

NELSON ALDRICH

Monetary Commission

MISCELLANY

B  
From General Deficiency Act of March 4, 1909.

LEGISLATIVE.

62-213/09  
That the members of the National Monetary Commission, who were appointed on the thirtieth day of May, nineteen hundred and eight, under the provisions of section seventeen of the Act entitled "An Act to amend the national banking laws," approved May thirtieth, nineteen hundred and eight, shall continue to constitute the National Monetary Commission until the final report of said commission shall be made to Congress; and said National Monetary Commission are authorized to pay to such of its members as are not at the time in the public service and receiving a salary from the Government, a salary equal to that to which said members would be entitled if they were members of the Senate or House of Representatives. All Acts or parts of Acts inconsistent with this provision are hereby repealed.



PROCEEDINGS OF THE NATIONAL MONETARY COMMISSION.

Hotel Plaza, New York City,

August 17, 1909.

A subcommittee of the National Monetary Commission, consisting of Senators Aldrich (Chairman), Burrows and Daniel, Representatives Vreeland and Weeks, and Mr. Bonyng, were in session at The Hotel Plaza, New York City, in the morning and afternoon of Monday, August 16, and in the morning of Tuesday, August 17.

Professor A. P. Andrew submitted in proof form the following papers and documents, which have been under preparation since the last meeting of the Commission. These papers were examined and discussed by the subcommittee, and the Secretary was directed to furnish a set of these documents in proof to each member of the Commission, to be regarded as confidential until published in final form by the Commission.

The list is as follows:

PUBLICATIONS OF THE NATIONAL MONETARY COMMISSION

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I - MISCELLANEOUS

- ✓ Interviews on the Banking and Currency systems of England, France, Germany and Switzerland. (430 pages)
- The Public Debts of Great Britain, Germany and France, by Francis W. Hirst. (Galley proof, 19 pages)
- Articles: ✓ The Discount System in Europe, by Paul M. Warburg. (43 pages)
- ✓ Bank Acceptances, by Lawrence Merton Jacobs. (18 pages)

II - UNITED STATES

- Statistics for the United States, 1867-1909. (250 pages)
- ✓ Digest of State Banking Laws, by S. A. Welldon. (Galley proof, pages)
- ✓ Article: History of the National Bank Currency, by Alexander Dana Noyes. (Galley proof, 6 pages)

III - CANADA

- ✓ The History of Banking in Canada, by Roland Morton Breckenridge. (310 pages)

IV - ENGLAND

- ✓ The English Banking System, with a chapter on the London Stock Exchange, by Hartley Withers. (150 pages)
- Statistics for Great Britain, 1867-1908. Prepared by R. H. Inglis Palgrave, F.R.S., and "The Economist". (Galley proof, 67 pages)

V - FRANCE

- ✓ Evolution of Credit and Banks in France, from the founding of the Bank of France until the present time, by Andre Liesse. (271 pages)
- The Bank of France in its relations to National and International Credit, by Maurice Patron. (Galley proof, 54 pages)
- Statistics for France, furnished by the Credit Lyonnais. (Galley proof, 26 pages)
- The History and Methods of the Paris Bourse, by E. Vidal. (Galley proof, 65 pages)

VI - BELGIUM

- ✓ The National Bank of Belgium, by Charles A. Conant. (238 pages)

VII - GERMANY

- The Great German Banks and their Concentration in connection with the Economic Development of Germany, by Dr. J. Riesser. (Galley proof, 68 pages)
- ✓ The Reichsbank, 1876-1900. (Jubiläumsschrift) (355 pages)
- Statistics for Germany. (Galley proof, 56 pages)
- German Imperial Banking Laws, edited by Dr. R. Koch. (Galley proof, 72 pages)
- Miscellaneous Articles on German Banking. (Covering the organization of credit, directors' fees, the land mortgage associations, the savings banks, the co-operative societies, etc.) (Galley proof, 93 pages)
- In Re: Renewal of Reichsbank Charter. (Including articles covering the renewal of the charter and discussions of this subject in bankers' conventions and elsewhere, with a draft of the bill) (Galley proof, 83 pages)
- ✓ The Bank Inquiry of 1908: Stenographic Reports. (About 900 pages)
- Selected Documents on Bourse Legislation. (Galley proof, 33 pages)

VIII - SWITZERLAND

- ✓ The Swiss Banking Law, by Dr. Julius Landmann. (238 pages)

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Development of the German Banking System, by Robert Franz. (Galley proof, 33 pages)

- ✓ A set of 24 graphic charts, prepared under the direction of Professor A. P. Andrew.

After a full discussion of plans for the prosecution of the work of the Commission, the following action was taken:

A subcommittee, consisting of Mr. Vreeland (Chairman), Senators Burrows and Daniel, Representative Weeks and Mr. Bonyng, were appointed to visit Canada some time during the month of September to make a personal investigation of such features of the Canadian system as had not already been covered by the investigations of the Commission.

It was decided that a meeting of the full Commission should be held in Washington about the middle of October, the exact date to be fixed by the Chairman, and that at this meeting the subcommittee would recommend that the Commission should hold meetings and conduct hearings in different sections of this country during the late fall and winter.

The following statement of the proceedings of the sessions of the subcommittee was prepared by the Chairman and given to the press:



New York, Aug. 17.

A subcommittee of the National Monetary Commission have been in session at the Hotel Plaza for two days. The meeting was for the purpose of arranging for the work of the members of the Commission during the summer prior to the general meeting of the Commission which will take place in Washington about the middle of October. A ~~considerable~~ <sup>large</sup> number of papers and statistics, which have been prepared under the direction of Professor A. P. Andrew, were submitted to the Commission in proof. It is expected that the reports and statistics with reference to the monetary systems which are under investigation by the Commission will be completed and ready for publication at the October meeting.

A subcommittee was appointed to make a personal examination in Canada of such features of the Canadian system as have not already been covered by the investigations of the Commission. The subcommittee will consist of Mr.

Mr. Vreeland (chairman), Senators Burrows and Daniel, Representative

Weeks and Mr. Bonyng. The subcommittee will visit Canada

some time during the month of September.

The chairman of the Commission, who is to sail for

Europe next week, will complete arrangements heretofore made

with reference to the monetary system of Italy, and will ar-

range for additional information relating to European systems

in cases where the statements already submitted to the Com-

mission ~~seem to~~ fail to cover all the <sup>information</sup> ~~questions~~ required.

*It is the purpose of the Commission  
to visit different sections of this  
country during the late fall and  
winter to continue its inves-  
tigations.*

At 12 o'clock, noon, on Tuesday, August 17, 1909, the  
subcommittee adjourned.



# PROCEEDINGS OF THE NATIONAL MONETARY COMMISSION.

Senate Office Building, Washington, D.C.,

November 20, 1909.

The Commission met at 11 o'clock a.m., pursuant to the call of the Chairman.

Present: Messrs. Aldrich, (Chairman) Burrows, Teller, Money, Bailey, Vreeland, Overstreet, Burton, Weeks, Bonyng, Padgett, and Burgess.

The Chairman laid before the members of the Commission a list of the proposed publications of the Commission (copy of which is attached to these proceedings) together with such of the documents themselves as have been put in type.

The entire session of the Commission was occupied in a discussion of the proper method of issuing and distributing the proposed publications, the principal point under discussion being whether the distribution should be undertaken entirely by the Commission itself or whether it should be done under the authority and direction of Congress.

The Chairman suggested that, in his opinion, it was the first duty of the Commission to get this literature in readiness and have it issued and distributed either by the Commission or Congress; then, after the public had had an opportunity to digest it, to find out the sentiment of the people throughout the country by hearings, etc., and that not until

after this had been thoroughly accomplished should the Commission take up the actual work of its report.

A recess was taken from 1 until 2:30 p.m.

After further discussion in the afternoon session on the same subject, the Commission adjourned at 4 o'clock to meet Monday morning, the 22nd instant, at 11 o'clock.

**PUBLICATIONS**  
IN COURSE OF PREPARATION FOR THE  
**NATIONAL MONETARY  
COMMISSION**

NOVEMBER 1, 1909



Washington : Government Printing Office : 1909



NATIONAL MONETARY COMMISSION.

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NELSON W. ALDRICH, Rhode Island, *Chairman*

EDWARD B. VREELAND, New York, *Vice-Chairman*.

JULIUS C. BURROWS, Michigan.

JESSE OVERSTREET, Indiana.

EUGENE HALE, Maine.

JOHN W. WEEKS, Massachusetts.

PHILANDER C. KNOX, Pennsylvania.

ROBERT W. BONYNGE, Colorado

THEODORE E. BURTON, Ohio.

SYLVESTER C. SMITH, California.

JOHN W. DANIEL, Virginia.

LEMUEL P. PADGETT, Tennessee.

HENRY M. TELLER, Colorado.

GEORGE F. BURGESS, Texas.

HERNANDO D. MONEY, Mississippi.

ARSÈNE P. PUJO, Louisiana.

JOSEPH W. BAILEY, Texas.

ARTHUR B. SHELTON, *Secretary*.

A. PIATT ANDREW, *Assistant to Commission*.

## PUBLICATIONS OF THE NATIONAL MONETARY COMMISSION:

### I.—MISCELLANEOUS.

#### INTERVIEWS ON THE BANKING AND CURRENCY SYSTEMS OF ENGLAND, FRANCE, GERMANY, SWITZERLAND, AND ITALY.<sup>(a)</sup> (*About 450 pages; in press.*)

Contains interviews held in Europe by delegates of the National Monetary Commission with representatives of the leading banks and financial institutions of England, France, Germany, Switzerland, and Italy.

