuations in the amount of outstanding circulating notes of the banks have been as follows:

On July 14, 1898, the amount outstanding was $189,866,298; increased on September 20 to $194,483,765; on December 1 to $207,093,317; and from February 4, 1899, to September 7, decreased from $203,636,184 to $200,345,567.

The law requires the maintenance by national banks in central reserve cities of a cash reserve of 25 per cent upon deposit liabilities. The banks in other reserve cities are required to hold the same percentage of reserves, but one-half of the legal requirement may consist of deposits with approved reserve agents in central reserve cities. Banks outside of reserve cities are required to maintain a reserve of 15 per cent, two-fifths of which must consist of cash in bank and three-fifths may be represented by deposits with approved reserve agents. On September 7 the net deposit liabilities of the national banks of the country aggregated $3,031,463,016.68, which required a reserve of $630,789,147.62. The reserve held aggregated $890,568,825.90, or 29.38 per cent. The composition of this reserve was as follows:

Specie, $338,571,383.83; legal tenders and United States certificates of deposit for legal tenders, $127,754,651; due from reserve agents, $414,126,660.44; redemption fund with Treasurer of the United States, $10,116,130.63.

The cash reserve required was $406,314,452.36 and the cash held $466,326,034.83, or, approximately, $60,000,000 more than the legal requirement. The total reserve held is seen to have been nearly 10 per cent in excess of the requirements of law.

RECOMMENDATIONS RELATIVE TO BANK-NOTE CURRENCY.

Section 333 of the Revised Statutes of the United States provides that the Comptroller of the Currency, in his annual report to Congress, shall suggest amendments to the banking laws by which the system may be improved.

There is one reform needed in the bank-note currency of the United States, concerning the general principles of which there seems little

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room for honest controversy. This is a provision for an emergency circulation which can be used in those seasons of the year in which the moving of crops requires an increase in the circulating medium, and to lessen the disastrous effects of the immense liquidation of credits incident to a financial panic. The widespread ruin and misery affecting all classes of citizens and all kinds of business, which results from an industrial and financial panic, is such that any measure designed to forestall or to lessen its destructive power should properly demand the highest degree of consideration. A time of active commerce and normal financial conditions such as we are enjoying at present is most opportune for the deliberate and careful discussion of measures which, if adopted now, may in a measure relieve the embarrassments above indicated and the keenness of the distress of commercial and industrial interests incident to such panics as those of 1873 and 1893.

It is true that the enactment of legislation by which the credit of our governmental currency may be protected from the effects of deficient revenues and from the influences of commercial panic, is important as a measure of governmental policy at this time. The panic of 1893 and an ensuing period of deficiency in governmental revenue demonstrated that fact; but they likewise demonstrated the necessity of circulation of some nature by the banks which could be used to supply the demands during such an extreme emergency for a liquidating medium whose existence would tend to protect solvent institutions of all kinds from forced bankruptcy resulting from a money panic. The object of such a circulation is neither to provide profits to the banks nor to serve as a basis for the expansion of commercial credits under normal conditions. It would be to the country at large what the clearing-house certificates have proved to be in times of panic in some of our larger cities.

The necessity for such circulation, designed for the mutual protection of banks and the public in times of panic and money stringency, and so heavily taxed as to compel its retirement after the period of acute demand for money is passed, is made clearer by a reference to conditions prevailing in 1893.

The deposits of the national banks of the country between May 4 and October 4, 1893, were reduced in the sum of $378,767,691; the contraction in balances on deposit with other banks was $51,198,856; the contraction in stocks and securities was $2,177,912. The banks took out $31,265,616 of new circulation and borrowed $36,615,092 in their efforts to meet the general demands upon them. As a matter of fact, the necessary delay incident to printing national-bank notes by the Government after receiving the order for circulation by the banks, amounting on the average to twenty-five days, prevented the issuance of a larger circulation at this time, the acute crisis having passed by the time the notes were ready for delivery, and the order for the notes canceled by the banks in consequence.

The amount of orders canceled for this cause during the period above named is estimated at $11,000,000. Even with the aid of this additional circulation and borrowing, the national banks of the country to meet this drain in deposits were compelled to contract their loans during this period in the sum of $318,767,691, taking this immense amount from the productive industries of the country and carrying

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disaster, not only to employer and employee, but to every class of our citizens.

The records of this office show that with our banking system as a whole the money stringency incident to a financial panic is soon over. At most it is a matter of but a few months. The crisis of a panic once passed, the arrested wheels of general business start moving very slowly, and the unproductive and unloaned capital of the country stagnates in the banks.

In May, 1893, during the panic, the average reserve of the banks of the United States was 26.4 per cent, and in December, 1893, 35.7 per cent. In May, 1893, the banks of New York City held reserves of only 28.5 per cent, and in December, 1893, they held 41.2 per cent, or $66,663,000 above the required legal reserve of 25 per cent.

These facts prove that emergency circulation which could be used to lessen the disastrous effects of the liquidation incident to an industrial and bank panic would be needed for but a few months, and would not remain as a disturbing and unusual factor in business long after its time of maximum influence.

In connection with the recommendations which he embodies hereafter, the Comptroller repeats the recommendation made by him in his last report to Congress, to wit:

> For the purpose of allowing elasticity to bank-note issues to protect the banks and the community in times of panic, a small amount of uncovered notes, in addition to the secured notes, should be authorized by law under the following limitations: They should be subjected to so heavy a tax that they could not be issued in normal times for the purpose of profit, but would be available in times of emergency. The tax should be so large upon the solvent issuing banks as to provide a fund, which, in connection with the pro rata share of the assets of an insolvent bank, would be sufficient to redeem the notes in full, without necessitating any preference of note holders over depositors of any insolvent issuing bank. The tax should be so large as to force this currency into retirement as soon as the emergency passes. Such a currency could be used only to lessen the evil effects of the too rapid liquidation of credits which are collapsing under a financial panic, but could not be profitably used as a basis of business speculation and inflation. It should be to the business community what the clearing-house certificates are to our cities in times of panic—a remedy for an emergency, not an instrument of current business.

In view of the fact that our national banking system is composed of over 3,600 separate institutions scattered throughout our great country and surrounded by diversified business conditions, the problem of the enactment of such a law, involving as it does a departure to some extent from the principle of a bond-secured circulation, presents grave difficulties, arising partly out of the natural conservatism of our people and from the fact that the plan will be somewhat experimental. That such a law providing for the protection of the business community shall be ultimately passed is of great importance. A marked degree of elasticity, however, is possible of attainment in connection with our present system of bond-secured national bank notes.

The Comptroller believes that, in accordance with the President's recommendation, national banks should be allowed to issue circulation to the par of the United States bonds deposited by them for circulation, and that, in connection with the law authorizing this, provision can be made for a secured emergency circulation.

The object of allowing banks to take out circulation to the par of the bonds is to induce them to furnish for the use of the public a larger amount of circulation than is in existence at present. The present rate

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of profit to be derived by the banks from their circulation is not sufficient to justify them in offering a larger amount, but any method of increasing the profits on circulation will result in an increase.

It is true that the authorization of an issue of currency to the par of the deposited bonds, subject to the present rate of tax, is one method of inducing a larger circulation, but it is not the only method. By a modification of the present rate of taxation on bank notes, coupled with the authorization of issues to the par of the bonds, the same inducements can be offered for a larger circulation and yet provision be made for a secured emergency circulation.

The Comptroller, therefore, would recommend legislation authorizing the issuance of national-bank note circulation to the par of the deposited United States bonds, and that the additional 10 per cent circulation thus allowed the banks be subjected to a tax at the rate of 2 or 3 per cent per annum for the time used, which will tend to prevent its unrestricted use under normal conditions, and to save it for use at those periods of the year when crops are to be moved, and in those periods of panic when it is most valuable both to the banks and the business public as a means of assisting the general liquidation of credits. With the object of securing an increase in the present bank-note circulation, he would recommend the reduction or abolishment of the present tax of 1 per cent per year on the circulation to 90 per cent of the deposited bonds—the amount of the reduction in the tax on currency to be collected from the necessary per cent of tax on the capital and surplus of national banks if requisite to the public revenues. To allow the banks to issue up to the par of the bonds, unsubjected to additional tax on the 10 per cent extra circulation, will result in their immediately taking out their additional circulation for the purpose of profit. Business credits will be extended and adjusted to correspond with such increase of the currency, and practically the same inelasticity will characterize our bank-note issues then as now. With the advent of a panic we would have no additional means of lessening the necessity of a call upon the business community to furnish, by the repayment of loans, practically the bulk of the deposits drawn by frightened depositors.

It will be seen from an examination of the calculations given hereinafter that exactly the same rate of profit could be realized by the banks upon circulation to 90 per cent of the bonds deposited, taxed at four-ninths of 1 per cent per annum, as they could realize upon circulation to the par of the bonds at the present tax of 1 per cent.

It will also be seen that if the tax on the 90 per cent of circulation should be entirely abolished, or shifted to the franchise of banks, that the profit on circulation would be much larger than could be realized upon circulation issued to the par of the bonds subjected to the present tax.

This rate of profit to be realized upon untaxed circulation issued to 90 per cent of the bonds would be so large that upon circulation issued to the par of the bonds it would be necessary to reduce the tax down to three-fifths of 1 per cent before an equal profit upon par circulation could be made.

It will also be noted that exactly the same rates of profit could be made upon 90 per cent circulation taxed one-sixth of 1 per cent as could be made upon par circulation taxed three-fourths of 1 per cent.

In the judgment of the Comptroller these tables show conclusively

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that by modification in forms of taxation the same relative increase in general bank-note circulation, with an emergency circulation in addition, can be obtained, while only an increase without any elasticity could be obtained under any system of uniform taxation upon par circulation.

