

MEMORANDUM.

Some seven or eight years ago there was organized in the City of Washington a concern known as the United States Trust Company. Its first president was a Mr. Rixey, of Alexandria, Va., a brother of the late Congressman Rixey of Virginia, and also of the late Surgeon General of the U.S. Navy. Entering a field which was somewhat already over-banked, its progress was slow and unsatisfactory. Its management has changed several times. At one time Mr. D. N. Morgan, Treasurer of the United States under the last administration of President Cleveland, was its president. About three years ago Mr. Eldridge E. Jordan succeeded to its presidency. Mr. Jordan had entered the banking field of Washington as president of the Merchants and Mechanics Savings Bank, which institution was absorbed by the United States Trust Co. and kept open as one of its branches when Mr. Jordan succeeded to the presidency of the United States Trust Co. Mr. Jordan's management of the Merchants and Mechanics Savings Bank had not been satisfactory to the office of the Comptroller of the Currency, and at one time that official called together its board of directors and required them to take away from him all powers relating to the making of loans. This action grew out of some transaction involving the making of a loan in which Mr. Jordan had a personal interest. On another occasion the ~~Comptroller of the Currency~~, when Mr. Jordan had purchased 1,000 shares of the capital stock of the Commercial National Bank of Washington, utilizing the assets of the Merchants and Mechanics Savings Bank for that purpose, the Comptroller of the Currency required him to distribute the stock so purchased and to take it out of the assets of the Merchants & Mechanics Savings Bank, on the ground that it was improper to invest so large a part of the assets of that bank at a price considerably in excess of the book value of the stock purchased.

Mr. Jordan had been in control of the United States Trust Co. only a few

months when its board of directors ousted him, largely because he had conducted its affairs in violation of the orders of the board of directors. He was succeeded as president of the United States Trust Co. by Ex-Senator Nathan B. Scott, of W. Va., who, however, remained at the head of the institution only a few months, he in turn being succeeded by Mr. Jordan at the beginning of a new year, Mr. Jordan having regained control of the bank. He remained president of the Trust Company until May 1913, when he was succeeded by Hon. Lawrence O. Murray, who had just retired from the position of Comptroller of the Currency. Upon retiring from the presidency of the Trust Company in May 1913, Mr. Jordan became chairman of the board of directors of that institution, thus remaining the dominant factor in it. It is reported that Mr. Murray retired from the presidency of the Company in August 1913, but no announcement of the fact was made at that time and the fact has only been ascertained since the affairs of the Trust Company were taken over by the Munsey Trust Co. of Washington, on Nov. 21, 1913.

For several years there have been unfavorable rumors as to the condition of affairs in the United States Trust Co. About three years ago Bank Examiner Owen T. Reeves, made an examination of the Company, reporting conditions requiring correction. His report was strongly combated by those in control of the Trust Company. At the same time there were two or three other banks in Washington opposed to Bank Examiner Reeves because of recommendations made by him concerning their affairs. Mr. Reeves was transferred to the Chicago district and was succeeded by Mr. Samuel M. Hann, a most thorough-going and conscientious bank examiner. His findings sustained those previously found by Mr. Reeves, and it is understood he made reports to the office of the Comptroller of the Currency recommending the correction of certain evils said to exist in the Company; but his recommendations were never pressed by the Comptroller. It became the policy of those identified with the United States Trust Co. to cultivate the Comptroller of the Currency, with the result that when he retired from that of-

office in May 1913 it was to become the president of the Company.

Mr. Hann retired from the position of Bank Examiner in midsummer 1913 to become identified with a trust company in Baltimore, Md. Prior to his retirement it is understood that Mr. John Skelton Williams, Assistant Secretary of the Treasury, who has largely dominated the office of the Comptroller of the Currency since the incoming of the present administration, instructed Mr. Hann to make a thorough examination of the Company with a view to correcting the evils alleged to exist therein. Mr. Hann's reports are on file in the office of the Comptroller of the Currency. Upon his retirement from the position of Bank Examiner for the District of Columbia, he was succeeded by Mr. Richard W. Goodhardt, the present National Bank Examiner, well known as one of the most efficient examiners in the service of the Comptroller of the Currency. For five years he was bank examiner in the Philippine Islands and for another five years bank examiner at large in the United States. His specialty while employed in this country has been the mending of broken banks and the handling of difficult banking situations. Mr. Goodhardt concluded his examination of the affairs of the United States Trust Co. about Nov. 17th.

On Tuesday, Nov. 18th, late in the afternoon, the Acting Comptroller of the Currency, Mr. Kane, called a number of the leading bankers of Washington on the telephone, requesting that they meet him and the national bank examiner at the latter's office, 1422 F Street, at 8 o'clock P.M. At this meeting were present the Acting Comptroller, Mr. Kane, the Bank Examiner, Mr. Goodhardt, the legal advisor to the Comptroller of the Currency, Mr. Elliott, and the presidents of the leading trust companies in Washington and of several national banks. The condition of affairs in the United States Trust Co. was laid before these gentlemen by the Acting Comptroller, the Bank Examiner and the legal advisor to the Comptroller. It was represented to the bankers assembled that the capital stock of the United States Trust Co., amounting to \$1,200,000, was impaired to

the extent of about \$1,140,000. This impairment resulted from an artificial inflation of certain real estate carried by the Company, which on appraisement by competent judges was held to be of less value than that at which it was carried on the books of the Company. There was also, according to the report of the bank examiner, above \$600,000 in doubtful bills receivable, and \$400,000 in second mortgage notes. The bank examiner stated that he believed, however, that on slow liquidation perhaps as much as \$300,000 of the doubtful paper might be paid, and he figured that with slow liquidation all the depositors of the Company could be paid. The deposits were in excess of \$6,000,000 and the number of depositors was given at 55,000. The Acting Comptroller of the Currency took the position that the Trust Company must either at once make good its impairment of capital or go into voluntary liquidation, otherwise he would feel justified in closing its doors. The bankers present were of the opinion that nothing could be done to save the Trust Company as a company, because it was well understood that the ownership of the stock rested in bank loans, and on an assessment of the stock it was exceedingly doubtful if the stockholders could make good the impairment. It was the disposition of a number of the bankers present to do what they could to save the depositors from embarrassment, and there was some discussion as to what might be done by the associated banks of Washington to pay off one-half of the deposits at once and the remainder as soon as the affairs of the Company could be liquidated. The attorneys for the United States Trust Co. were called into consultation with the Acting Comptroller of the Currency, who communicated his views to them. They refused to close the institution and declared it to be their intention to combat the findings of the examiner, whereupon the meeting adjourned. The next morning, Nov. 19th, the Assistant Secretary of the Treasury, Mr. John Skelton Williams, assembled in his office certain of the directors of the United States Trust Co. and others, including the Acting Comptroller of the Currency, the bank examiner, Mr. Goodhardt, and the legal advisor to the Comptroller, Mr. Elliott. He sustained the position taken by the author-

ities in control of the United States Trust Co. and discredited the findings of the bank examiner. In reviewing the criticisms of the examiner, he justified the inflation of the real estate values in the accounts of the Company and also questioned the accuracy of the examiner's reports as to certain bills receivable which had been characterized by the examiner as "doubtful". It appeared at this time that the Assistant Secretary of the Treasury had thrown the Acting Comptroller of the Currency and the National Bank Examiner out of court, and so it was understood during Wednesday, Thursday and Friday, Nov. 19th, 20th and 21st.

At the meeting of the Acting Comptroller with the local bankers on the night of Nov. 18th, it was agreed among the bankers that the authorities of the Stock Exchange should be seen and that brokers should be pressed not to deal in the stock of the United States Trust Co., so that no alarm might be spread by sales of the stock on a falling market. Notwithstanding great pressure to sell on the days mentioned, there were no transactions on the Exchange, although it is well understood that certain of those identified with the United States Trust Co. attempted to make sales. It is quite certain too that insiders acquainted with its affairs availed themselves of the opportunity to withdraw their deposits, and the news gradually spread to others having accounts in with the Company. By 1 o'clock Friday, Nov. 21, visible runs began at the office of the United States Trust Co. and at its several branches. Long lines of people were gathered in front of its offices, where they remained even after the close of banking hours. Many persons stood in line all night in order to be in position to withdraw their deposits at the opening of business Saturday morning. Late Friday afternoon there were rumors that negotiations were being conducted on behalf of the Munsey Trust Co. to take over the affairs of the United States Trust Co., and at 10 o'clock Friday night announcement was made by Mr. Olivier, acting for Mr. Frank A. Munsey, to the effect that the Munsey Trust Co. had bought control of the United States Trust Co. At 2 or 3 o'clock

A.M. on Saturday, the 20th instant, bankers representing the Clearing House of Washington and trust company presidents were called to a room in the Shoreham Hotel by representatives of ~~the~~ Mr. Munsey. These representatives included Mr. Olivier and Mr. R. Lancaster Williams, of Baltimore, who is a director of the Munsey Trust Company. The latter had been a leading factor in the negotiations looking to the absorption of the United States Trust Co. by the Munsey Trust Co. He is a brother of Assistant Secretary of the Treasury, Mr. John Skelton Williams, and has spent much of his time in Washington and at the office of his brother in the Treasury since the latter became Assistant Secretary of the Treasury in the spring of the present year.