#### THE CREDIT OF NATIONS. By Francis W. Hirst, editor of The Economist. (*About 100 pages; in press.*)

Traces the growth of public debts in England, France, Germany, and the United States during recent decades and examines the influences affecting the values of government bonds in the several countries.

#### FISCAL SYSTEMS OF ENGLAND, FRANCE, GERMANY, AND THE UNITED STATES. By J. O. Manson, Chief of Division of Accounts, Redemption, and Issues. (*About 86 pages; in press.*)

A report upon the manner of receiving, handling, and disbursing public moneys in the several countries, based upon special investigations made in Europe.

### ARTICLES.

#### THE DISCOUNT SYSTEM IN EUROPE. By Paul M. War- burg. (*43 pages; in press.*)

A comparison of the organization of the discount market in the leading countries of Europe, with methods pursued in this country.

(<sup>a</sup>) See Appendix A.

## National Monetary Commission

BANK ACCEPTANCES. By Lawrence Merton Jacobs. (18 pages; *in press.*)

A description of the European practice of borrowing by means of bank acceptances and a critical analysis of its effects.

### II.—UNITED STATES.

STATISTICS FOR THE UNITED STATES, 1867-1909. (About 250 pages; *in press.*)

Contains general statistics illustrating the growth of population, wealth, business, and commerce, statistics of banks and banking, of money, gold supply, foreign and domestic exchange, government receipts and expenditures, bond issues and bond quotations, government cash balances, gold holdings, and deposits with the banks. These figures have been collected from different departments of the Government, from state bank supervisors, and managers of clearing houses, and from various banks and financial journals.

SPECIAL REPORT FROM THE BANKS OF THE UNITED STATES, 1909.<sup>a</sup> Compiled by Chas. A. Stewart. (About 50 pages; *in press.*)

Contains tables based on special reports obtained for the Monetary Commission by the Comptroller of the Currency and the state bank supervisors from 22,491 banks of the United States, including national, state, savings, and private banks and loan and trust companies, showing their condition at the close of business April 28, 1909, with the number of depositors, rates of interest paid upon various classes of deposits, etc.

LAWS OF THE UNITED STATES CONCERNING MONEY, BANKING, AND LOANS. Compiled by A. T. Huntington, Chief of Division of Loans and Currency, United States Treasury. (*In preparation.*)

Contains all laws pertinent to these subjects, from 1789 down to the present time.

DIGEST OF STATE BANKING LAWS. By Samuel A. Welldon. (About 800 pages; *in press.*)

A classified summary of the laws actually current in the various States with regard to state banks, trust companies, and savings banks.

<sup>a</sup>See Appendix B: Summary of special reports.

## National Monetary Commission

FIRST BANK OF THE UNITED STATES. By Dr. J. T. Holdsworth, of the University of Pittsburg. (147 pages; *in press.*)

An examination of all available materials concerning the organization, practices, and history of the First United States Bank.

THE SECOND BANK OF THE UNITED STATES. By Dr. Davis R. Dewey, of the Massachusetts Institute of Technology. (About 150 pages; *in press.*)

An account of the organization, development, and experiences of the Second United States Bank.

HISTORY OF STATE BANKS BEFORE THE CIVIL WAR. By Dr. Davis R. Dewey. (*In preparation.*)

Traces from original documents the organization and growth of the banking systems of the several States in the period when note issue was allowed.

THE SAFETY-FUND BANKING SYSTEM IN NEW YORK STATE FROM 1829 TO 1866. By Dr. Robert E. Chaddock, of the University of Pennsylvania. (170 pages; *in press.*)

A study from original sources of the experiences of the New York banks under the system of mutual guaranties.

THE ORIGIN OF THE NATIONAL BANKING SYSTEM. By Andrew MacFarland Davis. (*In preparation.*)

A study from original manuscripts of the motives which led to the creation of the national bank system and which influenced its form.

HISTORY OF CRISES UNDER THE NATIONAL BANKING SYSTEM. By Dr. O. M. W. Sprague, of Harvard University. (*In preparation.*)

Traces the experiences of the banks during the several periods of panic and general suspension since the organization of the national banking system.



## National Monetary Commission

HISTORY OF THE NATIONAL BANK CURRENCY. By A. D. Noyes, financial editor of the New York Evening Post. (*In press.*)

THE USE OF CREDIT INSTRUMENTS IN PAYMENTS IN THE UNITED STATES. By Dr. David Kinley, of the University of Illinois. (222 pages; *in press.*)

Tabulation of a special report obtained by the Commission from all national banks as to the relative use of coin, paper money, and credit instruments.

THE DEVELOPMENT OF THE INDEPENDENT TREASURY SYSTEM. By Dr. David Kinley. (*In preparation.*)

A study of the growth of the independent treasury from its origin down to the present day.

SEASONAL VARIATIONS IN THE DEMANDS FOR CURRENCY AND CAPITAL. By Dr. Edwin W. Kemmerer, of Cornell University. (*In preparation.*)

A statistical study partially based upon special reports obtained by the Commission from the clearing-house associations of the leading cities.

THE FOREIGN BALANCE OF THE UNITED STATES. By John E. Gardin, vice-president of the National City Bank, New York. (*In preparation.*)

An analysis of the balance of indebtedness of the United States during the last thirty years.

CLEARING HOUSE METHODS AND PRACTICES. By J. G. Cannon, vice-president of the Fourth National Bank, New York. (*In preparation.*)

Examines recent development of clearing-house functions in different parts of the United States.

### III.—CANADA.

THE HISTORY OF BANKING IN CANADA. By R. M. Breckenridge. (310 pages; *in press.*)

A history of Canadian banking during the last forty years, with a compilation of the banking statutes.

## National Monetary Commission

THE CANADIAN BANKING SYSTEM. By Dr. Joseph French Johnson, of New York University. (*In preparation.*)

A study of banking practices and of the relations between the banks of Canada at the present time.

[The Commission has also conducted personal inquiries in the leading Canadian cities, the substance of which will be published later.]

### IV.—ENGLAND.

STATISTICS FOR GREAT BRITAIN, 1867-1908. Prepared by Sir R. H. Inglis Palgrave, F. R. S. and F. W. Hirst, editor of the London Economist. (*About 170 pages; in press.*)

Tables covering the Bank of England statements since 1844 and statistics for the joint stock and other banks during the last thirty years, as well as general tables covering the growth of population, business, wealth, and commerce, the money supply, rates of discount and foreign exchange, etc., since 1867.

THE ENGLISH BANKING SYSTEM. By Hartley Withers, financial editor of The London Times. (150 pages; *in press.*)

Examines banking practices in England and Scotland and includes an account of the London Stock Exchange.

HISTORY OF BANKING IN ENGLAND. By H. S. Foxwell, of the London School of Economics. (*In preparation.*)

A brief survey of the development of banking in England.

### ARTICLES.

LONDON BANKERS' CLEARING HOUSE. By Robert M. Holland, Honorable Secretary of the Clearing House. (*About 30 pages; in press.*)

THE BALANCE OF TRADE AND INDEBTEDNESS BETWEEN AMERICA AND ENGLAND. By George Paish, editor of The Statist. (*In preparation.*)

## National Monetary Commission

ENGLISH BANKING. ORGANIZATIONS. By Ernest Sykes, Secretary of the Institute of Bankers. (*In preparation.*)

### V.—FRANCE.

STATISTICS FOR FRANCE, 1870-1908. Prepared by Albert Aupetit, of the Bank of France, and M. Lefevre, of the Credit Lyonnais. (*About 170 pages; in press.*)

These tables cover the statements of the Bank of France and other banks, credit societies, and financial institutions during the last thirty years, with statistics showing the growth of population, business, wealth, and commerce in France, the rates of discount, international exchange, etc.

EVOLUTION OF CREDIT AND BANKS IN FRANCE. By Andre Liesse, professor in the Conservatoire National des Arts et Metiers. (*271 pages; in press.*)

A study of the development of French banking from the founding of the Bank of France down to the present time.

THE BANK OF FRANCE IN ITS RELATIONS TO NATIONAL AND INTERNATIONAL CREDIT. By Maurice Patron. (*159 pages; in press.*)

Examines the functions, policies, and influence of the Bank of France.

THE FRENCH BANKING SYSTEM. By Albert Aupetit, head of the Department of Economic Studies in the Bank of France. (*In preparation.*)

Describes the different kinds of banks operating in France, the nature of their business, and the provisions of law or custom which govern them. Includes the text of the principal statutes governing the various classes of banks.

THE HISTORY AND METHODS OF THE PARIS BOURSE. By E. Vidal, editor of La Cote de la Banque et de la Bourse. (*About 180 pages; in press.*)

Follows the history of the Paris Bourse, its organization, methods and regulations.

## National Monetary Commission

### ARTICLE.

FRENCH SAVINGS AND THEIR INFLUENCE UPON THE BANK OF FRANCE AND UPON FRENCH BANKS. By Alfred Neymarck, editor of Le Rentier. (*19 pages; in press.*)

### VI.—GERMANY.

STATISTICS FOR GERMANY, 1870-1908. Prepared by Dr. B. Breslauer, of the German Bankers' Association, and Robert Franz, of the Deutsche Oekonomist. (*About 180 pages; in press.*)

Tables covering the operations of the Reichsbank, the German joint stock banks, the hypotheckenbanken, landschaften, savings banks, etc., the general growth of population, business, wealth and commerce, the movements of gold, rates of discount and of foreign exchange during the last forty years.