For the purpose of indicating that within the range of the possible modification of taxation on a circulation to 90 per cent of the bonds, provision can be made for an emergency circulation of 10 per cent to the par of the bonds, while amply encouraging the increase in general note circulation desired, the Comptroller summarizes the result of calculations given more in detail hereafter.

PROFIT IN DOLLARS UPON CIRCULATION ISSUED AGAINST A DEPOSIT OF $100,000, GOVERNMENT 4 PER CENT BONDS MATURING IN 1907, AT PRESENT PRICE, BEING THE POSSIBLE AMOUNT TO BE REALIZED UNDER DIFFERENT RATES OF TAXATION IN ADDITION TO 6 PER CENT ON THE CAPITAL INVESTED IN BONDS, WITH MONEY WORTH 6 PER CENT.

On $90,000 circulation, being 90 per cent of $100,000 bonds, 1 per cent tax on circulation under present laws	$279.88
On $100,000 circulation to par of bonds, uniform 1 per cent tax	779.88
On $90,000 circulation to 90 per cent of bonds, taxed four-ninths of 1 per cent, making possible an issue of $10,000 emergency circulation, to be taxed at the rate of 2 or 3 per cent for the time issued	779.88
On $100,000 circulation to par of bonds, uniform tax of three-fourths of 1 per cent	1,029.88
On $90,000 circulation to 90 per cent of par of bonds, taxed one-sixth of 1 per cent, making possible an issue of $10,000 emergency circulation, to be taxed at the rate of 2 or 3 per cent for the time issued	1,029.88
On $100,000 circulation to par of bonds, uniform tax of three-fifths of 1 per cent	1,179.88
On $90,000 circulation to 90 per cent of par of bonds without taxation, making possible an issue of $10,000 emergency circulation, to be taxed at the rate of 2 or 3 per cent for the time issued	1,179.88

In the foregoing figures no profit is calculated as accruing upon the emergency circulation.

The Comptroller believes that the levying of a tax of one-sixth of 1 per cent upon circulation to 90 per cent of the par of the bonds and allowing the banks to issue currency to the par of the bonds by paying a tax at the rate of 2 or 3 per cent per annum on the excess up to the par when outstanding, will result in the desired increase in our general bank note issues, and provide a marked degree of elasticity in our circulation.

In this connection the Comptroller can not properly discuss the question of taxation of banks as related to the public revenues further than to say that the imposition of a tax upon the capital and surplus of the banks to offset any reduction in the tax on currency will remove any objection to his recommendation on the grounds that it lessens the share of the public burden which the banks should properly bear.

In considering the probable effect on the amount of bank circulation outstanding which will result from a change in rates of taxation it must be remembered that the calculation would properly include, if it could be safely made, an estimate of the increased price of Government bonds, which will probably be incident to a greater demand for these bonds from the banks seeking profit on circulation under the modified rate of taxation.

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This increased price of bonds may be such as to negative to some degree the desired effect of an increased bank note circulation, since it will tend to lessen the profits on circulation. It must be remembered, however, that this objection can be made to any method of increasing the apparent profits on bank note circulation, including the method of authorizing issues to par, subject to a uniform tax.

The Comptroller believes that from the passage of laws altering, as suggested, the rate and method of taxation of national-bank notes, an increase of at least $100,000,000 may be reasonably expected.

Based upon our present bond-secured bank note circulation, which amounts to about $207,000,000, and this added amount, we would have, under such laws, an available bond-secured emergency circulation of at least $30,000,000

As a summary of his views on this subject, the Comptroller would call attention to the following propositions:

First. Whether or not legislation be passed providing for an uncovered emergency circulation for needed protection from the disastrous effects of panics, a very much larger degree of elasticity can be imparted to our present bond-secured bank-note currency, thus making it of greater use in seasons of the year in which the demand for currency is above the normal, and of invaluable assistance in times of panic.

Second. This result can be obtained by the enactment into law of the President's recommendation that national banks be allowed to issue to the par of the Government bonds deposited by them as security, and by the modification of the present tax upon national banks as follows:

After determining approximately the lowest rate of profit which will call into circulation the additional amount of national-bank notes deemed necessary for public convenience, this rate of profit should be reached by lessening or shifting to the franchise of banks the present 1 per cent tax on circulation to 90 per cent of the par of the Government bonds securing it. A tax of 2 or 3 per cent should then be levied on the excess of circulation over 90 per cent of the bonds, which will make of such excess circulation a secured emergency circulation only to be used when it becomes a public necessity, and not as a means of profit by the banks under normal conditions.

The general increase in bank circulation desired being possible of attainment through the lowering of the tax on the 90 per cent circulation, this additional tax on the 10 per cent excess circulation to the par of the bonds will not materially interfere with such general increase, and will only operate to create an emergency circulation of great value.

Third. As the use of rediscounts and bills payable on the part of the Western and Southern banks at certain seasons of the year is regarded as evidencing the need of an elastic circulation, and as bearing upon the question of the measure of relief which may be expected from the bond-secured emergency circulation here recommended, the Comptroller will state that without any general increase in bank note circulation as a result of new legislation, the possible emergency circulation of $20,000,000 immediately available, based on bonds securing the present circulation, amounts to more than the combined bills payable and rediscounts of all the national banks of the United States outstanding at any time within the last three years.

If the Comptroller's estimate of a possible bond-secured emergency circulation of $30,000,000 be correct, this amount is about double the average combined bills payable and rediscounts of the entire national system outstanding within that period.

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As the elastic and uncovered issues of the joint-stock banks of England, Scotland, and Ireland, comprising all the uncovered bank notes there issued, may be cited as illustrating the advantages of an elastic circulation, the Comptroller would also call attention to the fact that these entire issues are but a small amount more than the $20,000,000 bond-secured emergency circulation which would be immediately available on existing bond deposits in the United States under the legislation recommended. And with an increase in general bank note circulation, resulting from modified laws, we would probably have a bond-secured emergency circulation in this country larger than the emergency circulation of the joint-stock banks of England, Scotland, and Ireland, which is secured only by the general assets of the banks, without preference over other creditors.

Fourth. Even if a special uncovered emergency circulation be provided, to be used only in case of panics, the plan here suggested of changing the taxation and issues of secured bank notes will afford an elastic circulation of value in times of money stringency not approaching the severity of a panic.

With or without the legislation for the special uncovered emergency circulation, the bond-secured emergency circulation will be of great public use.

Fifth. If provision be made for an uncovered emergency circulation for use in times of panic, subject to a tax so large as to be repressive at all other times, the 10 per cent bond-secured emergency circulation herein recommended might be taxed at the rate of 2 per cent per annum for the time issued instead of at the rate of 3 per cent, thus allowing its freer use under more normal conditions. But if no uncovered circulation for panics be provided, the more repressive tax of 3 per cent seems desirable upon the bond-secured emergency circulation.

Sixth. There is no need, under normal conditions, of a large amount of emergency circulation or a high degree of elasticity in bank note circulation. The immense volume of checks, drafts, and bills of exchange, based upon the assets of banks and often called bank-credit currency, expands and contracts in accordance with the demand of trade and business, and is the medium through which the great bulk of the business of our country is transacted. It is extremely elastic, and varies in amounts at different seasons of the same year. It is generally amply adequate to the business needs of the country, except in times of disturbed confidence and financial panic.

Seventh. The issuance of bank asset notes under normal conditions and in the present development of our banking system can not be justified by the plea that without them the needed elasticity of bank-note currency can not be obtained. Nothing except the avoidance of panic can at present justify any experiments with bank asset currency. When authorized for use in times of panic the notes should be so heavily taxed that they can circulate only while a panic lasts, and like clearing-house certificates should be a remedy simply for a rare emergency.

In seeking the theoretical advantages of fluidity in bank circulation we should take no risks with its solidity.

The following table, to which reference has already been made, shows the calculation in detail of profits on bond-secured national bank note circulation under the present and different methods of taxation and issue:

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PROFIT ON NATIONAL BANK CIRCULATION, SECURED BY $100,000 UNITED STATES 4 PER CENT BONDS OF 1907 COSTING $113,125, MONEY BEING WORTH 6 PER CENT: FIRST, WITH CIRCULATION 90 PER CENT OF BONDS, TAX 1 PER CENT; SECOND, CIRCULATION PAR OF BONDS, TAX 1 PER CENT; THIRD, CIRCULATION 90 PER CENT OF BONDS, TAX FOUR-NINTHS OF 1 PER CENT; FOURTH, CIRCULATION PAR OF BONDS, TAX THREE-FOURTHS OF 1 PER CENT; FIFTH, CIRCULATION 90 PER CENT OF BONDS, TAX ONE-SIXTH OF 1 PER CENT; SIXTH, CIRCULATION PAR OF BONDS, TAX THREE-FIFTHS OF 1 PER CENT; AND SEVENTH, CIRCULATION 90 PER CENT OF BONDS, WITH NO TAX.