The Munsey Trust Co. was organized about six months ago, and Mr. R. Lancaster Williams, of Baltimore, acted as financial agent in placing the stock of that company. Ever since he has been closely identified with its management and in soliciting accounts for that company and in up-building its business. Through his brother, Mr. John Skelton Williams, he has been given many opportunities to meet bankers of the country as they have come to the Treasury at Washington on official business with the Assistant Secretary, Mr. John Skelton Williams.

It was represented to the bankers called at this early morning meeting that the condition of affairs was such that the Munsey Trust Co. had agreed to take over the business of the United States Trust Co., pay its depositors and liquidate its assets. If anything should be left after the claims of depositors were satisfied there would be a distribution to the stockholders of the United States Trust Co. either in cash or in stock of the Munsey Trust Co. In order to meet the demands of depositors the United States Treasury had agreed to deposit \$1,000,000 in the 11 national banks of Washington at the opening of business, Saturday morning, Nov. 22, the national banks in turn to deposit the money at once in the Munsey Trust Co. and the Munsey Trust Co. to secure the same by depositing collateral satisfactory to the Secretary of the Treasury with

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the Treasurer of the United States. It was also represented to the bankers assembled that if the Clearing House banks of Washington were to agree thus to become the conduit through which this \$1,000,000 fund should be placed in the Munsey Trust Co. that Mr. Munsey himself would deposit \$500,000 in cash in the Munsey Trust Co. at the opening of business Saturday morning. Mr. Munsey being in the city, the bankers present requested that he sign a statement to the effect that he would make this deposit on his own account, but his representatives present refused to have Mr. Munsey awakened, on the ground that he was ill, and gave positive assurance that what they represented in this particular would be faithfully carried out by him. Upon these representations being made, the local bankers agreed to receive the Government fund above mentioned and to stand good for the same to the Treasury, they being the only concerns in Washington which could under the law receive money from the Treasury as public deposits. When the vaults of the Treasury were opened at 9 o'clock Saturday morning, Nov. 22, the \$1,000,000 in cash above mentioned, was withdrawn therefrom and transferred directly to the office of the United States Trust Co., which immediately began the payment of deposits to those withdrawing their accounts. All day Saturday the runs continued, and at 4 o'clock Saturday afternoon representatives of the Clearing House banks met, there being present with them Mr. Frank A. Munsey, President of the Munsey Trust Co. It had become known that Mr. Munsey had not deposited \$500,000 in cash in the United States Trust Co., as promised by his representatives. Mr. Munsey was interrogated as to why he had not made good the assurances made the local bankers. He replied that he did not choose to do so-- that he regarded the proposition as silly-- that he was a judge of human nature-- that the difficulty was over and that he saw no reason why the local bankers should hold him on a technicality. Besides he had had no time to prepare himself to deposit \$500,000, and besides his representative had no authority to make such assurances for him. His repudiation of their promises was complete.

Since the events above described, it has become known that the Munsey Trust Co. did not deposit its own collateral at the Treasury to secure the \$1,000,000 fund advanced through the 11 Clearing House banks of Washington, but that it did deposit \$1,610,000 of the assets of the United States Trust Co., whose affairs it had taken over under the circumstances above described.

The Assistant Secretary of the Treasury, Mr. John Skelton Williams, has found occasion to take to task the local bankers who questioned Mr. Munsey regarding his failure to make good the promises of his representatives, and has even suggested that an apology be made to Mr. Munsey, and has attempted to put a construction upon the promises of the representatives of Mr. Munsey at variance with the understanding which the local bankers have as to just what those promises were.

At 9 O'clock on the morning of Saturday, Nov. 22, Mr. R. Lancaster Williams delivered in person to some or all of the local banks the written guarantee of the Munsey Trust Co., signed by its president, Mr. Frank A. Munsey, to the effect that the Munsey Trust Co. would stand good for the deposit of \$1,000,000 Government funds advanced to it by the United States Treasury through the local banks. It is understood that Mr. R. Lancaster Williams' efforts in negotiation with the authorities of the United States Trust Co. were prolonged and arduous, and were fully matched by the energies of the Assistant Secretary of the Treasury, Mr. John Skelton Williams, in allaying this latest financial trouble in Washington.

The net result of these operations is that of the \$6,000,000 deposits of the United States Trust Co., from \$4,000,000 to \$5,000,000 have found lodgment in the Munsey Trust Co. and have been obtained by that company without the use of any money upon the part of Mr. Munsey or the use of any of the collateral of the Munsey Trust Co. in securing the deposit of Government funds with that institution, a result which could only have been accomplished by extremely effective cooperation between the United States Treasury authorities and the authorities

of the Munsey Trust Co.

In repudiating and discrediting the work of the officials of the office of Comptroller of the Currency, the morale and spirit of the national bank examining corps has been seriously affected. In selecting one institution in Washington to act as liquidating agent under the circumstances above recited, grave question has been raised as to whether the results indicated could have been accomplished otherwise than through collusion between Government officials and the authorities of the Munsey Trust Co. In explanation of the selection of the Munsey Trust Co. and the support given to it by the Treasury, the following official statement was put out by the office of the Assistant Secretary of the Treasury, and is to be found published in Mr. Munsey's paper, the Washington Times, Saturday, Nov. 22, 1913:

"There is no need for apprehension. The situation over which the Department and financial interests have been working has been fully met by the Munsey Trust Company. The Munsey Trust Company was the best qualified bank in Washington to handle the situation. This company had the largest reserve fund-- more cash on hand-- than perhaps any other Washington institution. The cash at hand is sufficient to meet any situation, the Department is fully assured. Approval has been given to the merger of the United States Trust Company with the Munsey Trust Company and every dollar is safe. One million dollars in cash was deposited with the eleven national banks of the city this morning, upon the receipt of proper security by the Treasury, this money going through the Clearing House to meet the needs of the Munsey Trust Company. This money was deposited by the Department in pursuance of the Administration's policy to aid any institution known to be sound and good in meeting an unwarranted or ^{unreasonable} ~~unresponsible~~ run. Financial affairs throughout the country are in the best of shape. Money is comfortable and many of the banks are returning crop funds ahead of time."

Dec 14/14

An examination of the receipts and disbursements of the Treasury Department of the United States Government during the last ten years shows that the receipts average to run very much the same throughout the four quarters, say about \$155,000,000, but that the disbursements show heavier payments practically all years in the first quarter by something like an average of \$20,000,000 over the third quarter, which is the time of smallest disbursements. The second and fourth quarters seem to run between the first and third in amount, the figures averaging say about \$170,000,000 of disbursements the first quarter, and \$150,000,000 the third. Of the receipts those from customs do not vary during the quarters in sufficient amount to be worthy of consideration. If the customs receipts, therefore, are reduced during the year 1914 by a round amount, say \$67,500,000, it would be safe to average the loss at about \$17,000,000 a quarter. The figures available at the present moment would seem to warrant an estimate of \$67,500,000 as being the probable amount of decrease in customs receipts in 1914, everything being equal.

Speakers on the floor of Congress on the Democratic side, when advocating the tariff reductions, claimed that imports would increase so largely under the new tariff that the government would make up enough more on the extra amounts imported, where duties had only been decreased and the articles had not been put upon the free list, that the total revenue received would not be reduced. The figures for November and December 1913 compared with those of November and December 1912, and those of January 1914 compared with January 1913, would not seem to bear out this theory, for they show as follows:

Total Imports.

November 1912	\$153,000,000	1913	\$148,000,000
December 1912	\$154,000,000	1913	\$184,000,000
January 1913	<u>\$163,000,000</u>	1914	<u>\$154,000,000</u>
	\$470,000,000		\$486,000,000

For these three months the increase in imports is \$16,000,000, or about 3.4%, whereas the increase in percentage of imports admitted free of duty is about 4%. In the year 1912 the percentage of customs receipts to total imports was 39.22%. For the first ten months of the year 1913, the percentage was 38.93%. Although the tariff law went into effect October 3, yet the collection of tariff on goods held in bond during October was so great that it should be included on the old basis. The months of November and December showed a percentage of collection of customs to total dutiable imports of 34.42%. The percentage for November and December 1912 was 38 1/2%. Due to the fact that November and December imports contain special classes of goods intended for the Christmas trade, it might be nearer correct to figure the difference in percentage between those two sets of months in 1913 and 1912. This would mean a loss on total dutiable imports of 4.08%.

Will use 1912 for the comparison, as it is the last full year bearing the old tariff. The total imports for 1912 were \$1,818,000,000. If they should hold the percentage of increase shown during the three months under consideration, the total imports for 1914 would be \$1,880,000,000 in round figures. Of this amount the percentage free under the new tariff, based on the months of November and December 1913, would be about 60%, leaving a total of \$752,000,000 dutiable imports. If the percentage of receipts against dutiable goods in November and December 1913 of 34.42% is maintained, this will mean a total collection of \$258,838,000 against \$326,339,000 in 1912, or a loss of \$67,500,000 for the year.

Should there be no increase in total imports in 1914, and the reports for January received this morning would make it appear doubtful whether there will be much increase, figuring the total about the same as that for 1912 and 1913, or say \$1,800,000,000, the loss in customs receipts in 1914 would be \$80,000,000. In applying this decrease to the financial arrangements of the Treasury Department of the United States, it must be borne in mind that the appropriations for this year will undoubtedly be larger than they were last year, or estimates already made are out of line. Should this be the case, if the income tax does not yield more than \$50,000,000 and the customs receipts fall off \$80,000,000, the Treasury will be depleted by \$30,000,000, plus or minus the difference in the disbursements for the two years.