THE REICHSBANK, 1876-1900. (*355 pages; in press.*)

A translation of the volume describing the organization and operations of the Reichsbank published upon the occasion of its twenty-fifth anniversary.

GERMAN IMPERIAL BANKING LAWS. Edited by Dr. R. Koch, former president of the Reichsbank. (*197 pages; in press.*)

Contains the text of the principal laws relating to banks passed since 1875, with a descriptive introduction.

THE GREAT GERMAN BANKS AND THEIR CONCENTRATION IN CONNECTION WITH THE ECONOMIC DEVELOPMENT OF GERMANY. By Dr. J. Riesser. (*About 210 pages; in press.*)

A study of recent developments among the large joint stock banks of Germany.

MISCELLANEOUS ARTICLES ON GERMAN BANKING. (*263 pages; in press.*)

Articles by various writers upon the check and transfer system, the organization of credit, the system of directors' fees, land mortgage associations, agricultural improvement banks, savings banks, cooperative societies, etc.



## *National Monetary Commission*

RENEWAL OF REICHSBANK CHARTER. (*About 240 pages; in press.*)

Miscellaneous articles concerning the renewal of the charter, including a discussion of the subject in the German Bankers' Association convention and the draft of the proposed bill.

THE GERMAN BANK INQUIRY OF 1908. Stenographic Reports. (*1,140 pages; in press.*)

Stenographic reports of the proceedings of the German Bank Inquiry Commission of 1908.

SELECTED DOCUMENTS ON BOURSE LEGISLATION AND ORGANIZATION IN GERMANY. (*100 pages; in press.*)

The text of the laws and regulations governing the German stock exchanges.

DEVELOPMENT OF THE GERMAN BANKING SYSTEM. By Robert Franz, editor of the *Deutsche Oekonomist*. (*111 pages; in press.*)

A statistical study of the development of different sorts of banks in Germany.

### VII.—SWITZERLAND.

THE SWISS BANKING LAW. By Dr. Julius Landmann, of the Swiss National Bank. (*238 pages; in press.*)

An account of the recent change in Switzerland from decentralized to centralized note issue, with the text of the act of 1905 and abstracts from recent articles and reports upon the operation of the act.

### VIII.—ITALY.

BANKING IN ITALY. By Carlo F. Ferraris. (*In course of translation.*)

Traces the history of banking in Italy during the last forty years.

THE BANK OF ITALY. By Comm. Tito Canovai, General Secretary of the Bank of Italy. (*In preparation.*)

An account of the conditions and motives which have led to the growing concentration of power and note issue in Italy during the last fifteen years.

[A contribution upon recent tendencies in Italian banking is also expected from Signor Luzzatti, former Minister of the Treasury.]

## *National Monetary Commission*

### IX.—JAPAN.

THE BANKING SYSTEM OF JAPAN. By Marquis Katsura, Premier and Minister of Finance of Japan, Baron Sakatani, Ex-Minister of Finance, and Baron Takahashi, Vice-Governor of the Bank of Japan. (*In preparation.*)

### X.—SWEDEN.

THE SWEDISH BANKING SYSTEM. By A. W. Flux. (*In preparation.*)

This volume, prepared for the Commission in Sweden, traces recent developments in Swedish banking and especially the concentration of note issue effected by the law of 1899.

### XI.—BELGIUM.

THE NATIONAL BANK OF BELGIUM. By Charles A. Conant. (*238 pages; in press.*)

An account of the history of the bank and of the laws and customs which govern its operation.

### XII.—MEXICO.

THE BANKING SYSTEM OF MEXICO. By Charles A. Conant. (*About 200 pages; in press.*)

An account of banking legislation and practice in Mexico.

### XIII.—DIAGRAMS.

PORTFOLIO OF DIAGRAMS. (*24 diagrams in color.*)

Indicating the operations and growth of the different sorts of banks, changes in the money supply, foreign and domestic movements of money and merchandise, rates of discount and of foreign and domestic exchange in the United States and other countries during the last forty years.



APPENDIX A.

EUROPEAN CONFERENCES HELD BY REPRESENTATIVES OF  
THE NATIONAL MONETARY COMMISSION.

CONFERENCES IN LONDON.

1908.

- Aug. 12. *Parr's Bank (Limited)*, Mr. R. W. Whalley, general manager.  
*Union Discount Company, London*, Mr. Christopher R. Nugent,  
manager.  
Prof. Herbert S. Foxwell.
- Aug. 13. *London City and Midland Bank (Limited)*, Mr. Edward H.  
Holden, M. P., managing director.  
*National Provincial Bank of England (Limited)*, Mr. R. T.  
Haines, general manager.  
*Sir George Murray, K. C. B.*, permanent secretary of the  
treasury.
- Aug. 14. "*The Statist*," London, Mr. George Paish, editor.
- Aug. 15. *Parr's Bank (Limited)*, Mr. R. W. Whalley, general manager.  
*Bank of England*, Mr. W. Middleton Campbell, governor; Mr.  
Frederick Huth Jackson, director; Mr. Alfred C. Cole, di-  
rector; Mr. Edward C. Grenfell, director.
- Aug. 17. *London City and Midland Bank (Limited)*, Mr. Edward H.  
Holden.  
*Bank of England*, Mr. H. W. Search, discount officer.  
*London and Westminster Bank (Limited)*, Mr. T. J. Russell and  
Mr. Edward Clifton Brown.
- Aug. 18. *Baring Bros. & Co., London*, Mr. Gaspard Farrer.  
*Hong Kong and Shanghai Banking Corporation*, Mr. C. S. Addis,  
manager in London.
- Aug. 19. *Bank of England*, Mr. Frederick Huth Jackson, Mr. Alfred C.  
Cole.  
*Munroe & Co.*, Mr. F. de Reiset, 7 Rue Scribe, Paris.  
*Bank of Liverpool*, Mr. James H. Simpson, general manager.
- Aug. 20. *Swiss Bankverein, London*, Mr. Leon Rueff, managing director;  
Mr. L. Joseph, submanager.

## National Monetary Commission

### CONFERENCES IN BERLIN.

- Aug. 26. *Deutsche Bank*, Dr. Paul Mankiewicz, director.
- Aug. 27. *Deutsche Bank*, Dr. Paul Mankiewicz, director.  
*Reichsbank*, Dr. von Glasenapp, vice-president; Dr. von Lumm, director.
- Aug. 28. *Reichsbank*, Dr. von Glasenapp, vice-president; Dr. von Lumm, director.
- Aug. 29. *Dresdner Bank*, Herren Schuster & Nathan, directors.
- Aug. 31. *Dresdner Bank*, Herren Schuster & Nathan, directors.  
*Reichsbank*, Dr. von Glasenapp, vice-president; Dr. von Lumm, director.
- Sept. 1. *Deutsche Bank*, Dr. Paul Mankiewicz, director.
- Sept. 2. *Reichsbank*, Dr. von Lumm, director.  
*Dresdner Bank*, Herren Schuster & Nathan, directors.
- Sept. 4. *Schulze-Delitsch Genossenschaften*, Herr Kleemann, director.
- Sept. 7. *Preussische Central Genossenschafts-Kasse*, Geheimrat Hessberger et al.  
*Berliner Kassen Verein*, Herr Hoppenstedt.
- Sept. 8. *Preussische Central Bodenkredit Actien Gesellschaft*, Geh. Regierungsrat von Klitzing.
- Sept. 9. *Preussische Central Genossenschafts-Kasse*, Geheimrat Hessberger et al.  
*Pfandbrief Bank*, Kommerzienrat Dannanbaum.
- Sept. 10. *Royal Seehandlung*, Geheimer Oberfinanzrat Littner, vice-president.
- Sept. 11. *Kur- und Neumarkisches Ritterschaftliches Kredit-Institut*, Geheimrat Heintze, president.  
*Neues Brandenburgisches Kredit Institut* and *Kur- und Neumarkische Ritterschaftliche Darlehns Kasse*.
- Sept. 14. *Berliner Handels Gesellschaft*, Dr. Mosler.  
*Disconto Gesellschaft*, Dr. Salomonsohn.
- Sept. 15. *Von Mendelssohn & Co.*, Herr Franz von Mendelssohn.  
*S. Bleichroeder*, Dr. von Schwabach.
- Sept. 16. *Berliner Sparkasse*, Herr Stadtrat Emil Gehricke, president.
- Sept. 18. *Disconto Gesellschaft*, Dr. Salomonsohn.

## National Monetary Commission

### CONFERENCES IN PARIS.

- Aug. 24 and Sept. 26. *Banque de France*, M. Pallain, gouverneur.
- Aug. 25. *Crédit Lyonnais*, Baron Brincard, administrator.
- Sept. 29. *Crédit Lyonnais*, M. Lefèvre, chef des études financières.  
*Comptoir d'Escompte*, M. Ullmann, directeur.
- Oct. 1. *Crédit Lyonnais*, M. Lefèvre.
- Oct. 2. *Crédit Agricole*, M. Decharme, chef du service du crédit mutuel et de la co-opération agricoles.  
*Crédit Foncier*, M. Touchard, secrétaire général.
- Oct. 3. *Crédit Lyonnais*, M. Lefèvre.
- Oct. 5. *Caisse des Dépôts et Consignations*, M. Delatour, directeur général.
- Oct. 6. *Mouvement des Fonds* (ministère des finances), M. Sergent, chef.  
*Caisses d'Épargne*, M. Georges Paulet, directeur de l'assurance et de la prévoyance sociales, au ministère du travail.
- Oct. 7. *Banque de Paris et des Pays-Bas*, M. Moret, directeur.  
*Banque de France*, M. Pallain, gouverneur.