Amount of circulation on $100,000 in bonds costing $113,125.	Receipts.			Deductions.					Interest on capital invested.	Yearly profit on circulation in excess of interest on the investment.
	Interest on circulation at 6 per cent.	Interest on bonds.	Gross receipts.	Tax.	Expenses.	Sinking fund to retire premium on bonds.	Total deductions.	Net receipts.		
90 per cent. $90,000	$5,400	$4,000	$9,400	1 per cent. $900	$62.50	$1,370.12	$2,332.62	$7,067.38	$6,787.50	$279.88
Par. $100,000	6,000	4,000	10,000	1 per cent. $1,000	62.50	1,370.12	2,432.62	7,567.38	6,787.50	779.88
90 per cent. $90,000	5,400	4,000	9,400	$\frac{4}{9}$ of 1 per cent. $400	62.50	1,370.12	1,832.62	7,567.38	6,787.50	779.88
Par. $100,000	6,000	4,000	10,000	$\frac{3}{4}$ of 1 per cent. $750	62.50	1,370.12	2,182.62	7,817.38	6,787.50	1,029.88
90 per cent. $90,000	5,400	4,000	9,400	$\frac{1}{6}$ of 1 per cent. $150	62.50	1,370.12	1,582.62	7,817.38	6,787.50	1,029.88
Par. $100,000	6,000	4,000	10,000	$\frac{3}{5}$ of 1 per cent. $600	62.50	1,370.12	2,032.62	7,967.38	6,787.50	1,179.88
90 per cent. $90,000	5,400	4,000	9,400	No tax.	62.50	1,370.12	1,432.62	7,967.38	6,787.50	1,179.88

REPEAL OF SECTION 9 OF ACT OF JULY 12, 1882.

Section 9 of the act of July 12, 1882, prohibits the increase of bank circulation within six months after the deposit of lawful money to reduce circulation. The repeal of this section is necessarily precedent to any reform in national banking currency which provides for a greater elasticity, and is recommended. Even under the present laws a greater elasticity will be incident to our national-bank note issues if this section be repealed. A plethora of money leads the banks to retire their currency, and when a money stringency afterwards occurs there should be no unnecessary obstructions to an increase by the banks of their note issues, then doubly important to the needs of the business community.

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REMEDY FOR DELAY IN FILLING ORDERS FOR BANK-NOTE CURRENCY.

The Comptroller would respectfully call attention to the very great importance of an appropriation to increase the size of the vaults for the storage of incomplete national-bank currency in this Bureau in order to enable it to respond to the demand of the banks and the business community for circulating notes in case of sudden need. With the present inadequate facilities for storage, a sufficient amount of incomplete currency can not be kept on hand, and as it requires from twenty-five to thirty days to complete an order received from a bank for bank-note plate printing, the public and the banks are frequently put to great inconvenience by this necessary delay. In the panic of 1893 the suffering and damage to which the business community and the banks of the country were put, because of the fact that there had not been provided for this Bureau a few feet additional of needed storage room, can be inferred from the fact that of total orders for currency during the panic, amounting to $42,000,000, orders for over $11,000,000 were countermanded, the crisis of the money panic having passed before the twenty-five days necessary for the preparation of the currency had expired. With additional storage room, the Bureau will be enabled to keep on hand a sufficient stock of incomplete currency, so that orders from the banks can be filled upon receipt without delay.

LIMITATION OF LOANS.

In his last report the Comptroller called attention to the desirability of a modification of the law limiting certain loans to 10 per cent of the capital of the bank, and pointed out that the effect of this provision was to encourage the making of loans, large in proportion to their total assets, in smaller banks and smaller communities, while it prohibited such loans in the larger cities where they could be made in accordance with the urgent demands of trade and consistent with the soundest banking principles. He pointed out that the defective and unequal working of the present provision was due to the greater ratio borne by banking resources to banking capital in the larger communities as compared with the like ratio in smaller communities.

The present section of the law regulating excessive loans should be so altered as to allow the banks of larger communities to have more nearly the privilege of loaning a given per cent of their total assets to one individual, which now belongs, under a strict compliance with the present provision, to the banks of the smaller communities. The law against excessive loans should then be made enforceable by the enactment of an amendment providing a penalty for infractions.

The Comptroller, as before, would recommend that section 5200 of the Revised Statutes be amended by adding after the words "shall at no time exceed one-tenth part of the amount of the capital stock of such association actually paid in" the following words:

Provided, That the restriction of this section as to the amount of total liabilities to any association, of any person, or of any company, corporation, or firm for money borrowed, shall not apply where a loan in excess of one-tenth part of the capital stock shall be less than 2 per cent of the total assets of said bank at the time of making said loan. Said loan shall be at all times protected by collateral security equal to or greater in value than the excess in the amount of said loan over one-tenth of the capital stock.

A strict penalty should then be provided for infractions of the amended section.

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NATIONAL BANKS OF $25,000 CAPITAL.

In accordance with the recommendation of the President and the Secretary of the Treasury, and for the purpose of affording our smaller communities the business advantages incident to increased banking facilities, the Comptroller would urge the enactment of laws authorizing the organization of national banks with a capital of $25,000 in towns of 2,000 or less population.

NATIONAL BANK EXAMINATIONS.

The work of the corps of national-bank examiners during the year is worthy of special commendation. It is of course improper, for obvious reasons, for the Comptroller to point out the specific cases where, through the instrumentality of the examiners and their notification to directors of dangerous practices on the part of active bank officers, institutions have been protected from grave danger of insolvency.

During the year a system of special examinations has been on trial with advantageous results in marked instances. There has been utilized throughout the country special expert examiners, and an effort is being made through them to better supervise the work of local examiners as well as to add to the information of the Comptroller as to the condition of the national banks. The exchange of lists of banks for examination among examiners has been more frequent than heretofore, although the more exact knowledge of local credits, possible to a local examiner, limits the extent to which this can be done consistent with the best results.

In connection with the efforts of the Comptroller to determine the safety of loans, examiners have been requested to keep a convenient and uniform tabulation of approximate lines of larger credits extended by the banks for his reference.

The benefit to the service resulting from the fund for special examinations of national banks, an increase in which was granted by Congress, as recommended in the last report of the Comptroller, has been material. By means of this fund investigations were conducted which resulted in decisive action by the Comptroller in relation to the affected banks, which investigations and resultant information would have been otherwise impracticable. While this fund is small, the benefits derived from it merit special mention.

The Comptroller recommends an increase in the annual fund provided for examinations of bank-note plates, and for the compensation of examiners engaged in special examinations of $2,000, making the fund $5,000 instead of $3,000, as at present.

INTERNATIONAL AND INTERCOLONIAL BANKING.

In his last report the Comptroller called attention to the need of laws authorizing and regulating banks for the transaction of international and intercolonial banking, and recommended the establishment of a commission to investigate banking and commercial conditions in the new possessions of the United States with a view to obtaining more exact knowledge of the nature of the banking legislation essential to the best interests of these new possessions, and to our own country in its business relations with them.

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The past year has emphasized the need of such legislation, and the Comptroller again calls attention to the disadvantage at which our country is placed by the lack of proper banking facilities, not only in South American commerce, but in our commerce with our new possessions.

The need of banking facilities to care for the rapidly growing business between the United States and the territories over which she now exercises sovereignty is such that of necessity banking institutions have already been established over which there is little or no Governmental supervision.

The earlier that intelligent and careful consideration can be given by Congress to the question of banking legislation for the new possessions, both for the local regulation of their domestic systems and the regulation of their banking relations with the United States, the better it will be for the domestic prosperity and trade relations of both.

For purpose of reference, and through the courtesy of the Secretary of the Treasury and the Secretary of War, and others, the Comptroller publishes, in an appendix to this report, information relative to financial conditions in Cuba and Porto Rico, including extracts from the report of Special Commissioner Edward W. Harden, who has gathered information relative to financial and banking conditions in the Philippines, all of which indicates the necessity and desirability of early action by Congress upon this important subject.

The Comptroller would renew his recommendations of one year ago that laws be passed authorizing the incorporation of banks organized for the purpose of carrying on international and intercolonial banking, as distinguished from domestic banking, and that as preliminary thereto a commission be established to investigate local conditions and report upon the nature of the legislation best adapted for the interests of this country and her new possessions.

In this connection he would again call attention to the existing situation by quoting briefly from his last report:

> Unless some such legislation is provided, the American exporter and importer, in his trade with America's own colonies, will be compelled to endure all the disadvantages under which, in all South American markets and in many other markets of the world, he now labors in his competition with foreigners enjoying superior banking facilities.
>
> When, by means of international banks and their branches, the proper banking facilities are afforded those engaged in foreign trade, they transact their business with these banks in much the same manner as the domestic shippers of the United States transact business with our present banks.
>
> The American in his South American trade, as compared with the foreigner in the same line of business, is subjected to the same relative disadvantages as are experienced by a domestic shipper without banking facilities, as compared with another who possesses them.
>
> Domestic dealers in supplies, in good credit, may make contracts with domestic wholesale purchasers in good credit for the sale and shipment of goods, for which the consignee gives his acceptance, payable at different intervals, sometimes months after the delivery to him of the shipment.
>
> The consignor discounts this accepted draft, given him for the goods, with his bank, thus receiving his capital at once for reinvestment and enabling him to transact a larger business than if the capital invested in the goods was locked up until the maturity of the acceptance. On the other hand the consignee has the difference between the time of the arrival of the shipment and the maturity of the draft to sell the goods and to collect from the purchaser all or a portion of the amount necessary to pay the draft.
>
> The situation of the shipper without banking facilities is in sharp contrast. He must ordinarily sell for cash, instead of on credit, to the consignee, as he needs his capital in most cases for immediate reinvestment. As a result, in his competition

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with his more favored rivals he is not only compelled to accept lower prices, involving smaller margins of profit, but he must do a smaller business on the same capital invested.

Thus, as compared with the English exporter, who, when his goods are shipped, can receive advances from an English international bank upon the credit of his bills of lading and of the foreign consignee, concerning whose credit the home bank, through its foreign branch, is well advised, the American shipper, in the majority of instances, is denied such privileges, and must await entire, instead of partial, reimbursement until the arrival of the goods at the foreign market and the collection of the draft for the purchase price made at the time of shipment.

In addition to this disadvantage, the American exporter and importer in his trade with South American countries transacts all his business of consequence through English banks in terms of English money, paying the rates of exchange fixed by these foreign institutions.

INSOLVENT NATIONAL BANKS.