United States Treasury.
Net Balance in General Fund.

Deposits in National Banks.

Balance including deposits in National Banks.

January 1913	\$33,000,000
February	\$44,000,000
March	42,000,000
April	42,000,000
May	46,000,000
June	97,000,000
July	57,000,000
August	54,000,000
September	78,000,000
October	91,000,000
November	92,000,000
December	85,000,000
January 1914	76,000,000
February	66,000,000

January 1913	\$145,000,000
February	\$147,000,000
March	148,000,000
April	141,000,000
May	133,000,000
June	164,000,000
July	132,200,000
August	127,200,000
September	123,400,000
October	124,900,000
November	119,400,000
December	111,800,000
January 1914	104,700,000
February	92,800,000

Original

Suppose a man in New Orleans has a 60-day bill for cotton which has been sent abroad. He could send that bill abroad to London, for collection, and, then, according to the rate of exchange, they would determine the question of whether or not it was profitable to send the money over; but instead of that, what does he do? He knows that in New York City there is a very great amount due from importers to the countries to which the cotton is shipped, for which provision must be made; so, ^{as} ~~instead~~ because New York is the leading importing city, ^{and} has so very large a share of our imports, instead of having his transaction with a foreign country, he ~~makes~~ use of that city as a clearing house, and balances off his draft against the debt which the importer in New York has to pay. That inevitably makes New York the leading center in the matter of foreign exchange. No legislation can change it. That is due to the conditions of trade. Instead of sending bills abroad to await the slow course of collection of their exchange bills and perhaps deductions for shipments of gold, bills are sent to New York, where they may be exchanged for bills drawn for payment of imports. But under such a plan as is proposed, a regional bank in any center, if it is desired to make a specialty of foreign exchange, would be under such constant danger of demands from other sections of the country that it could not make its calculations or make full provision for taking care of the exchange market.

as intended

Without banks, a man, say in New Orleans, who sold cotton abroad, would have to have the money shipped back to him in payment, and would not have the use of it for many days. Under our present banking system, however, this would not be necessary, because New York institutions would purchase a draft, drawn by the exporter of the cotton on the foreign bankers of the party to whom he sold the cotton, and would sell the exchange so made to importers who required it. New York City acts as the clearing house of the United States for foreign items, because it is the principal city of import, and so requires the exchange made by the exporter in order to furnish it to the importer to pay for goods he has purchased abroad. While other cities have some foreign business, yet New York City is our leading centre in foreign exchange. No legislation can change it. It is due entirely to conditions of trade.

Foreign exchange bankers either hold time bills purchased by them to maturity or discount them, depending upon their requirements, and a regional system of banks would have to do the same, and often in conflict with each other. A central bank, however, would be able to base its operations upon the requirements of the country, and so would at all times stand between our business interests and those of foreign countries.

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File "Cotton"

EXTRACTS FROM LETTERS REGARDING

C O T T O N

Mr. Kent. - August 31, 1914.

"Ordinarily we import a great amount of cotton cloth from Great Britain, but as Germany will not take any of our cotton this year, and as probably very little will go to France, it will mean that a large part of our crop will be retained in America, which will undoubtedly result in an increased production of cotton cloth in the States, which will reduce the amount of our imports from Great Britain. Great Britain, however, will need cotton in order to manufacture war supplies, and as well to take care of the needs of her Colonies, and her cotton mills will probably be left manned sufficiently to take care of such requirements even as a war measure. We should therefore be called upon very soon to supply a considerable amount of cotton to Great Britain. While Russia had an unusually large wheat crop, yet it is going to require more with her Army in the field than is ordinarily the case because due to destruction larger supplies are required at such times. Then again, it is very difficult to get wheat from Russia to England. Considerable has been coming through Denmark up to date but the floating mines that the Germans have placed in the North Sea have made such traffic very dangerous. It seems true, however, that the shipments so far from Denmark that originated in Russia, have been very great. Great Britain, however, does need a tremendous amount of American wheat. The amount of wheat and cotton that Britain will import between now and January 1st, provided she can keep the German Fleet bottled up, together with imports from the States of many other miscellaneous articles required, should mean a large balance in our favor based alone on exports and imports between the United States and Great Britain from now until January 1st. "

Mr. Kent. - September 7th, 1914.

" Regarding Birge Forbes, would say that their drafts are ordinarily drawn on Kleinwort Sons & Co. or on Parrs Bank. It would seem to me, however, that by confining them to the latter institution, which is a member of the London Clearing House and whose bills can be discounted freely in this market as well as being a safe name for us to purchase, that we can go on with our business with Birge Forbes exactly as in the past. I do not believe that their shipments will amount to enough to come anywhere near the total that we will be justified in taking of acceptances upon Parrs Bank. When in Liverpool, before I took my trip North, I called upon the English Buyers of Birge Forbes cotton. They told

me that they had purchased cotton of them for something over 15 years and that they never had the slightest friction with them, and they considered them reliable in every particular. This was most welcome information, for I have never had an opportunity before of talking with the people here with whom Birge Forbes have dealt. I understand that they sell all of their cotton to this house. If we can obtain cotton bills on Parrs Bank from Birge Forbes it would seem a most excellent business at the moment for it would give us a most satisfactory exchange. The feeling here is that even if cotton acceptances are discounted freely in this market, yet that there will be very little demand from the States while the price of cotton remains as high as it is today. Many buyers of cotton here feel that because of the inability of Germany and France to make purchases, it is going to leave such a tremendous amount in America that the price must inevitably fall off very materially. As the Spinners do not need cotton for the moment they have apparently decided to wait another 30 days or so unless in the meantime the price of cotton drops materially. Of course the question of the amount which will be used here depends upon a number of developments that are yet impossible to foresee. For instance, England exports an immense amount of cotton yarn and cotton cloth which is manufactured from the raw cotton. A part of this ordinarily goes to America, but it seems to me that with the large amount of cotton that is going to be left on our hands, that we may manufacture our own supplies to a much greater extent than is ordinarily the case. While England will need cotton for Army supplies and her own people yet her ability to export even to India and other places is going to be hampered because of the moratorium. Some accepting houses that accept for raw cotton being shipped to England, also accept for cotton goods that are exported to India and other British Colonies. On this account the merchant who ordinarily buys the cotton cloth and cotton yarn of the mills with the acceptances, is going to have as much difficulty in getting his paper discounted as is true in the case of the United States buyers of English acceptances. The result is going to be that while the situation is being worked out, cotton will not be required by the mills. "

Mr. Kent. - September 10, 1914.

" We now come to the Cotton Houses. Nugent is willing to discount bills on all these houses with our endorsement and suggested that I wire you to that effect the other night, which I did. Yesterday, however, his Liverpool representative came down to London and we had a chat with him after luncheon. He states that the Cotton market in Liverpool is in such an upset condition that he does not consider it safe to take any acceptances on Cotton

Houses at present no matter what their wealth is. As soon as the Cotton market has been re-established on some sort of satisfactory foundation, the names given in the list would be safe provided no serious difficulties arise in the meantime that affect them individually. "

Mr. Kent. - September 21, 1914.

"Conditions in the Cotton trade in Lancashire are still impossible. India is not able to buy cotton goods of the Spinners because its shipment of Jute and other commodities have been so interfered with that they have nothing with which to pay for it. China is buying nothing and it looks as though the Spinners are going to have a difficult time in placing their goods. This phase of the situation must work itself out a little better before there will be much demand for cotton even at low prices, and I do not anticipate much movement from the States until a better market can be found for cotton goods and cotton yarn. Great Britain exports three quarters of the cotton which she manufactures, which will give you some idea of the necessity of finding an outside market if they would keep their mills employed. "

Mr. Hurlbut. - St. Louis, Oct. 1, 1914.

" English houses are buying a few small lots of cotton, but are holding back purchases and shipments until bankers abroad give them adequate banking facilities for handling their business. Recent letters from English houses to their American partners indicate an optimistic feeling as to an early resumption of usual activity in the cotton trade. The big German houses are not trying to handle cotton at present. Mr. Marcus of Heineken & Vogelsang representative at Dallas stated the head office in Germany wrote him the German Government had strictly forbidden business men from buying goods to be shipped from foreign ports, unless such purchases were made against credits already in these countries. Bankers in Memphis say firms with Russo-German affiliations are expecting to do a big amount of business later in the season.

The "Buy-a-Bale" movement seems to be growing throughout the country. I note by newspapers a meeting is to be held in New York to consider the advisability in joining in the scheme. It is plain to me the plan will prove a "boomerang" to the South. Not alone will it draw money out of principal centers there, but it will postpone payments to country merchants. As compared to the

millions of bales which will have to be carried over, only an infinitesimal proportion of total will be bought outside cotton growing states. Mr. Thomas West, Jr., told me today the St. Louis Union Trust Co., acting as depository for St. Louis "Buy-a-bale" Committee had in the fund to date \$250,000.00, \$100,000 of which was contributed by the Busch family.

Mr. Brinkley Snowden, the largest property owner and richest man in Memphis, told me Monday he estimated the assured cotton crop at 15,000,000 bales. In addition to the 2,800,000 carried over from last season. He is thoroughly convinced that cotton would have sold at 8 cts., per lb., even if there had been no European war.