### ADDITIONAL CONFERENCES IN LONDON.

- Oct. 12. *Lord Swaythling*.  
*London Joint Stock Bank*, Mr. Charles Gow, manager.
- Oct. 13. *The Union of London and Smith's Bank*, Sir Felix Schuster, governor.

1909.

- Oct. 1-2. *Banca d'Italia*, Comm. Tito Canovai, chief general secretary.

## APPENDIX B.

Summary of the special reports obtained for the National Monetary Commission from 22,491 banks of the United States (including national, state, savings, and private banks and loan and trust companies), showing their condition at the close of business on the 28th day of April, 1909.

### RESOURCES.

[Includes island possessions.]

	22,491 banks (including reserve city banks).
1. Loans and discounts:	
(a) On demand, unsecured by collateral.....	\$660,425,952.28
(b) On demand, secured by collateral.....	1,939,634,898.23
(c) On time, with two or more names, unsecured.....	2,539,965,833.06
(d) On time, single-name paper, unsecured.....	1,351,781,832.63
(e) On time, secured by collateral.....	2,036,358,417.46
(f) Secured by real-estate mortgages.....	1,127,276,405.37
(g) Not classified.....	269,373,194.28
2. Overdrafts:	
(a) Secured.....	29,435,494.50
(b) Unsecured.....	40,264,098.48
3. Bonds, securities, etc., including premiums thereon:	
1. Domestic securities:	
(a) United States bonds.....	792,787,711.29
(b) State, county, and municipal bonds.....	1,091,541,455.19
(c) Railroad bonds.....	1,560,006,360.83
(d) Bonds of other public-service corporations.....	466,526,687.08
(e) Other bonds.....	379,646,689.28
(f) Stocks.....	280,226,872.27
2. Foreign securities:	
(a) Government bonds.....	24,637,510.66
(b) Other securities.....	19,068,929.67
4. Banking house <sup>a</sup> .....	408,550,195.16
5. Furniture and fixtures.....	40,108,261.75
6. Other real estate owned.....	95,377,084.98
7. Mortgages owned.....	1,378,701,565.09
8. Due from national banks.....	1,979,591,028.02
9. Due from other banking institutions.....	582,480,674.66
10. Checks and other cash items.....	57,927,035.65
11. Exchanges for clearing house.....	379,965,542.46
12. Actual cash on hand:	
(a) Gold coin.....	226,866,397.03
(b) Gold certificates.....	582,707,820.00
(c) Silver dollars.....	22,567,086.00
(d) Silver certificates.....	179,609,270.00
(e) Subsidiary and minor coins.....	32,911,340.51
(f) Legal-tender notes <sup>b</sup> .....	271,794,002.00
(g) National-bank notes.....	113,538,094.00
(h) Cash not classified.....	22,020,666.80
13. Five per cent redemption fund and due from Treasury ..	38,500,580.14
14. All other items.....	72,879,433.91
Total.....	21,095,054,420.72

<sup>a</sup> Includes furniture and fixtures of the national banks.

<sup>b</sup> Includes all kinds of paper currency in the case of a few banks which failed to make separate returns.

## APPENDIX B—Continued.

Summary of the special reports obtained for the National Monetary Commission from 22,491 banks of the United States (including national, state, savings, and private banks and loan and trust companies), showing their condition at the close of business on the 28th day of April, 1909—Continued.

### LIABILITIES.

[Includes island possessions.]

	22,491 banks (including reserve city banks).
1. Capital stock paid in.....	\$1,800,036,368.00
2. Surplus.....	1,326,090,642.50
3. Undivided profits (including accrued interest and any other amounts set aside for special purposes, except item 15, less current expenses, interest, and taxes paid).....	508,534,786.43
4. Due to national banks.....	1,103,918,704.30
5. Due to other banking institutions.....	1,380,185,191.07
6. Dividends unpaid.....	3,310,944.76
7. Individual deposits subject to check.....	6,956,502,690.49
8. Savings deposits or deposits in interest or savings department.....	4,926,161,555.02
9. Demand certificates of deposit.....	625,189,163.97
10. Time deposits, including time certificates of deposit.....	1,211,831,194.22
11. Certified checks.....	177,404,218.05
12. Cashier's, treasurer's, or secretary's checks outstanding ..	94,011,625.86
12a. Deposits not classified.....	44,422,717.43
12b. United States deposits and deposits of United States disbursing officers.....	70,401,818.99
13. Notes and bills rediscounted.....	18,010,036.35
14. Bills payable, including certificates of deposit representing money borrowed.....	75,047,861.43
15. Reserved for taxes.....	7,361,966.12
16. National-bank notes outstanding.....	636,367,526.00
17. Bonds borrowed.....	34,198,821.10
18. All other liabilities.....	96,066,588.63
Total.....	21,095,054,420.72



PROCEEDINGS OF THE NATIONAL MONETARY COMMISSION.

Senate Office Building, Washington, D.C.,

November 22, 1909.

The Commission met at 11 o'clock a.m., pursuant to adjournment.

Present: Messrs. Aldrich, (Chairman) Vreeland, Burrows, Hale, Teller, Money, Overstreet, Burton, Weeks, Bonynge, Smith, Padgett, and Burgess.

After some further discussion in regard to the distribution of the publications of the commission, it was generally agreed that at the time a document was released to the newspapers, a brief summary of its contents should accompany it, so that it could be handled more readily and more correctly by the press.

Mr. Hale moved that the Chairman be authorized to appoint a subcommittee who should be empowered to work out the details of disseminating information and distributing the documents of the Commission, which motion was unanimously adopted.

The Chairman thereupon appointed the following subcommittee: Messrs. Aldrich, (Chairman) Vreeland, Teller, Overstreet, Burton, Weeks, Bonynge, and Burgess.

Thereupon, at 1 o'clock p.m., the Commission adjourned to meet at the call of the Chairman.

PROCEEDINGS OF THE SUBCOMMITTEE ON PUBLICITY,  
NATIONAL MONETARY COMMISSION.

Senate Office Building, Washington, D.C.,

November 23, 1909.

The Subcommittee met at 11 o'clock a.m., pursuant to the call of the Chairman.

Present: Messrs. Aldrich (Chairman), Vreeland, Teller, Overstreet, Weeks, Bonyng, and Burgess.

The members of the subcommittee had a short preliminary discussion in regard to the plans of issuing and distributing the publications of the Commission, and preparing them for the newspapers.

The Chairman suggested that Mr. Charles A. Conant, of New York, might be of assistance to the Commission in preparing abstracts, or summaries, of the various documents to give to the press, but no definite action was taken.

Mr. Overstreet and Professor Andrew were authorized to draw up a tentative plan for distributing the list of publications to all the newspapers of the country on a certain date, accompanied by a statement descriptive of the various articles and the persons who wrote them.

At 12 o'clock M. the subcommittee adjourned to meet at 11 o'clock a.m., Friday, November 26, 1909.

PROCEEDINGS OF THE NATIONAL MONETARY COMMISSION.

Senate Office Building, Washington, D.C.,

December 7, 1909.

The Commission met at 10:30 a.m., pursuant to the call of the Chairman.

Present: Messrs. Aldrich, (Chairman), Vreeland, Burrows, Hale, Teller, Money, Burton, Weeks, Bonyng, Smith, Padgett, and Pujo.

The question of the printing and distribution of the documents of the Commission, which has been under consideration by the Subcommittee on Publicity, was taken up for discussion. It was decided to introduce a joint resolution in Congress, and to try to secure its adoption, to cover the following points:

1. To make all reports and papers issued by the Commission public documents, so that they will possess the status and all the rights and privileges attaching to public documents.

2. To grant the franking privilege to the Commission.

Mr. Weeks suggested that, in view of the fact that the President, in his annual message, would probably recommend legislation in regard to postal savings banks, it would be wise for the Commission to secure all information and statistics available at home and abroad on this subject. After some discussion, Mr. Hale moved that the Chairman be author-



ized to appoint a subcommittee to secure this information, and report to the Commission. The motion was seconded and adopted, and the Chairman appointed as a Subcommittee on Postal Savings Banks, Messrs. Weeks (Chairman), Burrows, Vreeland, and Padgett.

The Commission thereupon adjourned at 12 o'clock, meridian.

PLAZA HOTEL, NEW YORK CITY, NOVEMBER 10 - 12, ~~1910~~<sup>1909</sup>. 1910.

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Pursuant to the call of the Chairman, the National Monetary Commission met at the Plaza Hotel, on Thursday afternoon, November 10, at two o'clock.

Present: Messrs. ALDRICH (Chairman), VREELAND, BURROWS, TELLER, MONEY, and BONYNGE.

The Chairman announced to the Members of the Commission that the preliminary work of securing information and data on the monetary systems of this and other countries was about completed, and that the time had come for the Commission to proceed to work upon the consideration of its report. He said that he had called the meeting at this time, so that the Members might discuss among themselves the best method of procedure.