At the date of the last annual report of this Bureau the number of national banks remaining in the hands of receivers was 158. During the past year 12 banks have been placed in the hands of receivers, and 35 receiverships terminated, leaving at the present time 135 insolvent banks in the hands of receivers appointed by the Comptroller.

The assets of these insolvent national banks at the date of the present report are of the nominal value of $39,894,770.

Special attention has been given to the reduction of expenses of the several receiverships; and in the remaining receiverships, as compared with last year, a total reduction of about $50,000 in salaries, legal and other annual expenses, has been attained. There are at this time nineteen receiverships in the hands of one receiver at Washington. The assets of this latter class of banks are nominal in value and by the plan adopted a considerable additional annual saving has been made, which goes to increase the dividends to creditors.

In addition to the number of receiverships which have been completely liquidated, 38 receiverships have been placed on the inactive list. In such cases the fixed salaries of the receivers are terminated, and they are allowed compensation only for services actually performed.

There are at present 94 receivers who have in charge the assets of the 135 insolvent banks, a number of such receivers administering upon the affairs of two or more banks.

The 12 national banks which failed during the year makes a total of 387 failures from the organization of the Bureau to the date of this report, including 17 banks restored to solvency.

The policy of consolidating two or more banks and placing them in the hands of one receiver in the same city or locality has been found to be satisfactory, inasmuch as it results in the saving of salaries of receivers and in a lessening of legal and other expenses.

The administration of all insolvent banks is well advanced, and within a few months a number of receiverships will be closed.

In the appendix will be found a table showing the nominal value of the assets of the banks that have been or are being liquidated by receivers, with the collections, disbursements, claims proved, and dividends paid.

For the purpose, however, of indicating the general cost of administration of the affairs of insolvent banks in the hands of the Government there is presented herewith a summary of the tables given in detail in the appendix.

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NOMINAL ASSETS AT DATE OF SUSPENSION.

Estimated good	$79,376,277
Estimated doubtful	71,154,423
Estimated worthless	53,538,125
Additional assets secured since suspension	31,567,953
Total assets	235,636,778

DISPOSITION OF ASSETS.

Offsets allowed and settled	$17,436,261
Losses on assets compounded or sold under order of court	70,721,452
Nominal value of assets returned to stockholders	5,966,121
Nominal value of remaining assets	39,894,770
Collected from assets	101,618,174
Total	235,636,778
Collected from assets as above	101,618,174
Collected from assessments upon shareholders	16,166,815
Total collections from all sources	117,784,989

DISPOSITION OF COLLECTIONS.

Loans paid and other disbursements	$21,106,742
Dividends paid	83,087,236
Legal expenses	3,571,685
Receivers' salaries and all other expenses	6,095,799
Cash on hand	2,604,290
Cash returned to stockholders	1,319,237
Total	117,784,989
Total amount assessed against shareholders	37,032,070
Total amount of claims proved	127,002,895
Percentage of collections from assets, including offsets allowed	60.82
Percentage of collections from assessments upon stockholders	43.65
Percentage of legal expenses to collections from all sources, including offsets	2.64
Percentage of all other expenses to collections from all sources, including offsets	4.51
Percentage of total expenses to collections from all sources, including offsets	7.15

Ruling as to second assessment upon stockholders and rebate to stockholders in case of incorrect assessments.—Since the inauguration by the Comptroller of the rule of making a second assessment upon stockholders of an insolvent national bank when the first assessment, through miscalculation of the value of assets, was less than the legal liability of the stockholders, and of rebating to the stockholders any excess beyond their legal liability which had been mistakenly collected through like error, as was delineated in the report of 1898, the stockholders of 10 insolvent banks have been subjected to a second assessment aggregating in amount the sum of $386,000. In the same period of time there has been rebated to stockholders of 6 insolvent banks a sum aggregating $46,831.37 in cases where the amount realized from the first assessment was greater than the individual liability of each stockholder.

The power of the Comptroller, under his ruling, to make the second assessment has been tested in four courts of competent jurisdiction. In two different circuit courts of the United States and in the circuit court of appeals of the ninth circuit the action of the Comptroller has been sustained, and in one circuit court of the United States the power of the Comptroller to make subsequent assessments was denied. The last-mentioned case will be appealed to the circuit court of appeals.

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INVESTIGATION AS TO LOAN AND DEPOSIT ACCOUNTS, RATES OF INTEREST, AGGREGATE DEPOSITS AND LOANS OF ALL BANKS OF THE UNITED STATES.

During the past year the Comptroller has made an effort to gather statistics which would best evidence the later growth and development not only of the national banking system, but of the other banking institutions of the country operating under State laws. In this connection he has instituted an investigation as to the number of loans and deposit accounts, the interest received on loans and paid on deposits, and the amount of loans and deposits of the banks of all systems in the United States in the years 1889, 1894, and 1899. A compliance with the request for information which he has made upon the banks of the country has involved them in much clerical labor, and the very general response which has been made by them is indicative of much public spirit on their part.

As compliance with requests for statistical information of the nature asked is a matter wholly optional with the banks, the Comptroller desires to express his appreciation of the courtesy of the institutions whose labor voluntarily performed has enabled him to present to the public statistics which he believes to be of economic value.

No detailed investigation into the total number of bank loans and deposit accounts in the United States has heretofore been made, and the results of this investigation are instructive and significant.

A copy of the blank furnished by the Comptroller to be filled in by the reporting banks is given herewith.

Charter No. ———
(Location) ——— ———
Date ——— —, 1899.

The COMPTROLLER OF THE CURRENCY,
Washington, D. C.

SIR: In compliance with your request of June 30, I give herewith the data desired with respect to the number of depositors in and number of borrowers from this the ——— Bank, ———, together with the amount of deposits, loans, and the average rates of interest paid and received, as shown by the books on the dates indicated.

Dates.	Individual deposits, including certificates of deposit.			Loans and discounts, including overdrafts.		
	Number of depositors.	Amount of deposits. (Omit cents.)	Average rate per cent of interest paid on deposits.	Number of borrowers.	Amount of loans and discounts. (Omit cents.)	Average rate per cent of interest received on loans.
July 12, 1889						
July 18, 1894						
June 30, 1899						

Population of this place at date of latest census, ———.

——— ———, *Cashier,*
——— *Bank.*

In considering the deductions to be drawn from the figures herewith presented, it must be remembered that allowance should be made for those individuals or corporations who use more than one bank for both borrowing and depositing. There was, of course, no way practicable in which exact information upon this subject could be obtained, and unquestionably certain borrowers and depositors have been counted twice or more times, since several banks may have included the same person as a borrower or depositor in making their returns to the Comptroller. The actual number of depositors and borrowers is, of

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course, much less than the number of deposit and loan accounts which are indicated by the tables given herewith; and considering the number of corporations doing a large business through agents keeping local deposits for branch offices, as well as the other causes for duplication of deposits and loans for account of the same individual or corporation, the Comptroller is unable to arrive at a satisfactory basis for estimating the per cent of allowance to be made in determining the approximate number of individual depositors and borrowers.

In the tables given only the banks from which the Comptroller was able to secure either a detailed report, in response to his circular, or a statement of condition have been included as a basis for estimates. But, in conjunction with the reports, statistics as to number and capital of banks given in the annual report of the Commissioner of Internal Revenue furnish a basis for an estimate as to the deposit accounts, aggregate deposits, loans, capital, and number of loans of the combined banking systems of the United States, as will appear hereinafter.

The Comptroller has received answers to his inquiries from about two-thirds of the banks composing the national system. With these banks, as with the banks other than national, he has based his estimates as to all banks upon the ratios found to exist in the reporting banks. Since the Comptroller has the general statement of financial conditions of the nonreporting banks, these estimates may be considered as fairly reliable.

As illustrating the method of arriving at these estimates, the probable number of deposit accounts in the national banks of the United States on June 30, 1899, is arrived at as follows:

On that date, 2,417 of these banks having reported deposit accounts numbering 1,991,183, and deposits amounting to $1,830,116,140, the average deposit of the reporting banks is found by dividing the amount of the deposits by the number of accounts, giving an average deposit of $919.

The total outstanding individual deposits of the entire national system of 3,583 banks, as shown by their published reports of condition June 30, 1899, amount to $2,522,157,509, and this sum is then divided by $919, giving the estimated number of deposit accounts for the entire system on that date as 2,744,459.

The same method, using total loans and discounts as a basis, is pursued in estimating the total number of loans of the national system. This method is also used in estimating the number of deposit accounts and loans in banking institutions other than national.

For the reason that the proportion of banks, other than national, responding to the Comptroller's inquiries is not so large as in the case of the national banks, the same degree of accuracy can not be claimed for the estimates relating to other banks as for those relating to the national system. Yet so large a number of these banks have reported that the estimates based upon their returns are considered to be of value.

The manifest disadvantages under which this investigation has been made emphasize the importance, in the interests of banking and financial knowledge, of more intimate relations between the State officers supervising the different State banking systems and the Comptroller. It has been the constant effort of the Comptroller and his predecessors to establish with these officers those relations most conducive to mutual exchange of information and cooperation in bank supervision where circumstances required. Gratifying progress has been made, but much

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room for improvement still remains. The great totals here given indicate the wonderful banking and financial strength of the country and its people, and in the interest of the common good, as well as of financial science, and as something due to ourselves and the world, it is fitting that we strive to more exactly and completely gather and tabulate the facts here of necessity somewhat roughly estimated.