Mr. George R. James, banker, planter and manufacturer, in Memphis, at the beginning of the Buy-a-bale movement, sent six salesmen to visit territory in the Memphis Cotton Belt. These men covered 20 towns per day and were on the road 10 days. He permitted these salesmen to offer wagons and other farm implements to cotton growers, either for cash or for cotton at 10 cts. per lb. While sales were made by his solicitors he did not receive in payment one pound of cotton. This shows the effect of Buy-a-bale publicity on the farmers; naturally, the country merchants who supply planters with necessities are the sufferers. In years past planters have sold cotton for 5 cts. and 6 cts. per lb. and business people do not understand why farmers should not be expected to bear their proportion of present price depression. I am writing you this information as the cotton buying movement seems to be general and it is misunderstood throughout the North. It is a matter of fact that almost any planter in the South would be more than glad to contract sale for his entire crops of cotton during the next ten years at 10 cts. per lb., which would bring him a handsome profit.

My personal opinion is that the agitation for carrying the cotton crop is a tempest in a tea-pot. If conditions in the cotton situation were permitted to adjust themselves naturally, the operation could take place more easily without those un-economic and disturbing plans for assisting cotton planters.

The St. Louis bankers mentioned in above paragraphs told me of the committee now visiting New York trying to arrange for a pool to carry cotton at \$30.00 per bale. A number of Bankers gave their approval to this plan in order to offset the Buy-a-bale proposition. These men believe cotton purchased at \$30.00 per bale will be good security, and think it would place the selling power in the hands of country banks and country merchants, who in turn would be able to restrict cotton planting this next season. "

Mr. Hurlbut. Cincinnati, Oct. 5, 1914.

" Bankers in Memphis, Louisville and Cincinnati say jobbers are worrying about collections in Georgia, Alabama and Mississippi. The latter claim it is impossible to get payment of accounts owing in those States. The cotton situation in States East of the Mississippi is different from that in Texas. In Texas a majority of cotton planters own their farms and grow to some extent, other crops. In Eastern cotton states a large percentage of cotton planters are of the tenant class and grow crops from year to year entirely through the assistance of country merchants and country bankers. "

Mr. R. G. Patton, Waco, Tex. Oct. 10, 1914.

" In regard to the cotton situation in Texas, it is simply this: A large crop without an adequate market. In Central and South Texas the army worm has eaten the foliage which affects the unmaturing bolls and detracts from the quality as well as quantity. In North and Western Texas, the crop is good. I believe, however, the crop will come nearer four million bales than five million bales estimated in the Government report. The price on the small amount that is bought brings from 6 cts. to $6\frac{3}{4}$ cts., Some merchants are taking it at a better price in payment of store accounts. Much of the cotton is being held for as soon as any quantity is put on the market, the price goes down. The farmer is spoiled by the politician. He has been taught to accept too much. He is not willing to accept a loss for the year's business as other business concerns sometimes have to do. He feels at liberty to postpone payment of his own debts because the politician tells him that the price of cotton will be fixed by legislation, so it will enable him to sell at a profit. They are trying to get a law passed to limit the planting of cotton next year. This would have the effect of increasing the present crop value and teach the farmer to diversify his products.

Texas is really not in such bad shape, as we have made an excellent feed crop and the prices of livestock are high. But everyone is talking hard times and the farmer believes that he is worse off than actual conditions would warrant.

If they should by any means regulate the limited planting of cotton next year, cotton at present prices would be a great speculation. If any time you need any information from Texas, I know you feel at liberty to write me and I will be glad to be of use as far as my knowledge goes. "

Ben Harburg

A.H.Lindley & Co.,
Dealers in Everything
Lamesa, Texas, 9/15, 14

Sanger Bros.,
Dallas, Texas.

Gentlemen:

We are just in receipt of your favor in regard to placing cotton as credit on our account and we are glad to see that you have taken this step to try and relieve the situation and we are sure it will help greatly though at this point and time we cannot see our way out on account of the lack of money to pay for heading maize and picking cotton. The banks here have been all in all the year and absolutely will not advance for head cutting or cotton picking. We have tried to relieve this situation by offering to honor orders from farmers in favor of their hands but the Mexicans will not accept this. If we were able to pay cash for a part of the maize heading we could get a great deal of it on account and turn to you and others or sell for cash and get returns which would start the ball rolling and fix it so money would be ready for the picking. We have an immense crop of both feed and cotton enough of either one I am sure to meet every indebtedness of the farmer but as it is now we are tied. Our customers are after us every hour to pay cash for their feed which we cannot do. As a result many headers are leaving and that leaves us in hard shape. The farmers are all anxious to turn their cotton to us on the holding basis if they could pick it. The cotton factors only tender us \$20.00 a bale at for immediate sale or discretion and if we do that the cotton will be out of our hands and will do you no good. The writer attended several conferences while in Dallas and heard many propositions worked out but they all failed to make any allowance for the shortage of money to pick the cotton. Usually the cotton pickers are our best trade at this time now they are as scarce as other customers and we are at a loss to know what to do. We will appreciate any assistance you may be

able to offer and will suggest that if you will allow us to make draft for \$15.00 a bale for picking, we can turn cotton over to you in a hurry. Think this over and see how it appears to you.

We are trying our best to get maize to fill Mr. Berry's order but under the present conditions it will take a month to get one car.

Assuring you that we appreciate your proposition and are doing all in our power to carry it out,

Gentlemen:

We appreciate what you have agreed to do in regard to the cotton. The reason we asked for the tickets to be left here was if we should have a chance to sell the cotton the tickets would be where we could get them. I wish you would make out statement in full and attach a note due on or before Jan the first for the amt and I will attach cotton tickets at the rate of 8¢ where they are owing us we are handling it on that basis. The bonded warehouse will be in shape by the first of next week and I will send you the bonded warehouse tickets. if this is satisfactory would be glad to hear from you by return mail.

Very truly yours,

L.B.Selman & Co.

Joseph W. Floyd,
Dry Goods & Millinery

Madisonville, Texas, Sept., 17th, 1914

Sanger Bros.,
Dallas, Texas.

Gentlemen:

Referring to the note that will mature on Oct. 1st, I am forced to ask you to please extend this note for a short time as we cannot collect anything now until cotton begins to move which I trust will be real soon.

We are making a fine crop and conditions would be good in this country if we had a market for our cotton and I trust we will have this before many more days.

I regret to have to ask you to hold this note after maturity but I am forced under this condition to do so.

Trusting this will meet with your approval as I am sure it will and that this condition will soon be back normal, I am,

Yours truly,

J.W. Floyd

W.O.Stamps & Co.,
Furnishing Merchants

Ore City, Texas.

Sanger Brothers,
Dallas, Texas.

Gentlemen:

We are in receipt of your circular letter by your Mr. Connor concerning cotton and cotton warehouse receipts and we beg to advise that we expect to get our warehouse ready for cotton possibly before the 1st of the month and just as fast as cotton can be gotten in on accounts we will take pleasure in complying with your request by sending you some of our cotton warehouse receipts and we shall endeavor to divide them around so that the most good can be accomplished.

In this connection we desire to express our thanks for the favors we have received at your hands and trust that we may be able to show our appreciation in a very substantial manner which we are positive of doing if cotton will sell for any reasonable price so that our customers will be in shape to help us.

Sincerely yours,

W.O.Stamps & Company

by W.O.Stamps, Jr.

Elmore Wright

Winnsboro, Texas.

September 18, 1914

Sanger Brothers,
Dallas, Texas

Gentlemen,

I wish to no if Dallas will advance money on cotton that is insured on the weighing yard and have much on the bale. And rate of interest charged. I am paying more than the market price and want to hold untill I can get even if I can.

Thanking you in advance, I am

Yours very truly,

Elmore Wright.

.....

M. H. HARRIS
General Store,
Kirven, Texas, Sept 15, 1914

Sanger Bros.,
Dallas, Texas.

Dear Sirs,

Replying to yours, beg to state that I have practically made no collections of this year's accounts, and none have been made in our town. The cotton crops here are late and operating slowly. Work began on our warehouse this morning and will be rushed to completion.

I am offering 10¢ per # for cotton on accounts. Would you give me 10¢ on my notes? I intend doing all I can for you by the 1st of October.

Yours truly M.H.Harris

W.O.Wright

General Merchandise

Megargel, Tex. Sept 17, 1914

Sanger Bros.
Dallas, Texas.

Gentlemen,

I hold tickets for about 20 bales of cotton that my customers have left with me but they want more than 8¢, the prevailing price, hence they put them up with me and ask me to hold for them.

Now can I place these tickets with you to hold the cotton for me and ask them untill we think the price will warrant us to sell? We want to hold about 60 days yet unless the price gets better.

Yours truly,

W.O.Wright.

Berwyn Mercantile Company

Berwin, Okla.

Sanger Bros.
Texas

Gentlemen,

We possibly will not be able to pay our note to you on the date that it is due as the condition of the cotton market (as you know) is very bad. We are getting cotton every day on account but the farmers don't want to sell for what they are offered, so they leave it with us -- but it does us very little good as we can't sell it without their consent. It looks as if the market might work up to 9 or 10¢. If it does we think most of our customers will be willing to sell at that price (some of their cotton anyway) and then it wouldn't take long to raise a whole lot of money. Hoping the market will get up to a reasonable figure .