He laid before the Commission the invitation of the Academy of Political Science of the City of New York to attend the sessions of its 30th annual meeting on Friday and Saturday, November 11, and 12. The programme for this session is as follows:

## ADMISSION

Admission to the Sessions at Columbia University will be by member's ticket or guest card.

Cards for the Dinner on Friday evening at Hotel Astor (to which ladies may be invited) are Four Dollars to members and Five Dollars to non-members. Dinner cards and guest cards for the other sessions may be obtained by addressing the Secretary of the Academy, Robert Erskine Ely, 23 West Forty-fourth Street, New York. Checks should be drawn to the order of G. A. Plimpton, Treasurer.

Invitation Cards for the Reception will be mailed to members and guests.

## DELEGATES

Delegates appointed by the Governors of the several States and by Chambers of Commerce and other commercial bodies will please notify the Secretary of the Academy, 23 West Forty-fourth Street, immediately upon their arrival, giving their New York address to which cards for the Sessions and the Reception may be sent.

## NOTE

At the Dinner on Friday evening, Senator Aldrich will make an important statement concerning the work of the National Monetary Commission.

## PROCEEDINGS

The Proceedings of this meeting together with other valuable papers by eminent specialists upon various topics treated in the publications of the National Monetary Commission, especially prepared for the Academy, will be published in a volume ready for distribution gratis to members soon after the meeting; to other persons, \$1.50, postpaid.

An Important Volume of Proceedings containing a series of papers on "The Economic Position of Women" has just appeared and is being mailed to members; price to non-members, \$1.50, postpaid.

## COMMITTEE OF ARRANGEMENTS

Samuel McCune Lindsay, Chairman

A. Barton Hepburn	William H. Porter
Nicholas Murray Butler	Jacob H. Schiff
Andrew Carnegie	Edwin R. A. Seligman
Henry P. Davison	Isaac N. Seligman
Frank J. Goodnow	James Speyer
J. Pierpont Morgan	Frank A. Vanderlip
William A. Nash	Paul M. Warburg



The Academy of Political Science  
in the City of New York

## *Program*

*Second Edition*

## THIRTIETH ANNUAL MEETING

New York City, November 11 and 12, 1910

## A National Conference on the Currency Problem

To be conducted with the co-operation of the New York  
Chamber of Commerce and the New York  
Merchants Association

## *General Topic*

The Work of the National Monetary Commission



These Three Sessions of the Conference  
will be held in  
**EARL HALL, COLUMBIA UNIVERSITY**

**I. SESSION, FRIDAY, NOVEMBER 11, 10.30 A.M.**

Presiding Officer, **PROF. EDWIN R. A. SELIGMAN**  
Chairman of the Executive Committee of the Academy

**SUBJECT**

**Bank Assets and Sound Currency**

**PAPERS**

**"American Banks in Times of Crisis under the  
National Banking System"**

**E. W. KEMMERER**

Professor of Economics, Cornell University

**"Bank Notes and Lending Power"**

**J. LAURENCE LAUGHLIN**

Professor of Economics, University of Chicago

**DISCUSSION**

**II. SESSION, FRIDAY, NOVEMBER 11, 2.30 P.M.**

Presiding Officer, **DR. ALBERT SHAW**  
Vice-President of the Academy

**SUBJECT**

**Currency Reform and Business Stability**

**PAPERS**

**"Lessons from the Bank of England"**

**JOSEPH FRENCH JOHNSON**

Dean of the School of Commerce, Accounts and Finances,  
New York University

**"Currency Reform from the Business Man's  
Standpoint"**

**IRVING T. BUSH**

Chairman of the Currency Committee of the Merchants Association  
of New York

**DISCUSSION**

**III. SESSION, SATURDAY, NOVEMBER 12, 10.30 A.M.**

Presiding Officer, **PROF. SAMUEL McCUNE LINDSAY**  
Chairman of the Committee of Arrangements

**SUBJECT**

**Proposed Changes in our Monetary System**

**PAPERS**

**"Principles that must underlie Monetary  
Reform in the United States"**

**PAUL M. WARBURG**

**"The Transition from Existing Conditions to  
Central Banking"**

**CHARLES A. CONANT**

**DISCUSSION**

**FRIDAY EVENING, NOVEMBER 11, 7 P.M.**  
**ANNIVERSARY DINNER**  
**AT THE HOTEL ASTOR**

**SUBJECT FOR DISCUSSION**

**"The Need for Currency Reform"**

**A. BARTON HEPBURN, Presiding**

President of the Academy  
President of the New York Chamber of Commerce

**GUESTS OF HONOR**

Senator **NELSON W. ALDRICH**

Chairman National Monetary Commission

**HON. WILLIAM J. GAYNOR**

Mayor of New York City

President **NICHOLAS MURRAY BUTLER**

Columbia University

**JACOB H. SCHIFF**

Vice-President of the New York Chamber of Commerce

**HENRY R. TOWNE**

President of the New York Merchants Association

**SPEAKERS**

Thirtieth Anniversary Greetings from Columbia University

President **NICHOLAS MURRAY BUTLER**

Greeting from the American Academy of Political and  
Social Science

President **LEO STANTON ROWE**

**"The Need for Currency Reform"**

Senator **NELSON W. ALDRICH**

**HON. A. PIATT ANDREW**

Assistant Secretary of the Treasury

**JACOB H. SCHIFF**

**HON. GEORGE E. ROBERTS**

Director of the Mint

**PROF. J. LAURENCE LAUGHLIN**

**SATURDAY AFTERNOON, NOVEMBER 12**  
**RECEPTION**

From 4 to 6 O'clock

To Members of the Academy, Speakers at the Annual  
Meeting, Official Delegates and Guests, by the  
President of the Academy, Mr. A. Barton Hepburn,  
and Mrs. Hepburn.

It was unanimously decided that the Members then present and those who should arrive later would attend and participate in the proceedings of these sessions.

The Chairman announced that the Currency Commission of the American Bankers Association was then in New York City, also in attendance upon the sessions of the American Academy of Political Science, and that they had expressed a desire to meet the Members of the Monetary Commission. It was voted to invite the members of the Currency Commission to call at once, and the following members presented themselves:

## **CURRENCY COMMISSION OF THE AMERICAN BANKERS' ASSOCIATION**

**A. B. HEPBURN**, CHAIRMAN, PRES. CHASE NATIONAL BANK, N. Y.

**JAMES B. FORGAN**, VICE-CHAIRMAN, PRES. FIRST NATIONAL BANK, CHICAGO

**FESTUS J. WADE**  
PRES. MERCANTILE TR. CO., ST. LOUIS

**MYRON T. HERRICK**  
CHAIRMAN SOC. FOR SAVINGS, CLEVELAND

**E. F. SWINNEY**  
PRES. FIRST NAT. BK., KANSAS CITY

**JOSEPH T. TALBERT**  
VICE-PRES. COMMERCIAL NAT. BK., CHICAGO

**SOLOMON WEXLER**  
V. P. WHITNEY-CENT. NAT. BK., NEW ORLEANS

**JOSEPH A. MCCORD**  
VICE-PRES. THIRD NAT. BK., ATLANTA

**CHARLES H. HUTTIG**  
PRES. THIRD NAT'L BANK, ST. LOUIS

**ROBERT WARDROP**  
PRES. PEOPLES NAT. BK., PITTSBURGH

**W. V. COX**  
PRES. SECOND NAT. BK., WASHINGTON

**JOHN PERRIN**  
PRES. AMERICAN NAT'L BK., INDIANAPOLIS

**ARTHUR REYNOLDS**  
PRES. DES MOINES NAT. BK., DES MOINES

**JOHN L. HAMILTON**  
V. P. HAMILTON & CUNNINGHAM, HOOPESTON, ILL.

**LUTHER DRAKE**  
PRES. MERCHANTS NAT. BK., OMAHA

**FREDERICK E. FARNSWORTH**, SECRETARY, 5 NASSAU AND 11 PINE STREETS, N. Y.

**5 NASSAU AND 11 PINE STREETS**

**NEW YORK,**

The conference lasted over an hour and the Members of the Currency Commission expressed great interest in and sympathy with the work of the Monetary Commission, and assured the Commission of their hearty cooperation.

There were further meetings of the Commission on Friday, November 11, and Saturday, November 12, which were attended by Messrs. Padgett, Burgess, and Pujo, in addition to those who attended Thursday's meeting.

The Commission then adjourned to meet in Washington the

latter part of November, the exact date to be fixed by the  
Chairman.



NEW YORK, Nov., 12, 1910.

910.—SIXTEEN PAGES.

## ALDRICH ASKS FOR BUSINESS COUNSEL

**THIS IS NEXT STEP, SAYS MONETARY COMMISSION'S CHAIRMAN.**

**First Stage of Inquiry Completed—**

**Senator Appeals to Economists, Bankers and People to Seek Solution on National Basis, Without Single Tinge of Partisanship—Advocates Reciprocity Treaties.**

Senator Aldrich, chief guest last night at the banquet held at the Hotel Astor in connection with the National Monetary Conference holding sessions at Columbia University yesterday and to-day, announced the completion by the National Monetary Commission of the first stage of its work—its inquiry into the experience of other countries. The Commission now purposes to seek the counsel of economists, men of affairs, bankers and business men for their co-operation in the solution of the monetary problem, for a proper organization of the national credit system, without a single tinge of partisanship.