For their able and discriminating cooperation in tabulating and systematizing the thousands of reports received in connection with this inquiry, the Comptroller desires to acknowledge his indebtedness to Mr. W. J. Fowler, the chief of the organization division of the Bureau, and his assistants. Among the general deductions to be made from this investigation may be mentioned the following:

First. That the number of individual depositors in the banks of the United States is constantly increasing, as indicated by the regular increase in the number of deposit accounts of the different systems estimated as follows:

Date.	Banks, etc.	Number of banks reporting.	Estimated number of depositors' accounts.
July 12, 1889	National banks	3,239	1,650,044
July 18, 1894	.....do	3,770	2,071,360
June 30, 1899	.....do	3,583	2,744,459
July 12, 1889	Savings banks	849	3,811,059
July 18, 1894	.....do	1,024	4,818,247
June 30, 1899	.....do	942	5,207,653
July 12, 1889	State and private banks	2,995	1,071,267
July 18, 1894	.....do	4,490	1,699,958
June 30, 1899	.....do	4,947	2,838,326
July 12, 1889	Loan and trust companies	120	177,601
July 18, 1894	.....do	224	404,201
June 30, 1899	.....do	260	642,198
July 12, 1889	Total all banks reporting	7,203	6,709,971
July 18, 1894	.....do	9,508	8,993,766
June 30, 1899	.....do	9,732	11,432,636

Estimated grand total for the year 1899, based upon banks reporting as above and statistics as to nonreporting banks obtained from tax returns to the Commissioner of Internal Revenue: Number of banks, 12,804; depositors' accounts, 13,153,874.

Second. That there is a demand from borrowers for the use of the greater proportion of the deposits of banks, and while the number of individual borrowers is increasing, the depositors greatly outnumber the borrowers, and the increase in the number of borrowers is much less than the increase in the number of depositors, as indicated by the rate of increase in the number of loans estimated as follows:

Date.	Banks, etc.	Number of banks reporting.	Estimated number of loans.
July 12, 1889	National banks	3,239	1,106,377
July 18, 1894	.....do	3,770	1,332,722
June 30, 1899	.....do	3,583	1,550,034
July 12, 1889	Savings banks	849	223,769
July 18, 1894	.....do	1,024	301,685
June 30, 1899	.....do	942	357,733
July 12, 1889	State and private banks	2,995	804,725
July 18, 1894	.....do	4,490	1,281,085
June 30, 1899	.....do	4,947	1,905,566
July 12, 1889	Loan and trust companies	120	53,670
July 18, 1894	.....do	224	75,202
June 30, 1899	.....do	260	98,331
July 12, 1889	Total all banks reporting	7,203	2,188,541
July 18, 1894	.....do	9,508	2,990,694
June 30, 1899	.....do	9,732	3,911,664

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Estimated grand total for the year 1899, based upon banks reporting as above, and statistics as to nonreporting banks, obtained from tax returns to the Commissioner of Internal Revenue: Number of banks, 12,804; number of loans, 5,067,252.

Third. That the growth of the banking systems is being characterized by a gradually lessening rate of interest charged on loans, the average rates being estimated as follows:

Date.	Banks, etc.	Average rate of interest charged on loans.	Date.	Banks, etc.	Average rate of interest charged on loans.
		Per cent.			*Per cent.*
July 12, 1889	National banks	6.1	July 12, 1889	State and private banks.	7.6
July 18, 1894	.....do	5.8	July 18, 1894	.....do	7.2
June 30, 1899	.....do	5.3	June 30, 1899	.....do	6.7
July 12, 1889	Savings banks	5.2	July 12, 1889	Loan and trust companies	4.9
July 18, 1894	.....do	5.2	July 18, 1894	.....do	5.0
June 30, 1899	.....do	4.9	June 30, 1899	.....do	4.6

Fourth. That a gradually lessening rate of interest is being paid upon deposits, the average estimated rates, where paid, being as follows:

Date.	Banks, etc.	Average rate of interest paid on deposits.	Date.	Banks, etc.	Average rate of interest paid on deposits.
		Per cent.			*Per cent.*
July 12, 1889	National banks	3.6	July 12, 1889	State and private banks.	4.0
July 18, 1894	.....do	3.5	July 18, 1894	.....do	3.9
June 30, 1899	.....do	2.9	June 30, 1899	.....do	3.4
July 12, 1889	Savings banks	4.0	July 12, 1889	Loan and trust companies	3.6
July 18, 1894	.....do	3.7	July 18, 1894	.....do	3.4
June 30, 1899	.....do	3.4	June 30, 1899	.....do	3.1

Fifth. That, considering the larger clientage of national and savings banks, the average deposit of the individual or corporation is slowly increasing, as evidenced by the estimated average deposit account, as follows:

Date.	Banks, etc.	Average deposit account.
July 12, 1889	National banks	$874
July 18, 1894	.....do	810
June 30, 1899	.....do	919
July 12, 1889	Savings banks	379
July 18, 1894	.....do	369
June 30, 1899	.....do	419
July 12, 1889	State and private banks	551
July 18, 1894	.....do	426
June 30, 1899	.....do	433
July 12, 1889	Loan and trust companies	1,687
July 18, 1894	.....do	1,166
June 30, 1899	.....do	1,301

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Sixth. That the average size of the loans, all classes of banks considered, has not varied much in the last decade, the estimates being as follows:

Date.	Banks, etc.	Average amount of loan.
July 12, 1889	National banks	$1,608
July 18, 1894	.....do	1,459
June 30, 1899	.....do	1,618
July 12, 1889	Savings banks	3,591
July 18, 1894	.....do	3,404
June 30, 1899	.....do	3,071
July 12, 1889	State and private banks	747
July 18, 1894	.....do	577
June 30, 1899	.....do	505
July 12, 1889	Loan and trust companies	5,432
July 18, 1894	.....do	4,980
June 30, 1899	.....do	6,092

Seventh. That the growth in the aggregate of individual deposits has been as follows:

Date.	Banks, etc.	Number of banks reporting.	Total deposits.
July 12, 1889	National banks	3,239	$1,442,137,979
July 18, 1894	.....do	3,770	1,677,801,201
June 30, 1899	.....do	3,583	2,522,157,509
July 12, 1889	Savings banks	849	1,444,391,325
July 18, 1894	.....do	1,024	1,777,933,242
June 30, 1899	.....do	942	2,182,006,424
July 12, 1889	State and private banks	2,995	590,268,199
July 18, 1894	.....do	4,490	724,182,043
June 30, 1899	.....do	4,947	1,228,995,364
July 12, 1889	Loan and trust companies	120	299,612,899
July 18, 1894	.....do	224	471,298,816
June 30, 1899	.....do	260	835,499,064
July 12, 1889	Total all banks reporting	7,203	3,776,410,402
July 18, 1894	.....do	9,508	4,651,215,302
June 30, 1899	.....do	9,732	6,768,658,361

Estimated grand total for the year 1899, based upon banks reporting as above, and statistics as to nonreporting banks obtained from tax returns to the Commissioner of Internal Revenue: Number of banks, 12,804; total deposits, $7,513,954,361.

Eighth. That the growth in aggregate loans has been as follows:

Date.	Banks, etc.	Number of banks reporting.	Total loans and discounts.
July 12, 1889	National banks	3,239	$1,779,054,528
July 18, 1894	.....do	3 770	1,944,441,315
June 30, 1899	.....do	3,583	2,507,954,980
July 12, 1889	Savings banks	849	803,554,096
July 18, 1894	.....do	1,024	1,026,937,808
June 30, 1899	.....do	942	1,098,598,589
July 12, 1889	State and private banks	2,995	601,129,314
July 18, 1894	.....do	4,490	739,186,087
June 30, 1899	.....do	4,947	962,311,008
July 12, 1889	Loan and trust companies	120	291,534,324
July 18, 1894	.....do	224	374,504,202
June 30, 1899	.....do	260	599,031,033
July 12, 1889	Total all banks reporting	7,203	3,475,272,262
July 18, 1894	.....do	9,508	4,085,069,412
June 30, 1899	.....do	9,732	5,167,895,610

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Estimated grand total for the year 1899, based upon banks reporting as above and statistics as to nonreporting banks obtained from tax returns to the Commissioner of Internal Revenue: Number of banks, 12,804; total loans and discounts, $5,751,467,610.

By further reference to the tables printed hereinafter the number of banks of each class reporting in response to the request of June 30, 1899, may be found, and detailed statements showing the basis for the estimates above given.

NUMBER OF BANKS, BY CLASSES, REPORTING IN RESPONSE TO REQUEST OF JUNE 30, 1899, RELATIVE TO NUMBER OF DEPOSITORS' ACCOUNTS, AMOUNT OF DEPOSITS, INTEREST RATES ON THE DATES INDICATED, THE TOTAL AMOUNT OF DEPOSITS AS SHOWN BY REPORTS OF CONDITION ON THE SAME OR APPROXIMATE DATES, AND THE ESTIMATED NUMBER OF DEPOSITORS' ACCOUNTS.

NATIONAL BANKS.

Banks reporting in response to request of June 30, 1899.						Banks from which reports of condition were received, including those reporting in response to request of June 30, 1899.		
Date.	Number.	Number of depositors' accounts reported.	Total individual deposits of banks reporting number of deposit accounts.	Average deposit account.	Average interest rate.	Total number of banks.	Total individual deposits.	Estimated number of depositors' accounts.
					P. ct.			
July 12, 1889	1,800	1,076,607	$940,939,440	$874	3.6	3,239	$1,442,137,979	1,650,044
July 18, 1894	2,236	1,424,966	1,155,191,588	810	3.5	3,770	1,677,801,201	2,071,360
June 30, 1899	2,417	1,991,183	1,830,116,140	919	2.9	3,583	2,522,157,509	2,744,459

STATE AND PRIVATE BANKS.

July 12, 1889	765	265,291	$146,308,150	$551	4	2,995	$590,268,199	1,071,267
July 18, 1894	1,445	502,756	214,442,510	426	3.9	4,490	724,182,043	1,699,958
June 30, 1899	2,314	966,394	418,281,267	433	3.4	4,947	1,228,995,364	2,838,326

LOAN AND TRUST COMPANIES.