Yours very truly,

Berwyn Mercantile Co.

Holcomb & Merriwether
General Merchandise
Alto, Texas.

Sanger Brothers
Dallas, Texas.

Sept 19, 1914

Gentlemen,

I ma just in receipt of yours in regards to note. Now it is necessary ^{not}
for me to explain to you our condition down here.
But, will assure you that I will do everything possible for you just as soon as
possible.

S. M. Holcomb

Brogoitti Bros.
Groceries
Gents Furnighings

Newsome, Texas, Sept 24, 1914

Sanger Bros.
Dallas , Texas.

Gentlemen,

In regard to our note due with you on Oct 1st, for \$480.14, we will say
that we will and are doing our best to adjust same at this time. Now as condi-
tions are very bad it is impossible to give a definite answer--but you can de-
pend on us doing all we can under the present circumstances and conditions.

Yours very truly,

Brogoitti Bros.

Garrison, Texas. Sep 17, 1914

Sanger Bros,
Dallas, Texas.
Dear Sifers,

In regard to what I owe you will say you understand the proposition
we are up against. We cant get money for anything at present so I hope you will
be lenient with me until times get better. I appreciate the fact that you have
been very patient with me and I hope in the near future to pay you in full and do
some business with you.

Your friend,

M. P. Hamilton.

BRUCE & CLYMER

General Merchandise.

Produce a Specialty

Lane, Texas. Sept 19, 1914

Sanger Brothers,
Dallas, Texas.
Gentlemen,

Your letter received in regards to our note due Oct 1st. In reply will say these farmers all up here are carrying their cotton back home holding for a better price.

Everything and everybody advocated doing that and they have done it. Its the hardest luck we have ever been up against. However we are going to ask our friends to sell some between now and the 1st, as we are bound to have some relief. They have only sold enough to pay picking and live on. If they get a good price we will come out fairly good, but, its going to come too slow to make payments like normal. Will do our best.

Your friends,

BRUCE & CLYMER

-----v-----
C.L. Westmoreland,

Eustace, Texas. Sept 18, 1914

Sanger Bros.
Dallas, Texas.

Gentlemen,

Our account with you will soon be due. We cannot meet settlement. If conditions don't change. As the cotton market is bad and the cotton is being held in this part of the country. We hope to see conditions better soon. We wish to remain, as herebefore,

Yours truly,

C.L. Westmoreland.

G. W. TURPIN & COMPANY
Dry Goods, Groceries, Hardware, Shoes and Millinery
Graford, Texas. Sept 18, 1914

Sanger Brothers,
Dallas, Texas.

Gentlemen,

We have no warehouse, nor have we any cotton at present and there is but little cotton out; there having been no stable price, the farmers are holding until a market opens or they can borrow money. We may not be able to meet our note at maturity and will have to beg your leniency but we will pay it at the very earliest moment.

Resp'y G.W.Turpin & Company.

PICKENS & WILSON
Dry Goods and Drugs, Newport, Texas.

Sept 18, 1914

Sanger Brothers,
Dallas, Texas.

Gentlemen,

Although our town is small, our gin does a good business, ginning on an average of 2000 bales of cotton each season. Some of this cotton is brought here while a part of it is sold at Bowie. We have organized a buy a bale of cotton club and should like if possible to have you wholesale people buy through your customers here, or through Mr. B.B.Bale, President of the Club, a bale of cotton. The cotton can be properly stored and insured at Bowie, Texas.

If you wholesale people will buy a few bales to add to the few we local merchants can buy and to the number we can get our farmers to agree to hold, it will help that much. If you will buy a bale and do not want to send check or draft, we will send you weights, receipts and the growers affidavit that he received 10¢ for his bale and that he agrees to hold a bale for each bale bought at 10¢ and then charge your account with the price of the cotton.

Trusting that your interest in your customers here will justify you to buy through them a bale of cotton and in this way help to handle the cotton situation in this place, we remain,

Yours truly

Pickens & Wilson.

C.D. DeWitt
Dry Goods, Hats, Shoes, Men's Furnishings and Boy's Clothing
Alba, Texas.
Sept 18, 1914

Sanger Bros,
Dallas, Texas.

Tentlemen, In answer to your letter of the 17th, will say I carry blanket insurance on cotton. I also expect to sell cotton by October first, provided it is worth 10¢ per pound. I am paying this on accounts and the day I get out, I expect to turn it loose, however, in case the market is not as good as ten cents I would not want to sell as it would mean loss to me. In case I don't sell I expect to handle these tickets like I would money: prorate them around or anything that you think is the best interests of all concerned. Hoping this will be satisfactory,

I am, Yours very truly,

C. D. DeWitt

Nat, Texas.

Sept 17, 1914

Sanger Bros,
Dallas, Texas.

Gentlemen,

In response to your letter in regard to my note, I cannot send you money by Oct. 1st, but can send you receipts against cotton -- but please send me details as to how it will be worked out, and as to how much you will allow on the bale -- that is, how much will a bale cover, -- and, as to the interest on the note, and etc.

Yours respectfully,

M. F. Bates.

E.G. Williamson
Dry Goods, Groceries and General Merchandise
Sacul, Texas.

Sanger Bros, Dallas, Texas.
Gentlemen,

Sept 18, 1914

I am sorry but I cannot settle my account with you. Think I can settle in a few days if cotton has a market. Trusting you will be lenient with me; I assure you I mean to do the right thing. Now in case you think I mean otherwise, you write to our banker, I. Glenn, Cashier and J.T. Gregory, Merchant.

Yours truly, E. G. Williamson.

403.45-

Barnes, Hambrick & Co.

Dry Goods & Furnishings, Sept 17, 1914

Messrs. Sanger Brothers,
Dallas, Texas.

Gentlemen,

In reply to our letter of recent date regarding our note for \$840.27, which falls due Oct 1st, will say with the present outlook it will be impossible to meet this promptly, but will do the best we can. You suggested that we send you warehouse receipts or public weighmaster's tickets, but as we have only done a small credit business we could not secure enough of these to be of material benefit. We are endeavoring to secure some of these however, also to secure others, and give our customers credit for them, allowing them to trade this out with us. This however does not appeal to the farmers in our section; and the fact that cotton is selling at a little better price than ten days ago, make them expect the market to go up to about 10¢, and in case it does I think our business will soon enable us to meet all our obligations.

It is not a question of collecting for what we have sold, but we will have to sell some goods, and until we can do this we are going to be handicapped.

Please advise us if you can suggest anything that we can do that will assist us to stimulate trade and we will do all in our power to do as you wish.

Hoping that things will soon adjust themselves, and when this is done we are confident things will come around O.K.. We assure you we will do our best by you, we can and will send you what money we can, and in this way will try and be as prompt as possible.

Yours very truly,

Barnes-Hambrick & Company.

W.N.Pruett,
General Merchandise, Chico, Texas. Sept 18, 1914

Sanger Brothers,
Dallas, Texas.
Gentlemen,

Yours to hand in regard to me note Oct 1st, I am sorry I can't meet it at once as cotton is one month late in our community, but think I will be able to pay all my indebtedness this fall and winter. Cotton just began to come in this week, but the farmers are not selling it but very little. Be patient with me and all will be right.

Yours,

W. N. Pruett.

Tussy, Oklahoma
9/18.1914

Sanger Brothers.

Dear Sirs:

I see that you have drafted on me gentlemen I have not got the money if i did have i would send it to you i wrote you last week and told you all my condission there is not know cotton selling here and they have just cenance picking here goods and some has not comance yet now if you all will just give me a little time i can pay all i owe i think so hoping that you will give me some days yet i think by that time i will be able to pay it so hoping youall will be pasient with me as ever thing is tyde up now so i remain as ever yours

W.D.Upchurch

Lively & Son,
General Merchandise,

Maydelle, Texas, Sept.19th,1914

Sanger Brothers,
Dallas Texas.

Gentlemen:

Answering your letter of the 17th will say that we preparing to build us a warehouse at this place to store cotton so that we can apply cotton on our accounts but as we have always done we expect to take up our debts by installments along as we get it as we have other debts to pay, but we are sure that you understand this as you have always left it to our pleasure as to that part. We feel good over the situation while there is no market practically for cotton we have a good crop here and we are giving 10¢ on account and believe that we will get very near all that we have out in. Will begin to take care of our account as soon as we get our warehouse built.

Thanking you for past favors, we are,

Yours truly,

Lively & Son.

Wm. Mosley & Sons, General Produce
Hickory, Oklahoma September 21st, 1914

Sanger Brothers,
Dallas, Texas.

Gentlemen:

Your letter dated Sept. 17, requesting a check or cotton warehouse receipts covering our note due Oct. 1, received.

While it is not necessary to refer to the prevailing conditions we would say that cotton is at least 20 to 30 days late in maturing in our territory. However we have a good crop and picking has begun in general this morning. If we should have open weather the balance of this month we can see no reason now why we should not be able to meet your wishes with reference to the cotton receipts. We have a good warehouse to care for all of our cotton and we have complied with all of the legal requirements with reference to cotton warehouses. We will not be able to send you insurance policies from the fact that we carry blanket insurance on all of our cotton. We hope at no late date that the cotton market will get in shape so that we may be able to sell same.