Senator Aldrich said:

"The National Monetary Commission has completed its work upon one very important phase of the examination which they believed to be necessary, preliminary to the preparation of their final report. I allude to the inquiry which we have made into the experience of other countries; exhaustive examination into the conditions and causes which have led to the adoption of modern monetary systems and practices in the other commercial nations of the world.

"Your president has alluded briefly to the value of that examination and its results. I think this series of monographs which have been published and distributed, with two or three others that are now in course of preparation, will certainly present to students, and to the people of the country, a better history of what has been accomplished than we could obtain in any other way.

**TO PROPOSE PLAN TO CONGRESS AT EARLIEST POSSIBLE MOMENT.**

"We commence to-day, I think I may safely say, our work upon another and even more important phase of the difficult task which has been assigned us. We intend to commence immediately upon the work of examination with a view of completing our work and of making our report, of a plan, of some plan, for the approval of Congress at the earliest practicable moment. We intend—and I may say I can safely speak for the entire Commission in this respect—to be unceasing in our labors in that respect, and if the time taken is longer than some of you think it ought to be I am sure that when you consider the magnitude and the complexity of the question that you would be lenient with us for any details which may seem to you unnecessary.

"What we now propose to do is to seek counsel and to invoke the calm judgment of economists, of students, of men of affairs, of bankers and business men with reference to the work which we have in hand. We shall appeal to the thoughtful men of this country, like those that you met to-day, the commission of American Bankers' Association and the representatives of the Merchants' Association of New York, and to other representatives throughout the country. We mean to appeal to thoughtful men in every section of the country, asking them, as I believe we have the right to do, for their co-operation and

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**CONTINUED FROM FIRST PAGE.**

proach it with an equally open mind. And then, with my faith in the intelligence and patriotism of the American people, I believe that there can be no question whatever about the result.

"I have been told frequently that we should encounter prejudices, prejudices of locality, prejudices as to the control of great interests, as to any institution or any organization which we should suggest. I realized as well as any person can that there can be no successful solution of this question that does not only eliminate politics but eliminates the possibility of control in any section or on the part of any interest, great or small.

"This question, as I have said, is essentially a national question. It must be settled upon national lines. I realize that better than anyone else what great differences have existed and do exist, probably, to-day with reference not only to the subjects which we must consider, but as to the disposition of them. I shall not take your time to-night in undertaking to rehearse my understanding of the defects of the existing system, or my ideas about a system which should be adopted. I said a year ago that in my opinion the questions affecting the currency and the note issue were of much less importance than the question of the organization or reorganization of the credit and of the banking systems of the country. Further study and a more careful examination of the questions have confirmed me fully in that belief. I was greatly gratified this morning to hear published by one of America's greatest economists, in which Prof. Loughlin took the position that after all, this question was not a question primarily or particularly of note issues, but was a question of reserves and of the lending power of the banks. In other words, a question of how we can make our immense capital always equal to any emergency and always available to the wants of the business community of this great country. I realize fully, as I am sure that the professor does, that there is an important question connected with the character of our note issues and the manner in which they shall be issued; but that is subordinate to the other. I have been struck also, within the last three months, with the importance of this question, not only to us in our domestic relations, not only as local questions between banks and their customers, but with the international aspects of this great question, and the growing importance of those international relations.

"The United States appear on the world's arena more and more important as a great power of the world. To-day Berlin and Paris and London are interested—as we are interested in the financial affairs of Berlin, Paris and London—in what happens in the United States. What is felt here is felt throughout the world. The reverberation of the panic of 1907 encircled the world, and there was no country with any system, however wise or important, that did not feel the blighting effects of our panic.

"I have been struck within the last few days by some aspects of the international business connected with this inquiry growing out, first, of the cotton bills. We send out of the United States \$1,500,000,000 of products; we import about two thousand million value of products, making in all in the neighborhood of thirty-five hundred million dollars. Eighty per cent of that vast business, at least, is done by foreign bankers with foreign capital. Of course some of it passes through New York, New Orleans and Chicago in transit, but the real business is done by foreign houses with foreign bills of exchange. Now, it is not exactly creditable to us, with our immense capital and resources, that that should be true.

"What happened in regard to the cotton



of modern monetary systems and practices in the other commercial nations of the world.

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"What we now propose to do is to seek counsel and to invoke the calm judgment of economists, of students, of men of affairs, of bankers and business men with reference to the work which we have in hand. We shall appeal to the thoughtful men of this country, like those that you met to-day, the commission of American Bankers' Association and the representatives of the Merchants' Association of New York, and to other representatives throughout the country. We mean to appeal to thoughtful men in every section of the country, asking them, as I believe we have the right to do, for their co-operation and support in some reasonable solution of this vast question.

#### POLITICAL CAMPAIGN DELAYED ACTIVE WORK OF COMMISSION.

"You may perhaps ask me why we have not commenced this work before. I will say that the fact that this work of obtaining literature was not completed, but I have another reason, so far as I am concerned, for not calling the Commission together for the last two or three months, because I did not think it was wise to enter upon any public discussion of this question in the midst of a heated political campaign. This question, if it is to be decided at all, if any solution of this question is to be reached, any successful solution is to be reached, it must be without a single tinge of partisanship. It is not, and must not be, in any sense a political question. It is a business question, affecting the material interests of the entire people of the United States. It is not a question which concerns economists and students and business men and men of affairs alone. It affects the borrowers as well as the lenders. Do you realize that the number of depositors in the various banking institutions in the United States is greater than the entire number of people engaged in useful occupations in this country? There is not a single person in the entire country that is not either directly or indirectly affected by the wisdom, or unwisdom, of our financial, monetary institutions.

"I say then that the success of any movement which we may make, the success of any solution which we may suggest, depends first upon the elimination of politics, not only from its consideration, but from the solution itself. Any plan which for one instant permitted of political control hereafter in any of the great functions of the organization which we might suggest, would be fatal. I realize this, and I think my associates on the Commission will bear me out when I say that this is not a new thought on my part. It has not arisen in my mind since I decided to go out of political life; it was not affected by the events of the last week; but it comes from a knowledge that this question, if it is to be settled at all, must be settled upon scientific and business principles that will appeal to the people of this country regardless of their party affiliations or political bias. Therefore, I say that we have a right—at least I hope we have a right—to apply to the class of men whose instruction we have listened to to-day to assist us in this great work.

"The Commission has no plan. The Commission is approaching this question with an open mind; and we have a right, I think, to ask the economists and thoughtful men throughout the country to ap-

CONTINUED ON THIRD PAGE.

release my understanding of the defects of the existing system, or my ideas about a system which should be adopted. I said a year ago that in my opinion the questions affecting the currency and the note issue were of much less importance than the question of the organization or reorganization of the credit and of the banking systems of the country. Further study and a more careful examination of the questions have confirmed me fully in that belief. I was greatly gratified this morning to hear published by one of America's greatest economists, in which Prof. Loughlin took the position that after all, this question was not a question primarily or particularly of note issues, but was a question of reserves and of the lending power of the banks. In other words, a question of how we can make our immense capital always equal to any emergency and always available to the wants of the business community of this great country. I realize fully, as I am sure that the professor does, that there is an important question connected with the character of our note issues and the manner in which they shall be issued; but that is subordinate to the other. I have been struck also, within the last three months, with the importance of this question, not only as local questions between banks and their customers, but with the international aspects of this great question, and the growing importance of those international relations.

The United States appear on the world's arena more and more important as a great power of the world. To-day Berlin and Paris and London are interested—as we are interested in the financial affairs of Berlin, Paris and London—in what happens in the United States. What is felt here is felt throughout the world. The reverberation of the panic of 1907 encircled the world, and there was no country with any system, however wise or important, that did not feel the blighting effects of our panic.

"I have been struck within the last few days by some aspects of the international business connected with this inquiry growing out, first, of the cotton bills. We send out of the United States \$1,500,000,000 of products; we import about two thousand million value of products, making in all in the neighborhood of thirty-five hundred million dollars. Eighty per cent of that vast business, at least, is done by foreign bankers with foreign capital. Of course some of it passes through New York, New Orleans and Chicago in transit, but the real business is done by foreign houses with foreign bills of exchange. Now, it is not exactly creditable to us, with our immense capital and resources, that that should be true.

"What happened in regard to the cotton bills? The situation disclosed what might easily happen to us, except for the courage and intelligence of the gentlemen who had control of the negotiations. There might have been a very serious trouble, financial trouble. And who suffered? Who pays the bills for these exactions and these regulations, whatever they may be that the foreigners put upon us with reference to our foreign business? It is the American producer, in the last analysis, that pays the bills.

"Another thing that struck me; another very recent event; American capitalists, it is said, have undertaken to underwrite a loan to China for \$50,000,000. That business, suppose we had an organization here that had the confidence and the strength which some of the institutions of England and France and Germany have—don't you believe that American credit in foreign countries would have stood higher than it does to-day?

"Another thing that struck me in connection with the international aspects of the question. I saw a statement a few days ago by an institution of the Bureau of Commerce and Labor showing the increase in our exports and manufactured products. It is said that trade follows the flag. But it never follows the flag if that flag is an empty symbol. It follows the flag when our banking interests, intelligent knowledge of the conditions of the parties to whom we are applying for trade, commercial relations and all those things are possible. One of the first necessities of the situation, to expand our trade, is to have banking facilities that have the confidence; and can stand for confidence in all the markets of the world. We can extend our foreign trade. We can extend it—how? We can extend it by having closer commercial relations with our near neighbors—with Canada, with Mexico. We can extend it, other things being equal, that is through facilities being within our reach, by having closer commercial relations with South America, and the Central American States, and with the countries of the Orient.