July 12, 1889	52	73,484	$123,994,590	$1,687	3.6	120	$299,612,899	177,601
July 18, 1894	130	205,368	239,504,892	1,166	3.4	224	471,298,816	404,201
June 30, 1899	181	443,321	576,724,117	1,301	3.1	260	835,499,064	642,198

SAVINGS BANKS.

July 12, 1889	452	2,646,491	$1,004,596,854	$379	4	849	$1,444,391,325	3,811,059
July 18, 1894	592	3,413,477	1,261,450,416	369	3.7	1,024	1,777,933,242	4,818,247
June 30, 1899	712	4,254,516	1,782,974,485	419	3.4	942	2,182,006,424	5,207,653

TOTAL STATE AND PRIVATE BANKS, LOAN AND TRUST COMPANIES, AND SAVINGS BANKS.

July 12, 1889	1,269	2,985,266	$1,274,899,594	.....	.....	3,964	$2,334,272,423	5,059,927
July 18, 1894	2,167	4,121,601	1,715,397,818	.....	.....	5,738	2,973,414,101	6,922,406
June 30, 1899	3,207	5,664,231	2,777,979,869	.....	.....	6,149	4,246,500,852	8,688,177

TOTAL ALL BANKS.

July 12, 1889	3,069	4,061,873	$2,215,839,034	.....	.....	7,203	$3,776,410,402	6,709,971
July 18, 1894	4,403	5,546,567	2,870,589,406	.....	.....	9,508	4,651,215,302	8,998,766
June 30, 1899	5,624	7,655,414	4,608,096,009	.....	.....	9,732	6,768,658,361	11,432,636

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NUMBER OF BANKS, BY CLASSES, REPORTING, IN RESPONSE TO REQUEST OF JUNE 30, 1899, RELATIVE TO NUMBER OF LOANS, AMOUNT OF LOANS AND DISCOUNTS, INTEREST AND DISCOUNT RATES ON THE DATES INDICATED, THE TOTAL AMOUNT OF LOANS AND DISCOUNTS AS SHOWN BY REPORTS OF CONDITION ON THE SAME OR APPROXIMATE DATES, AND THE ESTIMATED NUMBER OF LOANS.

Banks reporting in response to request of June 30, 1899.						Banks from which reports of condition were received, including those reporting in response to request of June 30, 1899.		
Date.	Number.	Number of loans reported.	Total loans and discounts of banks reporting number of loans.	Average loan.	Average interest rate.	Total number of banks.	Total loans and discounts.	Estimated number of loans.
NATIONAL BANKS.								
					P. ct.			
July 12, 1889	1,800	642,851	$1,033,529,239	$1,608	6.1	3,239	$1,779,054,528	1,106,377
July 18, 1894	2,236	809 676	1,181,308,075	1,459	5.8	3,770	1,944,441,315	1,332,722
June 30, 1899	2,417	1,028,385	1,664,172,965	1,618	5.3	3,583	2,507,954,980	1,550,034
STATE AND PRIVATE BANKS.								
July 12, 1889	765	172,819	$129,107,680	$747	7.6	2,995	$601,129,314	804,725
July 18, 1894	1,445	332,230	191,677,897	577	7.2	4,490	739,186,087	1,281,085
June 30, 1899	2,314	630,601	318,336,084	505	6.7	4,947	962,311,008	1,905,566
LOAN AND TRUST COMPANIES.								
July 12, 1889	52	17,377	$94,395,202	$5,432	4.9	120	$291,534,324	53,670
July 18, 1894	130	32,336	161,034,302	4,980	5.0	224	374,504,202	75,202
June 30, 1899	181	58,916	358,932,167	6,092	4.6	260	599,031,033	98,331
SAVINGS BANKS.								
July 12, 1889	452	156,261	$561,136,040	$3,591	5.2	849	$803,554,096	223,769
July 18, 1894	592	216,172	735,908,720	3,404	5.2	1,024	1,026,937,808	301,685
June 30, 1899	712	310,295	953,108,181	3,071	4.9	942	1,098,598,589	357,733
TOTAL STATE AND PRIVATE BANKS AND LOAN AND TRUST COMPANIES AND SAVINGS BANKS.								
July 12, 1889	1,269	346,457	$784,638,922	.....	.....	3,964	$1,696,217,734	1,082,164
July 18, 1894	2,167	580,738	1,088,620,919	.....	.....	5,738	2,140,628,097	1,657,972
June 30, 1899	3,207	999,812	1,630,376,432	.....	.....	6,149	2,659,940,630	2,361,630
TOTAL ALL BANKS.								
Jnly 12, 1889	3,069	989,308	$1,818,168,161	.....	.....	7,203	$3,475,272,262	2,188,541
July 18, 1894	4,403	1,390,414	2,269,928,994	.....	.....	9,508	4,085,069,412	2,990,694
June 30, 1899	5,624	2,028,197	3,294,549,397	.....	.....	9,732	5,167,895,610	3,911,664

From the foregoing tables it will be seen that information relative to the resources and liabilities of incorporated and private banks in 1899 has been received from 9,732 such institutions. By reference to the annual report of the Commissioner of Internal Revenue for the year 1899 it is found that 12,804 banks and bankers paid tax on capital and surplus under the war-revenue act of June 13, 1898. This indicates that there are practically 3,000 incorporated and private banks in the country relative to whose condition no definite knowledge was obtainable, the cause being in many instances a lack of State laws requiring

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statements of condition. From an estimate based upon the returns to the Internal-Revenue Bureau the capital of all banks of all kinds is approximately $1,150,000,000, and on the assumption that the capital, loans, and deposits of the 3,000 nonreporting banks will average about the same as of the State and private banks from which reports have been received, the aggregate capital of the nonreporting banks is $180,000,000; loans, $583,572,000; and deposits, $745,296,000. Adding these amounts to loans and discounts, respectively, of reporting banks, makes the estimated aggregate loans of all banks for 1899 $5,751,467,610, and deposits $7,513,954,361.

Assuming that the average loans and deposits of nonreporting banks are the same as in State and private banks from which returns have been received, their total estimated number of loans is 1,115,588, and deposit accounts 1,721,238, which, added to the results given in the tables for reporting banks, makes the estimated total loans in all banks of the country for 1899 5,067,252, and the estimated number of deposit accounts 13,153,874.

LOST AND DESTROYED NATIONAL-BANK NOTES.

For the purpose of ascertaining the approximate gain to the Government on account of lost or destroyed national-bank notes, which, under the law, inure to its benefit, some research has been made. This examination is necessarily incomplete, but it can be regarded as fairly indicative of the average rate of loss of notes. From the date of the organization of the national-banking system to the close of the year 1869, covering a period of six years, 15 national banks were declared insolvent and placed in the hands of receivers. The total outstanding circulation of these banks at the date of failure was $1,554,400, of which amount there had been presented to the Department for redemption up to October 31, 1898, $1,548,262, leaving outstanding of the original amount only $6,138. As this is at the rate of only 3.9 mills on the dollar, or a little less than two-fifths of 1 per cent, and as unquestionably some portion of this small amount will yet be presented for redemption, it is safe to conclude that the gain to the Government on account of lost, destroyed, and unredeemed national-bank notes is very small.

ORGANIZATION OF NATIONAL BANKS.

On October 31, 1898, there were in existence 3,598 national banks, with authorized capital stock of $624,552,195. During the year ended October 31, 1899, 78 banks, with capital of $16,495,000, were organized, and 15 associations increased their capital stock, in the aggregate, $2,985,000. Within the same period 66 banks, with capital of $26,510,000, were placed in voluntary liquidation by the shareholders; 12 insolvent banks, with capital of $800,000 (including 2 banks with $150,000 capital, heretofore in voluntary liquidation), were placed in the charge of receivers, and 79 banks reduced their capital to the extent of $8,994,150. These transactions occasioned a net reduction of the capital stock since October 31, 1898, of $16,024,150. The authorized capital stock of the 3,601 national banks on October 31, 1899, was $608,528,045.

The number and capital of banks organized during the past year exceed the number and capital of those in 1898 by 22 and $6,805,000,

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respectively. Pennsylvania exceeds other States in point of number, 11 banks having been organized, with capital aggregating $1,760,000. Eight banks were established in Ohio, and the same number in Texas; 6 in New York; 5 in Iowa; 4 in Illinois; 3 each in Indiana, Massachusetts, Missouri, Nebraska, New Jersey, and Oklahoma; 2 each in Kentucky, Mississippi, North Carolina, West Virginia, and 1 each in Alabama, California, Indian Territory, Kansas, Louisiana, Michigan, New Hampshire, New Mexico, Wisconsin, and Virginia. In aggregate capital Massachusetts leads, with $4,500,000; followed by Ohio with $3,350,000, and Missouri with $2,150,000. In addition to the banks organized the Comptroller has approved applications for the organization, in the various States and Territories, of 36 banks, with capital aggregating $2,550,000. Of the 78 associations formed during the year 69 were primary organizations, and 9, with capital aggregating $2,250,000, were conversions of State banks. Since the establishment of the national-banking system 5,229 banks have been organized, of which 1,258 have been placed in voluntary liquidation and 387 in the charge of receivers. This indicates that only about 7 per cent of the total number of national banks organized have failed.

Twenty-two national banks, with capital stock of $3,155,000, reached the expiration of their corporate existence during the past year and renewed their charters for a further period of twenty years. During the coming year 45 associations, with capital aggregating $6,942,100, will reach the expiration of their corporate existence, and during the ten years ending December 31, 1909, the corporate existence of 1,255 banks, with capital aggregating $175,538,150, will expire. Since the passage of the act of July 12, 1882, providing for the extension of the corporate existence of national banks, renewals of charters have been granted to 1,692 banks, with capital aggregating $410,686,115.