Thanking you for all past favors, we beg to remain,

Yours truly,

WM. MOSELEY & SONS

Per Wm. Mosley, Sr.

W.P.Milligan,
Comission Merchant

Allen, Texas, Sept., 19, 1914

Sanger Brothers,
Dallas, Texas.

Gentlemen:

Owing to the price of cotton the farmers is not selling much cotton they are hauling nearley all of their cotton back home and holding it for 10¢ and it is making collections awful dull and have not collected a cent from this years crop yet but I think I will in a short time and as soon as I can I will pay you people some business has ben awful dull the last month and I have not done much

Yours resp,

W.P.Milligan

John S.Milton,
Staple and fancy groceries, dry goods, hats, caps, etc.

Direct, Texas, 9, 17, 14

Sanger Bros.,
Dallas, Texas.

Gentlemen:

In reply conserning my note on the 1st of Oct will say I aim to do my best to meet this when it comes due or even before if I possible can but we havent any warehouse hear or even a public weigher hear. My customers have just begin picking cotton but I think I will be able to meet this at least the most of it by than hope I will anyway.

Yours respectfully

John S.Milton

Thompson Brothers,
Frost, Texas.

Sept.18,1914

Sanger Brothers,
Dallas, Texas.

Dear Sirs:

Referring to your notice of our note of \$800.00 due Oct.1st will say that we are going to pay same just as soon as possible Would like to pay it when due however it depends on collections. Collections so far have been very slow but expect them to be better owing to better prices on cotton.

We do not deal in cotton at all but this year we are going to make an exception and buy cotton where it is placed on accounts and can be bought reasonably. We find a good many people are obligated to landlord and bank for the first cotton they get out. Cotton is much later this season than in former years.

We intend to cooperate in every way possible to make the best of the conditions.

Yours truly,

Thompson Bros.

By R.R.Thompson

W.B.Eagle & Co.
General Merchants
India, Texas, Sep.19,1914

Mess.Sanger Bros.,
Dallas, Texas,

Gentlemen:

In reply to yours of 17th in regard to note that will be due Oct 1st will say that we think now that we will be able to send you check by the first covering this note, Yours truly,

W.B.Eagle & Co.

Lacey & Wagnon,
General Merchandise

Mr. Enterprise, Texas, 9/18.14

Sanger Bros.,
Dallas.

Gentlemen:

Yours of the 17th inst to hand and will say in reply that we cant buy this cotton for less than 10¢ and unless our creditors will allow us 10¢ dont know what we are to do. The merchants and farmers have gone to the expense of building a warehouse and thought we could draw some money but we have not been able to draw any on it yet. Last year at this time we had bought over 100 bales, now we have 22 left with us. Can you help us any in handling this cotton. Some towns are paying 10¢ on accounts but we dont see how we can afford to pay 10¢ and take 8 or 8½¢. The cotton is here if we could buy it.

Please let us hear from you again and help us all you can.

Thanks for all favors.

Lacey & Wagnon

Jordan & Blizzard,
Dry Goods & Groceries,

Alba, Texas, Sept. 18th, 1914

Sanger Brothers,
Dallas, Texas.

Gentlemen:

We are in receipt of your letter of recent date calling our attention to our note due you on the first of October and in reply will say that we shall do everything in our power to meet our obligations as quickly as we can treating all our creditors as nearly alike as we can.

Cotton picking in this section is at least two weeks late and farmers are not selling but very little cotton yet. We are trying to get as much cotton as we possibly can at 10¢ on accounts. We realize that it is a great sacrifice unless the market gets better. We expect to help you some about the first, but unless conditions improve greatly, we do not think that we shall be able to meet all of the note referred to in your letter.

Thanking you for past favors, we are,

Very truly yours,

Jordan & Blizzard.

W.H.Humphries,
General Merchandise

Edgewood, Texas., Sept. 18, 1914

Mess. Sanger Bros.,
Dallas, Texas.

Dear Sirs:

Yours of the 17th inst. received relative to my note due Oct. 1. In reply will say that I have not been able to buy but one bale of cotton and at that rate I will not be able to meet my note at that time, however I will do the very best I can. The farmers here dont want to turn their cotton loose most of them hauling it home. I believe after Oct. 1st we will have to force them to put it on the market. I have offered my customers 10¢ per pound on their account and they refuse that.

Yours truly,
W.H.Humphries.

- C O P Y -

POSTAL SAVINGS SYSTEM.

Third Assistant Postmaster General.

CWC-ENS

Washington.

September 15, 1914.

Bankers Trust Company,
New York City.

Gentlemen:-

In reply to your letter of the 8th instant, you are informed that the new Federal Reserve Act provides that postal savings funds shall be deposited only in banks belonging to the Federal Reserve System. This restriction will become effective when the System begins operation, which will probably be in the near future, and no further applications to qualify for postal savings deposits are being approved unless the banks concerned have applied for membership in the Federal Reserve System. On receipt of information to the effect that the Bankers Trust Company has applied to become a member bank it may be again included in the apportionment for the New York post office as an active depository for postal savings funds.

Respectfully,

(Sgd.) A. M. Dockery,

Third Assistant Postmaster General

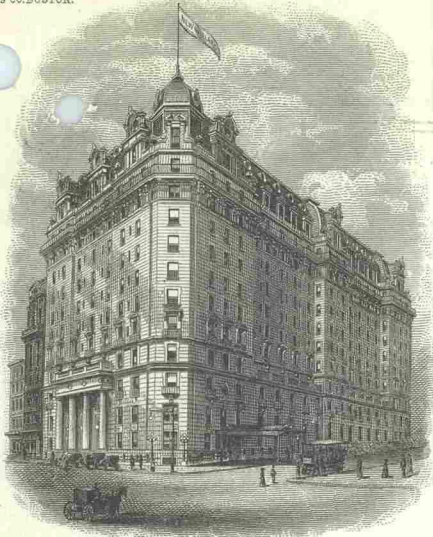
Good Fund
Committee

1914

(Extract from letter)

Fund of one hundred million gold
nearing completion, probably ten days before
first shipments possible. New York could
provide ten millions this week if we were
assured of cooperation by ~~London~~ British
Government and London Banks in
following matters. First that presently
maturing American bills can be renewed at
reasonable rates ^{if obligors desire.} Second that a policy be
adopted regarding American Credits ^{generally} which
will insure that ~~one hundred million gold~~
beyond one hundred million will not be
required. Third, that immediate steps be
taken by Government to discontinue
Embargo on purchase American Cotton.
Fourth. (That Government send representatives
here to discuss and if possible determine
policy ~~toward~~ ^{about} American Credits)

New York Committee desires
to commence negotiations with
Government and Sir George Paish



THE NEW WILLARD,
PENNSYLVANIA AVENUE, FOURTEENTH & F STREETS

WASHINGTON, D. C.,

19

F. S. HIGHT, MANAGER.

The committee appointed by the Conference of Bankers appreciates the desirability of relieving the present international exchange situation and particularly of suggesting some means of ~~preventing~~ ^{regulating} the outflow of gold. The committee at the same time realizes the necessity of promptly meeting the obligations of Banks, Corporations and Individuals to Europe thereby maintaining the high credit of this country, and demonstrating its ability to meet its obligations. For this purpose and with this object in view this committee recommends.



F. S. HIGHT, MANAGER.

THE NEW WILLARD,
PENNSYLVANIA AVENUE, FOURTEENTH & F STREETS

WASHINGTON, D. C.,

19

to the Federal Reserve Board the following plan.

That the Banks of this country especially those located in Reserve & Central Reserve cities be requested to contribute to a gold fund of \$150,000,000 ^{of which \$50,000,000} each Bank contributing a fair proportion thereof subject to call by a committee of New York Bankers to be appointed ^{by the N.Y. clearing houses} & to be charged with the handling of this fund.

Such Committee to act in respect to the various cities through a local sub-committee ^{to be appointed by the CH of the contributing cities} which in addition



F. S. HIGHT, MANAGER.

THE NEW WILLARD,
PENNSYLVANIA AVENUE, FOURTEENTH & F STREETS

WASHINGTON, D. C.,

19

to responding to the calls of the
 New York Committee will also
 supervise the shipments and
 general with drawals of Gold
 from ^{the Banks in} such cities.
 Contributing cities will have
 the right to make requisition
 through their Local Committee
~~in the appropriate cities shall have~~
 for their requirements of foreign
 exchange ^{as when the exchange is to be}
 The price ~~to be paid for exchange~~
~~to be allowed for~~
~~exchange created by the gold con~~
~~tributed to be agreed upon by~~
 New York
 Committee on behalf of all



F. S. HIGHT, MANAGER.

THE NEW WILLARD,
PENNSYLVANIA AVENUE, FOURTEENTH & F STREETS

WASHINGTON, D. C.,

19

①

of which 25,000,000 to be immediately
 paid into the Bank of Ottawa for
 the credit of the Bank of England
 for which a participation deposit
~~the~~ receipts will be furnished
 to each contributing bank.
 The remainder of the contributed
 amounts to be subject to call
 by the NY Bank through the
 local committees of the respective
 cities to be paid for in
 NY Treasury.