"I understand perfectly well that the question might readily be asked me—and I think I see some gentlemen in the audience who would be very likely to ask me that question—how are you going to get commercial relations with your views upon reciprocity, upon the treaties and upon the tariff, with South America and the Orient? I would say, as I have always said, that we ought to have closer relations whether it involves the commercial treaties or otherwise with the countries who are the only customers we can hope to have for our products; countries that buy what we have to sell, and sell what we have to buy. I have no objection to commercial treaties with the South American States, with some of those great States which in the future of the world's history must occupy a position in these hemispheres that will only be second to the United States itself. If I were controlling this Administration—and going out of politics I think I can express this opinion safely.

"I would immediately open up negotiations with every one of these countries looking to the extension of our trade, looking to closer commercial relations. Look at the situation in the Orient, look at the possibilities of that! But these possibilities will be strengthened, I almost might say they will be created, by a proper organization of the credit system of the United States. I believe that we are all coming to the conclusion that in some way, not yet put down in black and white, not yet formulated by any man, perhaps, that in some way we must reorganize our credit system. We will not commence at the bottom. This work will not be a work of revolution, but of evolution. It will not be a work of destruction to existing institutions, or curtailing the spirit of independence of existing institutions, but it will be a work of construction, commencing upon this great plane of our existing institutions and building up from that, and beyond that, an organization that will be effective in times of panic, which can use reserves as one great master power for good, whenever occasion requires, that will place the credit of this great country, and of all these people, where it belongs—unequaled by any in the world."



Send test orders to the Lackawanna Steel and Bethlehem Steel companies.

Railroad orders for cars and locomotives have been insignificant, and although between 10,000 and 12,000 cars are said to be under negotiation, the prospect is not favorable for early contracts of importance.

#### Steel Products Prices.

Bessemer steel, per ton, mill.....23 00 a23 50  
Open hearth, per ton, mill.....24 00 a24 50

#### STEEL BARS.

Steel, soft base, half ex., tidewater 1 35 a....  
The above prices are at tidewater in carload and larger lots. For quantities less than 2,000 lbs. but not under 1,000 lbs. \$3 00 per ton additional is charged, and less than 1,000 lbs. \$3 00 per ton additional.

#### SHEETS.

The following prices are for 100-bundle lots and over f. o. b. mill, smaller lots \$2 00 per ton higher:

Gauge	Black. Ised.	Gauge	Black. Ised.
No. 22 & 24	2.05 2.35	No. 28	2.20 3.20
No. 25 & 26	2.10 2.95	No. 29	2.25 3.40
No. 27	2.15 3.05	No. 30	2.35 3.60

#### TIN PLATES.

The price is \$3 60 net for 14x20, 100-lb box base, f. o. b. mill.

American Coke Tins, I. C., 14x20—  
From Store, New York—

Bessemer Steel—	Bessemer Steel—
107 lbs. .... 4 30 a	95 lbs. .... 4 05 a 4 10
100 lbs. .... 4 15 a 4 20	90 lbs. .... 3 95 a 4 00

American Charcoal Tarnes—  
Worcester Grades, 14x20, 107 lbs. . 4 25 a 4 30  
Worcester Grades, 14x20, 100 lbs. . 4 10 a 4 15  
Worcester Grades, 14x20, 200 lbs. . 3 00 a 3 05  
Worcester Grades, 20x28, 214 lbs. . 3 20 a 3 25

American Charcoal Tins—  
Allway Grades, 14x20, 100 lbs. . 6 00 a 6 05  
Malya Grades, 14x20, 107 lbs. . 5 85 a 5 90

American Plates, f. o. b. mill futures—  
Coke tins, 14x20, 1. C. .... 3 75 a ....  
Coke tins, 14x20, 95 lbs. .... 3 60 a ....  
Coke tins, 14x20, 90 lbs. .... 3 55 a ....  
Coke tins, 14x20, 90 lbs. .... 3 50 a ....

Charcoal tarnes, 20x28, 200 lbs. .... 5 90 a ....  
Usual differences for other sizes and weights.  
Foreign Coke Tins, I. C., 14x20, for importation, \$3 74 per box.

Bessemer Steel—	Bessemer Steel—
Full weight, 4.75 a4.80	95 lbs. .... 4.45 a4.50
100 lbs. .... 4.65 a4.70	80 lbs. .... 4.40 a4.45
95 lbs. .... 4.55 a4.60	

#### PLATES (Tidewater).

Tank plates, 3/4 and heavier, ..... 1.50 a1.55  
Tank plates, 3/4 to 14 in. wide, ..... 1.60 a1.65  
Tank plates, 14 to 100 in. wide, ..... 1.70 a1.75  
Flange and boiler steel, ..... 1.85 a1.90  
Marine, ordinary fire box, ..... 1.95 a2.00  
Still bottoms, ..... 1.95 a2.00  
Locomotive fire box, ..... 2.25 a2.55

Plates more than 100 inches in width, 5c extra per 100 lbs; plates 9-16 inch in thickness, \$2 00 extra; gauges Nos. 7 and 8, \$3 00 extra; No. 9, \$5 00 extra. These quotations are based on carload lots, with 5c extra for less than carload lots. Terms net cash in thirty days.

STRUCTURAL MATERIAL (Tidewater).  
Fabricated prices indicate that plain material is being shaded:

Beams and channels, up to 15-in. .... 1.55 a ....  
Beams and channels, over 15-in. .... 1.60 a1.65  
Angles, 3x3 up to 6x6 ..... 1.50 a1.55  
Zees and tees ..... 1.55 a1.60  
Steel bars, half extras, ..... 1.45 a1.50  
Univ'l & sheared, 34-in. & under ..... 1.50 a1.55  
Under special conditions \$1 00 per ton less.

#### RAILS (NEW).

Standard sections, at mill, ..... a 1 25  
Standard second quality, at mill, ..... a 1 20  
Light sections, 40 to 45 lbs. .... a 1 18  
Light sections, 30 to 35 lbs. .... a 1 20  
Light sections, 16, 20 and 25 lbs. . 1 21 a 1 25  
Light sections, 12 to 14 lbs. .... a 1 23

TRACK SUPPLIES (Mill Shipment).  
Angle bars, 1 50al 55 Bolts, sq. nuts, 2 55a2 65  
Spikes ..... 1 75al 85 Bolts, h. nuts, 2 70a2 80

#### IRON AND STEEL AT PITTSBURG.

Bessemer iron, ..... 15 40 a15 90  
Bessemer steel, f. o. b. Pitts. .... 23 00 a23 50  
Muck bars, ..... 20 00 a ....  
Skelp, grooved steel, ..... 1 20 a 1 25  
Skelp, grooved iron, ..... 1 65 a 1 70  
Ferro-manganese (50 per cent) sea-board ..... 28 50 a30 00  
Steel melting scrap, ..... 14 00 a14 50  
Steel bars, ..... 1 40 a ....  
Black sheets, 28-gauge, ..... 2 30 a ....  
Galvanized sheets, 28-gauge, ..... 3 30 a ....  
Tank plates, 3/4-inch and heavier, . 1 35 a 1 40  
Wire rods, ..... 23 00 a29 00  
Wire nails, ..... 1 70 a 1 75  
Plain wire, ..... 1 50 a 1 55  
Cut nails, ..... 1 75 a 1 80  
Barbed wire painted, ..... 1 70 a 1 75

#### LEAD DULL AND EASIER.

Refined Spelter Stronger Here and Abroad:

LEAD has been slow and easier in tone here; slightly lower in West. Spot, November, December, January and February offered at 4 1/2c, with 4.40c bid for all positions on call at the Metal Exchange on Friday.

For East St. Louis delivery spot, November, December, January and February offered at 4.30c, with 4 1/2c bid for all positions in carload lots on call at the Metal Exchange on Friday.

LONDON advanced 2s 5d net. Spot Span-

**George C. Davis,**

39 South 10th St., PHILADELPHIA, PA.

**METALLURGICAL CHEMIST**

Analyses of ALLOYS, ORES, IRON, COAL, SLAG, FLUX AND CEMENT.

The bankers facilitate the use of credit in effecting exchanges by buying and selling drafts and having them accepted and paid for, in return for a small profit from the transactions. What difference does it make with the extension of the trade whether this is done by foreign bankers or domestic bankers? It is no more done with foreign capital than domestic capital. The important thing is that it should be done at the lowest cost, and for all the world this service at present costs less through London than anywhere else. So long as that is the case it will be an advantage to do it through that center of the world's commercial exchanges.

The first thing is to build up the trade. There is no difficulty about banking facilities. Increasing them or getting possession of them will not enlarge trade unless other conditions are favorable. Mr. Aldrich revealed a newly developed consciousness that trade might be improved by reciprocity and closer commercial relations, but only with our neighbors, Canada and Mexico, and with South America, the Central American States and the Orient. These he spoke of as "the countries who are the only customers we can hope to have for our products—countries that buy what we have to sell and sell what we have to buy." That is a queer idea, too. European countries are our best customers now, who buy most of what we have to sell and sell most of what we have to buy, though there may be more opportunity for expansion in those other quarters. But European countries are free to extend their trade in those same quarters, and if we are to make headway there we shall have to compete with them in supplying what is wanted. The same economic principles apply everywhere. If we are to trade we shall have to learn to produce what people want at as low cost and sell it as cheaply as others from whom they can buy, and not talk about promoting trade with ships and banks of which there are plenty that now do the work cheaper than we can do it.