CIRCULATION AND BONDS.

The outstanding circulation of national banks on October 31, 1899, aggregated $243,066,624, of which $207,920,774 was secured by bonds, and $35,145,850 by lawful money deposited with the Treasurer of the United States on account of liquidating and insolvent associations, and those reducing circulation. The decrease of circulation secured by bonds was $2,124,682, the increase secured by lawful money $5,562,170, and the net increase during the year $3,437,488.

The amount and kinds of bonds on deposit as security for circulation on October 31, 1899 and 1898, are shown in the following table:

Class.	1899.	1898	Changes.	
			Increase	Decrease.
Pacific sixes		$2,906,000		$2,906,000
Fives	$14,665,600	16,231,900		1,566,300
Fours (1907)	128,822,050	139,436,050		10,614,000
Fours (1895)	18,242,750	23,990,650		5,747,900
Twos	20,907,600	22,047,750		1,140,150
Threes	49,825,160	31,006,120	$18,819,040	
Total	232,463,160	235,618,470	18,819,040	21,743,350
Total increase				18,819,040
Net decrease				3,155,310

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EARNINGS, DIVIDENDS, ETC.

Since the passage of the act of March 3, 1869, requiring every national-banking association to report within ten days after the declaration of any dividend the amount of such dividend, and the amount of net earnings in excess of such dividend, the reports issued from this Bureau have contained statements relative thereto for each semiannual period. The average capital and surplus of national banks for the year ended March 1, 1899, were $610,426,625 and $248,209,205, respectively. The gross earnings during that period were $147,031,571.36, of which $32,333,875.43 were devoted to losses and premiums; $65,382,255.18 to expenses and taxes; and $46,331,009 to the payment of dividends. The average rate of dividends to capital was 7.6 per cent, dividends to capital and surplus 5.4 per cent, and net earnings to capital and surplus 5.8 per cent.

The semiannual duty on national bank circulation during the fiscal year ended June 30, 1899, amounted to $1,991,743.31; expense of redemption of circulating notes, $121,291 (an average per $1,000 of $1.34); examiners' fees, $244,903.62. From the returns to the Commissioner of Internal Revenue, as shown by his report for 1899, the tax imposed by the war-revenue act of June 13, 1898, collected on capital and surplus of the 12,804 incorporated banks and bankers of the United States, based on the average capital and surplus during the year ended June 30, 1898, aggregated $3,750,836.99. The returns from national banks were not compiled separately in that Bureau, but an estimate based upon the average capital and surplus of such banks during the year named, as shown by reports of condition to this Bureau, indicates the payment by them of $1,752,802.

The average capital of national banks during the thirty years ended with March 1, 1899, is shown to have been $543,244,571, the average surplus $166,255,080, dividends $44,468,735, the average rate of dividends to capital 8.2 per cent, and dividends to capital and surplus 6.2 per cent.

National banks are subject to a semiannual duty of one-half of 1 per cent upon the average amount of circulating notes outstanding during the prior six months.

Under the operations of the war-revenue act of June 13, 1898, the banks are subject to the following tax: Fifty dollars per annum on capital employed not exceeding $25,000, and for every additional $1,000 in excess of $25,000 two dollars. In estimating capital surplus is included. With respect to national banks this tax amounts to one-fifth of 1 per cent.

National banks are charged with the cost of redemption of their circulating notes and for the expense of examinations.

The national bank act permits the taxation of shares of stock of national banks and the real property of associations by States, counties, and municipalities.

STATE BANKS AND BANKING INSTITUTIONS.

The Comptroller is pleased to call attention to the assistance rendered by the State officials charged with the supervision of the different State banking systems in securing statistics relating to banking systems other than the national system. In almost all cases the cooperation of the State officers was willingly and effectively given, and the very

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general call made by them at the suggestion of the Comptroller for statements of State banks on June 30, 1899, enables him to present a very complete and accurate statement of the entire banking resources of the United States on that date.

The Comptroller is enabled to present in this report, for June 30, 1899, detailed information relative to the condition of 6,149 State and private banking institutions of the country, including practically 90 per cent of the incorporated banks in existence, although only about 20 per cent of the private banks and bankers. As stated, the returns are for June 30, although in a few States the returns for that date were not obtainable, State laws prohibiting calling for reports other than at fixed dates. It is satisfactory to note that official returns were received relative to incorporated banks in all of the New England and Middle States, all of the Eastern States except Delaware, all of the Southern States except South Carolina, Alabama, Arkansas, and Tennessee, and all of the Western States with the exception of South Dakota. From the last-named State official returns were received, but at too late a date for incorporation with the returns from other States. In the Pacific States official returns were received from Washington, California, and Arizona only.

In detail, information has been received relative to the condition of 4,191 State banks, 260 loan and trust companies, 942 savings banks, and 756 private banks and bankers. Abstracts of these reports, by classes, States, and geographical divisions, appear in the appendix.

To enable comparisons to be made, in the following table are shown the principal items of resources and liabilities of all reporting banks other than national for the years 1895–1899, inclusive.

Items.	1895.	1896.	1897.	1898.	1899.
Loans	$2,417,468,494	$2,279,515,283	$2,231,013,262	$2,480,874,360	$2,659,940,630
Bonds	1,375,026,025	1,210,827,389	1,248,150,146	1,304,890,322	1,527,595,160
Cash	227,743,303	169,198,601	193,094,029	194,913,450	210,884,047
Capital	422,052,618	400,831,399	380,090,778	370,073,788	368,746,648
Surplus and undivided profits	370,397,003	362,602,702	382,436,990	399,706,497	418,798,087
Deposits	3,185,245,810	3,276,710,916	3,324,254,807	3,664,797,296	4,246,500,852
Resources	4,138,990,529	4,200,124,955	4,258,677,065	4,631,328,357	5,196,177,381

By reference to the foregoing table, it is noted that the aggregate resources of the banks have increased from $4,138,990,529 in 1895 to $5,196,177,381 in 1899. There have been slight fluctuations in the capital stock and surplus accounts during the five years, but the individual deposits have increased steadily from $3,185,245,810 in 1895 to $4,246,500,852 in 1899.

In the following table is exhibited in a condensed form the principal items of assets and liabilities of national and all other banks reporting on June 30, 1899:

	3,583 national banks.	6,149 other banks.	9,732 banks.
Loans	$2,507,954,980	$2,659,940,630	$5,167,895,610
United States bonds	346,114,413	173,973,738	520,088,151
Other bonds	305,428,927	1,353,621,422	1,659,050,349
Cash	512,414,941	210,884,047	723,298,988
Capital	604,865,327	368,746,648	973,611,975
Surplus and profits	342,321,752	418,798,087	761,119,839
Deposits	2,522,157,509	4,246,500,852	6,768,658,361
Total resources	4,708,833,904	5,196,177,381	9,905,011,285

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As this table indicates, information has been received from 9,732 national banks, state banks, and private banks and bankers, with resources aggregating $9,905,011,285, of which $5,167,895,610 constitute the loans and discounts, $520,088,151 United States bonds, $1,659,050,349 other bonds, stocks, and securities, and $723,298,988 cash in bank. Of the cash resources, 62 per cent is in specie, viz, gold 53 per cent and silver 9 per cent. The capital stock of the banks aggregates $973,611,975, surplus and undivided profits $761,119,839, and deposits $6,768,658,361.

In connection with the information relative to the resources and liabilities of banks other than national, an attempt was made to obtain returns relative to the amount and per cent of dividends paid. Returns with respect to this point were confined to 949 banks, with capital of $63,468,827. The amount and per cent of dividends paid were $4,871,142, and 7.7 per cent, respectively. Reports relative to dividends paid by loan and trust companies were confined to 21 corporations, with capital aggregating $5,946,100, the average rate of dividends paid being 6.05 per cent.

SAVINGS BANKS.

The savings banks of the country from which returns have been received number 942, of which 655 are mutual savings banks, the latter being institutions without capital stock operated by trustees for the exclusive benefit of the depositors. With the exception of eleven (four in Ohio, five in Indiana, and one each in West Virginia and Wisconsin), institutions of this character are located in the New England and Eastern States. The assets of these banks aggregate $2,150,717,200; the surplus fund and undivided profits accounts $165,572,734 and $19,511,471, respectively. The deposits, aggregating $1,960,709,131, are held by 5,079,732 depositors, the average deposit being $385.99.

The stock savings banks number 287, with capital aggregating $17,492,223; surplus fund and other undivided profits $8,235,114 and $1,927,720, respectively. Banks of this character hold savings deposits to the amount of $218,759,168 and deposits subject to check $2,538,125. The savings depositors number 443,870, the average account being $492.84.

The aggregate resources of the 942 mutual and stock savings banks amount to $2,400,831,472; savings deposits, $2,179,468,299; number of depositors, 5,523,602, and average deposit account $394.57. The loans of the savings banks aggregate $1,098,598,589, of which $878,126,859 are secured by real estate, $156,359,308 by collateral other than real estate, and $64,112,422 by personal and other security. The investments in United States bonds amount to $136,930,208; State, county, and municipal bonds, $512,777,336; railroad bonds and stocks, $167,998,336; bank stocks, $36,637,920; other stocks, bonds, and securities, $230,796,388.

In the appendix are given statistics for the current and prior year relative to the number of depositors, amount of deposits, and average deposits by States and geographical divisions, and also of the growth of savings banks in the United States as indicated by number of institutions, amount of deposits, and number of depositors. The statistics last referred to include information with respect to the average savings-bank deposit in the years 1820, 1825, 1830, 1835, 1840, 1845 to 1899, inclusive, and the average deposit per inhabitant in each census

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year from 1820 to 1890, inclusive, and annually subsequent to the latter date.