F. S. HIGHT, MANAGER.

THE NEW WILLARD,
PENNSYLVANIA AVENUE, FOURTEENTH & F STREETS

WASHINGTON, D. C.,

19

the contributing cities.
 Payments for Gold or for exchange
 contributed by any city to be
 made in Exchange on New York
 This committee recommends
 that the Federal Reserve Board
 take steps to ascertain the amount
 of Gold, ~~that may be expected to~~
^{for foreign} ~~that may be expected to~~
 be contributed by the respective
 Banks, and ~~to encourage such~~
^{in the respective cities} ~~use its influence to have the respective~~
~~contributions, give assurances~~
 cities contribute their proper pro rata share
 that no Gold will be called for
 by the Federal Reserve Board
 before Jan 12 1910

MEMORANDA

DEPARTMENT

for

August 20, 1914.

MR. CLOSE

I want to get information from the various note brokers of the amount of purchased paper now outstanding, so as to get an idea of the amount of renewals that will have to be handled by the banks. At the same time, if they will furnish the information, I would like to know what amount of paper on their books has matured from July 28th to August 14th inclusive, and how much their sales have been during that period. The latter information may be difficult to get, but you can explain in each instance that their name will not be used, that the information will be treated as absolutely confidential, and that it is desired for an important purpose, to be used by responsible people. It has already been furnished in strict confidence by Hathaway, Smith, Folds & Co. and I feel certain that others will furnish it without hesitation. The attached list covers the principal dealers in the various cities. We have asked the Old Colony to get the information in Boston, and suggest that you ask Waldeck to get it in Chicago, and McAllister of the Franklin National, to get it in Philadelphia. In the case of Goldman, Sachs & Co., I would suggest using Mr. Wiggin. The others on the New York list can probably all be handled by you. Should you encounter difficulty in any case please let me know.

B. S. Jr.

MEMORANDA

for

Sept. 16, 1914.

DEPARTMENT

Mr. Strong.

Mr. Mills advises me that the compilation of railroad maturities for the last four months of 1914 and for the calendar year 1915 included neither equipment bonds nor other serial maturities.

In the compilation which I made up for the period from August 20, 1914, to January 1, 1915, the equipment maturities aggregated \$16,135,000. The City Bank's total of railroad maturities from September 1, 1914, to December 31, 1914, inclusive, was \$43,831,100. My total for exactly the same period, including the equipments above noted, foots up \$43,278,000.

Mr. Mills tells me that Mr. Trumbull furnished them with a list that Mr. Trumbull already had (which, he assumes, was my list, as it came from the Bankers Trust Company.) This list the City Bank used as a basis, checking up maturities and making additions. Mr. Mills says that for the past two years they have had one of their men keeping track of all maturities as news regarding them was obtainable in all sorts of publications. The City Bank's facilities, as you can see, are vastly superior to ours, for there is no accurate compilation of maturities extant.

I desire to make this explanation lest you should get the impression that my work was carelessly done. I should also like to remind you that, at the time, I told you verbally that, in the nature of things, my list was bound to be an understatement of the total. This is shown to be correct, except in so far as my list included the equipments.

H. S. M.

I am surprised at the extent of the apparent discrepancy and I would appreciate the opportunity to examine the items in the two lists, which, Mr. Mills advises me, are solely in Mr. Trumbull's possession, Mr. Mills having kept no record.

H. S. M.

Complete

Agreement, dated the 10th day of September, 1914,
between

THE CITY OF NEW YORK, hereinafter termed the City,
acting by the Comptroller, party of the first part, and

J. P. MORGAN & CO. and KUHN, LOEB & CO., each a copart-
nership doing business in the City of New York, hereinafter
called the Bankers, parties of the second part;

Witnesseth:

PART I.

WHEREAS, The City has outstanding promissory obligations
maturing in various amounts and at various dates prior to
January 1, 1915, in London for the aggregate amount of
£13,494,327 : 16s : 0d., and in Paris for the aggregate amount
of 61,500,000 francs, and desires to obtain moneys for the pay-
ment of such obligations and of other indebtedness and for
the discharge of its obligations under improvement contracts;
and

WHEREAS, The City has requested the Bankers to undertake
to form a Syndicate to purchase from the City its promissory
obligations hereinafter described for the aggregate principal
sum of \$100,000,000:

Now, Therefore, It is agreed between the parties hereto as
follows:

FIRST. The Bankers will use their best endeavors to form
a Syndicate for the purposes of this agreement upon the terms
of a Syndicate Agreement of which a copy is hereunto annexed,
the members of such Syndicate so to be formed being herein-
after termed "syndicate subscribers."

The Bankers will furnish to the Comptroller of the City
a statement setting forth the names of the corporations, firms
and persons proposed by them as syndicate subscribers, and
the amounts of the obligations to be assumed by such syndicate
subscribers, respectively, under the Syndicate Agreement;
and the Bankers shall not accept as a syndicate subscriber any
corporation, firm or person not approved by the Comptroller.

Subject to approval by the Comptroller as aforesaid, any bank and any trust company in the City of New York, and each of the copartnerships, parties hereto of the second part and any other person, firm or corporation that the Bankers shall designate, may become a syndicate subscriber.

When syndicate subscribers approved by the Comptroller shall have been obtained by the Bankers for the total amount of the aggregate syndicate obligation, the Bankers shall give notice in writing thereof to the Comptroller, and thereupon this agreement shall become and be operative, and then and thereafter the syndicate subscribers, severally and respectively, shall become and be responsible to the City for the amount of their several subscriptions, and the only responsibility of the Bankers to the City under this agreement shall be for the amount of their respective subscriptions as syndicate subscribers. But in any event, the Bankers will manage and conduct the operations of the syndicate under this agreement.

SECOND. The City agrees to sell, and, as provided in said Syndicate Agreement, the syndicate subscribers severally shall agree to purchase and to pay for, at par, plus any accrued interest, promissory obligations to be issued by the City and delivered to the syndicate subscribers in the several amounts to which they are entitled, respectively at the office of J. P. Morgan & Co., for the aggregate principal sum of \$100,000,000, all to be dated September 1, 1914, and to bear interest at the rate of six per cent. per annum, payable semi-annually, both principal and interest being payable in gold coin of the United States of the present standard of weight and fineness, as follows:

(a) \$57,000,000 of promissory obligations issuable pursuant to the provisions of Section 189 of the Charter of the City of New York, payable September 1, 1915.

(b) \$43,000,000 principal amount of promissory obligations issuable under the provisions of Section 187 of the Charter

of the City of New York, in anticipation of revenues of the City, of which \$18,000,000 principal amount is to be payable September 1, 1916, and \$25,000,000 principal amount to be payable September 1, 1917.

Such promissory obligations of the City shall be designated and known as notes or as bonds or as bills, or any thereof may have any of such designations, respectively, as may be requested by the Bankers.

THIRD. The City agrees to issue such promissory obligations of the several classes and in the several amounts respectively above stated, and to make delivery thereof as aforesaid as of September 11, 1914.

Pending the preparation of the definitive obligations the City may deliver temporary receipts, or obligations in temporary form, entitling the holders thereof to receive, without charge, the definitive obligations as herein provided so soon as the same shall be ready for delivery.

The definitive obligations shall be in coupon and in registered form, in such amounts of each as may be requested by the Syndicate Managers. The coupon obligations are to be in denominations of \$500, \$1,000, \$5,000 and \$10,000 and the registered obligations in denominations of \$500 and multiples thereof. The coupon obligations and the registered obligations are to be interchangeable, and any obligation of a denomination greater than \$500 is to be subdivisible into obligations of lower authorized denominations.

FOURTH. Upon delivery of the obligations, payment therefor shall be made by the syndicate subscribers at par, plus any accrued interest, as follows:

1. If such subscriber be a City depository, it shall, on September 11, 1914, either (a) credit to the City, as a special deposit, the full amount due from such subscriber in payment for such obligations, or (b) make payment of said amount to another City depository as next hereinafter provided.

2. If such subscriber be not a City depository, or if being a City depository it shall elect not itself to credit the City with such special deposit, such subscriber shall make payment on September 11, 1914, of the full amount due from such Subscriber for such notes, to any City depository designated by the City, to be held by such depository as a special deposit to the credit of the City of New York.

FIFTH. The City agrees that pending the withdrawal thereof, as hereinafter provided, any and all such deposits shall be permitted by the City to remain on such special deposit with each bank or trust company crediting the same as aforesaid, and that as from time to time withdrawals of such special deposits shall be made by the City, such withdrawals from each bank and trust company respectively shall be of such amount as shall bear to the total amount of such special deposit with such bank or trust company, the same proportion that the aggregate of such withdrawals at such time shall bear to the aggregate amount of such special deposits with all of such banks and trust companies.

The depositories holding such special deposits shall allow to the City interest on daily balances at the rate of two per cent per annum.

PART II.