#### EQUAL ENFORCEMENT OF LAW.

When Mayor Gaynor heard that the express strikers in Jersey City would not accept the terms of the agreement which he had been instrumental in bringing about, he said in his wrath: "If the men reject that honorable agreement I shall teach them that the express wagons can run without their help, even if we have to man every one of them with policemen." This was an admission that the wagons and their drivers could be protected against strikers and the mobs which they excited in the streets by a vigorous exercise of the police power. That was all that was needed to keep them running in this city in the first place, and if the power of protection had been vigorously exercised there would have been no strike or it would not have lasted twenty-four hours.

The right to the protection of person and property and the duty of maintaining law and order for the safety of the people in the streets do not depend upon the mood or the whim of the Mayor. In such a matter as that it is not for him to take sides either from



Washington, D. C.,  
Friday, December 2, 1910.

The Commission met at 11 o'clock, a. m., pursuant to the call of the Chairman.

PRESENT: Messrs. ALDRICH, (Chairman), VREELAND, HALE, TELLER, MONEY, WEEKS, BONYNGE, SMITH, and PADGETT.

The Chairman discussed with the Commission several alternative propositions for monetary reform which, in his opinion, must be considered by it. There was a general discussion of these propositions and also of the plans for the future work of the Commission.

The Chairman was authorized to appoint a sub-committee to make arrangements for the work of the Commission during the present session of Congress and the following recess. He appointed the following sub-committee: Messrs. ALDRICH, VREELAND, TELLER, WEEKS, and PADGETT.

It was informally understood that all meetings and hearings during the present session would be held in Washington, but that during the recess the Commission probably would, by sub-committee or otherwise, hold meetings in different sections of the country for the purpose of ascertaining the views of the bankers and business men in the various communities.

The following statement in regard to the meeting was subsequently given to the press by the Chairman:

The Commission at its meeting this morning agreed to proceed at once actively with the work of investigation to include conferences and hearings with the representatives

of commercial and other organizations. This work will be carried on in Washington until the expiration of the present session, it being understood that immediately after adjournment, the Commission will give hearings to interested parties in different sections of the country. No other action was taken at the meeting.

The Commission then, at 12:30 p. m., adjourned.

Washington, D. C.,  
Tuesday, January 17, 1911.

MINUTES.

The Commission met pursuant to the call of the Chairman  
at 11 a. m.

Present: Hon. E. B. VREELAND, Vice-Chairman, presiding,  
and Messrs. BURROWS, HALP, TELLER, MONEY, WEEKS, BONYNGE,  
and PADGETT.

The following communications from the Chairman were  
presented by the Chair, and the Secretary was authorized to  
supply copies to the press:

Whereupon the Commission adjourned.



SUGGESTED PLAN FOR MONETARY LEGISLATION

## SUGGESTED PLAN FOR MONETARY LEGISLATION.

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WASHINGTON, *January 16, 1911.*

DEAR MR. VREELAND: I had hoped, as you know, to be able to discuss informally with you and other members of the Commission the ideas which I have been formulating in regard to monetary legislation. Your absence from the city and my illness have made it impossible for me to discuss the matter freely with you, as I intended. My purpose was to call a meeting of the Commission early this week for the purpose of laying before them a general outline of my own plan for remedial legislation.

I now find that it will be necessary for me to leave for the South to-day and that it will not be possible for me to confer with the members of the Commission. I have asked that a meeting be called for Tuesday morning, at which it will not be possible, of course, for me to be present, but I will be glad if you will present to the Commission the suggestions which I send you herewith.

I have been for some time clearly of the opinion that it would be necessary to have some tentative plan as the subject of discussion and criticism. I, of course, do not expect the immediate approval of the Commission or that any formal action will be taken upon it. The plan suggested is a personal one that I fully believe will answer the requirements of changed conditions. It will certainly furnish to the commercial organizations of the country, who are now considering this subject, a basis for criticism and discussion.

Very truly, yours,

NELSON W. ALDRICH,  
*Chairman.*

HON. EDWARD B. VREELAND,  
*Vice Chairman National Monetary Commission,*  
*Washington, D. C.*

Washington, January 16, 1911.

In conformity with the suggestion made at the last meeting of the National Monetary Commission, I have prepared an outline for a tentative plan for the revision of our national banking legislation, which I beg herewith to submit to the Commission. In doing this it has been my aim to suggest changes in the national banking Act which will make it responsive to the demands of modern business. The study which the Commission has given to this subject has, I believe, led irresistibly to the conclusion that our present banking system, which was adopted nearly half a century ago and has remained practically unchanged, not only fails completely under stress and in the presence of unusual demands upon its resources, but has been found inadequate and unresponsive even under the ordinary conditions of business.

The suggestions submitted herewith are the result of years of study which I have given this subject, and are formulated in the light of the great mass of information which the Commission has gathered respecting both our own banking system and needs and the experience and practices of foreign countries.



If I am right in believing that the present law has become obsolete, and of this there can be no doubt, there is, then, no room for argument in regard to the necessity for modernizing the law. Assuming such to be the case it must be our aim to accomplish this result with as little disarrangement as possible. It should be our aim to liberalize the present national banking act and to add to it such features as are deemed essential, rather than to formulate any plan which will fundamentally change our present system.

In the light of our experience it is obvious that one of the principal needs is to find some method for the unification of our present banking institutions into one comprehensive system. In other countries we have found that reserves are concentrated and

used freely in any direction where needed. Under our faulty system reserves are so scattered as to be unavailable in time of trouble either for purposes of assistance or defense.

The result of our law has been to create a banking system made up of a great number of isolated units, each working within a limited circle, and each of necessity governed by its own immediate interests without reference to what would be for the greatest good of all. While the intelligent managers of individual banks may fully recognize the necessity of greater cooperation, they are, under the law, powerless to effect it.

If we can so amend the present national banking act as to permit the formation of an association of all the banks of the country to meet these needs, we shall have gone a long way toward solving the problem which is before us. If then in addition we provide a more scientific basis for bank note circulation, so that the volume of circulation will be responsive to the needs of business, we shall, I believe, have met the two main require-

ments of a satisfactory solution. In addition to that, if we can aid in creating a discount market in this country similar to the discount markets in Europe, so that the most liquid portion of our bank funds will not of necessity be forced to such a large degree as at present into the making of call loans upon stock exchange collateral, but will instead be available for the needs of commercial business, we shall have so broadened our banking methods as to bring incalculable benefit to the commercial life of the country.

I believe that the conclusions which I present herewith meet those conditions, and that the organization which it is proposed to create will insure the benefits which we seek without running any risk of creating a financial institution which can be controlled by ambitious monetary interests or dominated by political influence.

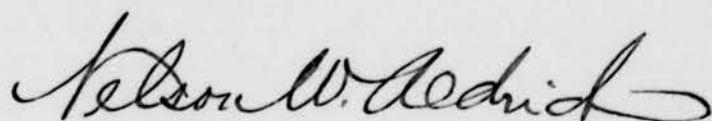
While we have found much that is admirable in the operation of the various government banks of Europe, none of them is applicable to our needs here. The good results which they obtain can, I believe, be reached without the creation of such a central bank. I feel that



the plan which is proposed reaches those results without being open to the objections which may well be brought against such an institution.

I recognize the fact that the formulation of a definite plan is the task of the Commission, and can be accomplished only after the subject has been studied with care in all parts of the country. Discussion will certainly modify and improve its details.

I hope that the plan which I now submit for your consideration, and on which, in its main features, in my opinion, meets the necessary requirements, may be found of value to the Commission in the necessary work of construction.

A handwritten signature in cursive script, reading "Nelson W. Aldrich".

Chairman, National Monetary  
Commission.

## **RESERVE ASSOCIATION OF AMERICA.**

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### **CHARTER AND LOCATION.**

It is proposed to charter the Reserve Association of America, which will be the principal fiscal agent of the Government of the United States. The authorized capital of the Reserve Association shall be approximately \$300,000,000. The length of its charter shall be 50 years. The head office of the association shall be in Washington, D. C.

The country shall be divided into 15 districts, and a branch of the Reserve Association shall be located in each district.

The Reserve Association and its branches shall be exempt from State and local taxation, except in respect to taxes upon real estate owned by it.

### **CAPITAL.**

Only national banks of the classes hereinafter provided for may subscribe to the capital stock of the Reserve Association. A national bank having a minimum capital of at least \$25,000 may subscribe to an amount of capital stock of the Reserve Association equal to 20 per cent of the stock of the subscribing national bank, and not less, and each of such subscribing banks shall become a member of a local association as hereinafter provided for. Fifty per cent of the subscriptions to the capital stock of the Reserve Association shall be called in cash; the balance of the subscriptions will remain a liability of the stockholders, subject to call.

Shares of the capital stock of the Reserve Association will not be transferable, and under no circumstances may they be owned by any corporation other than the subscribing national bank, nor by any individual, nor may they be owned by any national bank in any other amount than in the proportion here provided. In the case of a national bank increasing its capital after it once becomes a subscriber to the stock of the Reserve Association, the national bank shall thereupon subscribe for an additional amount of the capital stock of the Reserve Association equal to 20 per cent of the national