The following table, taken from the last annual report of the Bank Examiner of Maine, contains information relative to the limit of deposits in mutual savings banks, average rates of interest paid on deposits, and the class of securities in which savings banks are authorized to invest their funds:

AVERAGE RATE OF INTEREST PAID TO DEPOSITORS, LIMIT OF DEPOSIT, AND MODE OF INVESTMENT OF FUNDS BY THE MUTUAL SAVINGS BANKS OF THE UNITED STATES.

States.	Average rate of interest.	Limit of deposits.	Mode of investment.
Maine	3.53	*a* $2,000	Loans on real estate and collateral security, bank stock, public funds, steam and street railroad and corporation bonds and stock.
New Hampshire	3.50	Unlimited.	Loans on real estate and collateral security, bank stock, public funds, railroad and corporation bonds and stock.
Vermont	4.00	*a* $2,000	Loans on real estate and collateral security, public funds, bank stock.
Massachusetts	4.00	*b* $1,000 a year. ($1,600 in all.)	Loans on real estate and collateral security, public funds, railroad bonds, bank stock.
Rhode Island	4.00	Unlimited.	Very slight restrictions.
Connecticut	3.95	$1,000 a year.	Loans on real estate and collateral security, public funds, railroad bonds, bank stock.
Total New England States	*c* 3.83	.....	
New York	3.46	$3,000	Loans on real estate, United States and certain State bonds, municipal bonds of New York State and a few cities.
New Jersey	3.50	$5,000	Loans on real estate and collateral security (limited), public funds, railroad bonds.
Pennsylvania	4.00	$5,000	Loans on collateral security and real estate, public funds. (Very slight restrictions).
Delaware	4.00	$50 per month. ($2,000 in all.)	Any security.
Maryland	3.50	$500 a year.	Do.
Total Eastern States	*c* 3.69	.....	
West Virginia	4.00	Unlimited.	Loans on real estate, United States and State bonds, municipal bonds of West Virginia.
Ohio	4.00	$5,000	Any security.
Indiana	4.50	$500 a year ($5,000 in all).	Loans on real estate, United States and State bonds, municipal bonds of Indiana.
Wisconsin	4.00	$1,000 a year.	Loans on real estate and collateral (except railroad), public funds.
Total other States	*c* 4.13	.....	
Total mutual savings banks of the United States.	*d* 3.86	.....	

a Except widows, orphans, etc.
b Except charitable institutions and court orders.
c Average for each group of States.
d Average for all the States.

Efforts were made to obtain information relative to the classification of deposits, but the statistics received are confined to the savings banks of Vermont, Rhode Island, and Connecticut. In the Vermont savings banks 110,540 depositors have to their credit $1,500 or less,

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and 2,829 over $1,500. Depositors in the Rhode Island savings banks to the number of 100,852 have a credit of $500 or less; 18,138 over $500, but less than $1,000; and 21,825, $1,000 or over. In the Connecticut savings banks depositors with $1,000 or less to their credit number 326,469; with over $1,000 but less than $2,000, 33,928; over $2,000, and not over $10,000, 15,142; and over $10,000, 271.

LOAN AND TRUST COMPANIES AND PRIVATE BANKS.

Reports of condition have been received from 260 loan and trust companies, with capital aggregating $104,308,722; surplus, $79,707,194; other undivided profits, $25,908,973. The individual deposits of these companies aggregate $835,499,064, and their total resources $1,071,525,994.

In a number of instances returns from private banks are included with State institutions, but returns have been received separately from 756 private banks and bankers, whose resources aggregate $87,787,253. These banks have capital amounting to $13,987,676, and individual deposits, $64,974,392.

In the appendix will be found a table showing the population of each State and geographical division on June 1, 1899, as estimated by the Government Actuary, and, in connection therewith, the banking funds, that is, capital, surplus, undivided profits, and individual deposits of national, State, and private banks on or about June 30, 1899. These funds aggregate $8,512,300,108, the average per capita of all banks being $111.61. The average per capita of national banks is $45.59; State banks, $19.81; loan and trust companies, $13.71; savings banks, $31.40, and private banks, $1.10.

STATE AND PRIVATE BANK FAILURES.

During the year ended August 31, 1899, twenty-six State and private banks and bankers have failed, with assets aggregating $7,790,244 and liabilities $10,448,159, as shown by reports furnished to this office by the Bradstreet Company.

During the past summer, through the courtesy of the Bradstreet Company, the Comptroller was placed in possession of a list of all banking institutions other than national which were closed between January 1, 1893, and June 30, 1899. A copy of this list was furnished to each national-bank examiner with instructions to ascertain by correspondence with the liquidating agents the results of the liquidation of all such banks in his territory. The investigation entailed a great amount of time and labor on the part of the examiners, but it is believed that the results obtained are more satisfactory than heretofore published with respect to insolvent State and private banks.

The list referred to includes 923 State and private banks which suspended temporarily and resumed, those placed in voluntary liquidation, and those which were insolvent and placed in charge of receivers or assignees. It is impossible owing to the meagerness of the returns to state the number of each class. More or less satisfactory information is at command relative to the affairs of 283 banks which were insolvent and were liquidated by receivers or assignees. The capital of these

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insolvent banks aggregated $14,754,169; other liabilities at date of suspension, $55,103,915; nominal assets at date of suspension, $62,739,332; collections from assets, $32,925,233; collections from shareholders, $1,517,178; amount and per cent of dividends paid, $30,965,165 and 56.19 per cent, respectively.

Of the 283 failures 117 occurred in 1893, the liabilities of the banks which failed in that year being $32,858,222, and dividends paid $21,970,559. There were 48 failures in 1896, liabilities and dividends paid being $8,848,908 and $3,122,298, respectively. In 1895 the failures numbered 45, with liabilities of $5,935,740; 1897, 28 failures, liabilities, $2,398,973; 1894, 18 failures, liabilities, $1,389,400; 1898, 13 failures, liabilities, $1,349,328, and during the first six months of 1899, 14 failures, with liabilities aggregating $2,323,344.

The forms used by the examiners in obtaining returns called for data with respect to the expenses incident to liquidation of the trusts, but the information received on that subject was confined to 189 banks, with liabilities aggregating $31,319,811. These banks paid dividends to the amount of $13,458,485, or 42.97 per cent, the expenses being $2,626,661, or 16.3 per cent of the total collections.

Summaries of the returns from the 283 banks referred to, by States and years, will be found in the appendix.

FOREIGN BANKING INSTITUTIONS.

In the appendix will be found a report of condition, under date September 30, 1899, of the chartered banks of the Dominion of Canada. The capital of these banks aggregates $64,183,377; notes in circulation, $46,682,028, and total liabilities, $427,870,875. The average rate of dividends paid to the shareholders of these banks was 7 per cent.

Statements are also given in the appendix of the condition of the banks of Australasia on June 30, 1899. The capital of the banks amounts to £21,940,959; bank notes in circulation, £4,350,332, and total liabilities, £163,163,664.

The London Economist publishes semiannually a statement of the condition of the incorporated and private banks of the United Kingdom, including colonial and foreign banks with London offices. These statements for the close of the half years ended December, 1898, and June, 1899, are given in the appendix. The capital stock of the Bank of England and other incorporated and private banks in the United Kingdom in December, 1898, aggregated £83,907,926, and in June, 1899, £84,195,340. The bank notes outstanding, including notes of the Bank of England, increased from £42,465,004 in December to £43,987,254 in June. The resources, which amounted to £986,211,641 in December, increased in June to £1,019,431,686. The aggregate resources of the joint stock and private banks of the United Kingdom and the colonial and foreign banks with London offices increased from £1,387,920,755 to £1,463,283,386 during the same period. During the year ended December, 1898, the Bank of England paid a stock dividend of 10 per cent. The average rate of dividends by the joint stock and private banks of the United Kingdom for the same period was 12.29 per cent.

The cash resources, loans and discounts, government and other securities, circulating notes outstanding and deposits of the principal foreign banks of issue on the dates indicated, appear in recent issues

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of the London Statist and the Economist and are set forth in the following table, the figures representing millions of pounds sterling:

Banks.	Date.	Gold.	Silver.	Cash not classified.	Loans and discounts.	Securities.	Circulation.	Deposits.
	1899.	£	£	£	£	£	£	£
Bank of England	Oct. 18	.....	.....	32.9	.....	48.1	28.2	51.7
Bank of France	Oct. 19	75.8	47	.....	35.5	.....	155.2	28.8
Bank of Germany	Oct. 14	.....	.....	35.2	54.6	.....	61.7	24.9
Bank of Russia	Sept. 23	.....	.....	90.9	30.3	14.4	56.1	69.4
Bank of Austria-Hungary	Oct. 14	30.7	10.4	.....	21.6	.....	60.5	.....
Bank of Spain	Oct. 14	13.5	13.6	.....	57.4	14.9	60.7	30.8
Bank of Belgium	Oct. 12	.....	.....	4.3	16.7	.....	21.4	2.1
Bank of Holland	Oct. 14	2.7	5.8	.....	11.3	.....	18.1	.4
Banks of Switzerland	Oct. 7	3.9	.4	.....	.....	.....	8.8	.....
Bank of Italy	Sept. 30	.....	.....	17	10.4	9	35.3	7.8
Total	.....	126.6	77.2	180.3	237.8	86.4	506.0	215.9

In conclusion, it is with pleasure that the Comptroller calls attention to the faithful and efficient services of his associates in the Bureau, and he desires to express his sincere appreciation of their fidelity to the public service.

CHARLES G. DAWES,
Comptroller of the Currency.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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