AND WHEREAS, In view of the European war and the derangement of international exchange caused thereby, the City desires the assistance of the said Syndicate in making payment of the said promissory obligations of the City payable in London to the amount of £13,494,327: 16s: 0d., and in Paris to the amount of 61,500,000 francs, and upon the terms of this agreement hereinbelow set forth, and upon this agreement becoming effective as hereinabove provided, the Syndicate is to undertake to pay and discharge as hereinafter provided the said London and Paris maturities, in consideration of the payment to the Bankers, for account of the Syndicate, of the aggregate sum of \$80,243,940.47:

Now, Therefore, It is further agreed between the parties hereto as follows:

SIXTH. Of the special deposits of the City in banks and trust companies, as provided for in Part I. of this agreement, the City shall reserve the aggregate amount of \$80,243,940.47 to be paid to the Bankers for the purpose of paying the said outstanding obligations payable in London to the aggregate amount of £13,494,327: 16s: 0d., and in Paris to the aggregate amount of 61,500,000 francs, maturing in various instalments prior to January 1, 1915. From time to time the City shall pay to the Bankers, or upon their order, out of such sum of \$80,243,940.47, such amounts, at such times respectively, as the Bankers shall request, in ample time to enable the Bankers to make proper provision for taking up said obligations of the City payable by their terms in London or in Paris, at the rate of \$5.035 for each pound sterling of all such obligations payable in London, and 20 cents for each franc of all such obligations payable in Paris. The Bankers may request payments by the City out of such sum of money to enable them to take up said London and Paris obligations before maturity, in which case the City, if providing the necessary funds, shall have the right to the benefit of the discount at the rate allowed by the holders of such obligations. The Bankers in behalf of the Syndicate undertake and agree that upon payment to them from time to time as aforesaid of said aggregate sum of \$80,243,940.47, all of said London and Paris maturities of the City shall be duly paid and discharged; *subject, however,* to the provisions of Article Eight of this contract. The Bankers on behalf of the Syndicate shall have the right to effect such payment of such London and Paris maturities in any manner that the Bankers shall deem advisable, in their discretion.

SEVENTH. For their services in so making such payment of such London and Paris maturities, the Syndicate shall be entitled to retain, and it may retain, out of said sums so to

be received from the City, the net profits which may be realized by the Syndicate in effecting such payment by shipping gold or by acquiring exchange on London or Paris at rates other than \$5.035 for each pound sterling and 20 cents for each franc, *provided however*, that in no event shall such net profits so retained by the Syndicate exceed an amount equal to 2% of such sum of \$80,243,940.47, and that any such net profits in excess of such 2% of such sum shall be accounted for and be paid to the City. It is expressly understood, however, that in case the performance by the Syndicate of its obligations under this Part II. of this agreement shall result in a loss to the Syndicate, such loss shall be borne wholly by the Syndicate.

In determining the said net profits there shall be deducted from the gross profit, if any, realized by the Syndicate under this Part II. of this agreement, all of the expenses of the Syndicate and the Bankers in the formation of the Syndicate and the completion of its transactions under the syndicate agreement and under this contract, including all legal expenses, and the cost of advertising for sale the obligations of the City purchased by the Syndicate; *provided, however*, that if any profits be realized by the Syndicate upon such sale, there shall be deducted from the gross profits of the transactions under this Part II. of this agreement only the amount by which the cost of the said advertising shall exceed any such sale profits.

EIGHTH. Inasmuch as the undertaking set forth in this Part II. of this agreement has been negotiated under conditions unprecedented and unforeseeable in their outcome, both Great Britain and France being at war and Paris declared in a state of siege, it is expressly understood that in the event that ocean passage between New York and England or New York and France shall not continue open to substantially the same extent as prevails at this date, and the shipment of gold or of grain or other American products from New York to England or to France shall be materially impeded, or if by reason of any

superior force further proceedings shall become impracticable, then and in that event the provisions stated in this Part II. to the extent not theretofore performed shall become and shall be terminable at the election of the Bankers, so far as concerns the obligations payable in the country to which traffic is so impeded. In the event of any such termination by the Bankers the Syndicate shall be discharged and relieved from the provisions indicated in this Part II. to the extent that the same shall not have been performed prior to such determination. Nevertheless, the Syndicate shall continue under obligation to take and pay for said \$100,000,000 of the promissory obligations of the City as aforesaid.

PART III.

NINTH. The Bankers shall receive no compensation for their services in forming or managing the Syndicate; but the Bankers may become syndicate subscribers, as hereinabove provided, and as such may share ratably with such subscribers in any profits of the Syndicate.

TENTH. The City further agrees that any and all banks and trust companies in the City of New York included in the syndicate subscribers and approved by the Comptroller as hereinabove provided, shall be designated by the fiscal authorities of the City of New York as City depositaries, to the end that the amounts paid by such banks and trust companies in the performance of their Syndicate obligations respectively, may be deposited by them as special deposits of the City as aforesaid to bear interest at the rate of 2% per annum.

ELEVENTH. This agreement shall bind and be for the benefit of the parties hereto, and the syndicate subscribers, and their successors, survivors, executors and administrators, severally and respectively.

TWELFTH. All rights and powers of the copartnerships, parties hereto of the second part, shall vest in the firms doing

business in the name of said parties of the second part respectively, and without further act or assignment shall pass to and vest in the successors of said firms, respectively, as from time to time constituted.

THIRTEENTH. Nothing in this agreement contained shall be construed as creating any trust or obligation whatever in favor of any person or corporation other than the parties hereto and the syndicate subscribers, nor any obligation on the part of the Bankers except only as herein expressly provided.

IN WITNESS WHEREOF, This contract is executed by the City of New York by the Comptroller, and the seal of the City of New York has been hereunto affixed, under and by authority of a resolution duly adopted by the Board of Estimate and Apportionment of the City of New York; and the Bankers, parties of the second part, have hereunto subscribed their respective names, the day and year first above written.

THE CITY OF NEW YORK,

[L.S.]

By WM. A. PRENDERGAST,

Comptroller.

Attest: FRANK J. GOODWIN,

Deputy City Clerk.

J. P. MORGAN & Co.

KUHN, LOEB & Co.

BOARD OF ESTIMATE AND APPORTIONMENT

CITY OF NEW YORK

Whereas, The City of New York for the purpose of meeting its outstanding temporary loans to the amount of \$100,000,000, of which there are foreign obligations to the amount of £13,310,000 and 61,500,000 francs, incurred through the issue of corporate stock notes and revenue notes heretofore issued under and pursuant to provisions of Sections 189 and 187 of the Greater New York Charter, and payable between this date and January 1st next;

And Whereas, the extraordinary situation prevailing in the financial market, due to the European War, makes it imperative to provide for the payment in gold or purchase of exchange or other arrangement for settlement at this time for the full amount of the foreign loan;

And Whereas, the City expects from time to time to become a further borrower in the market for the purpose of financing itself through ensuing years as heretofore by the issue of revenue bonds and revenue notes in anticipation of taxes and by the issue of corporate stock notes and corporate stock for permanent improvements;

And Whereas, at the present moment a world condition prevails in financial markets making it exceptionally and extraordinarily difficult to secure loans in large sums such as regularly required by the City to provide funds for the discharge of its business in anticipation of collection of taxes and issue of corporate stock, and for this reason it becomes desirable that the City of New York should maintain its credit unimpaired in this period of financial stress and to that end to conform its practices to the most conservative methods of financial management;

And Whereas, The members of this Board have contemplated the necessity of adopting a new policy with regard to the financing of permanent public improvements looking to the payment of the expense thereof in increasing proportions out of the budget of the city rather than through the issue of long term bonds, and have already adopted such practice in part, which intent was further evidenced by the statement contained in the communication addressed by the Mayor to this Board in transmittal of the executive budget on August the 14th last;

And Whereas, The present is an appropriate time for the further extension of this policy; now therefore be it

Resolved, That the Board of Estimate and Apportionment hereby declares that it will pursue the following plan in financing public improvements:

(1) The cost of all improvements of the revenue-producing class, such as rapid transit, docks, railway and water terminals and water supply, shall be defrayed by the issue of fifty-year corporate stock as heretofore.

(2) The cost of all permanent improvements, other than those of the revenue-producing class, hereafter authorized by this Board, shall be financed as follows:

(a) Those authorized subsequent to the passage of this resolution and during the year 1915 shall be paid for, three-quarters by the issue of fifteen-year corporate stock. The corporate stock so issued shall mature either in not more than fifteen years, amortized as provided by law, or in equal annual installments, during a period of not more than fifteen years. The remaining one-quarter of the cost of such improvements shall be paid through the medium of a one-year bond payable from the next annual tax budget.

(b) Those authorized in the year 1916 shall be paid for, one-half by the issue of corporate stock maturing as aforesaid. The remaining one-half of the cost of such improvements shall be paid through the medium of a one-year bond payable from the next annual tax budget.

(c) Those authorized in the year 1917 shall be paid for, one-quarter by the issue of corporate stock as aforesaid. The remaining three-quarters of the cost of such improvements shall be paid through the medium of a one-year bond payable from the next annual tax budget.

(d) The foregoing statements of policy contemplate the financing of improvements authorized during the year 1918 and subsequent years through the inclusion of the entire cost thereof in the annual budget of the city, excepting the revenue-producing improvements hereinbefore mentioned.

(3) In so far as corporate stock notes issued by The City of New York as a part of the proposed loan of \$100,000,000 shall be retired by issues of corporate stock, the corporate stock so issued shall mature as provided in clauses (a), (b) and (c) of paragraph 2 of these resolutions.

(4) The cost of public works already authorized, whether under contract or not, but in respect of which new bonds are to be issued, is to be financed in the same manner as above provided, with the exception of the cost of revenue-producing improvements hereinbefore mentioned.

Nothing herein contained shall be deemed to affect either corporate stock or assessment bonds issued to replenish the street improvement fund or the fund for street and park openings.

A true copy of resolution adopted by the Board of Estimate
and Apportionment, SEPTEMBER 11, 1914.

JOSEPH HAAG, *Secretary.*

J. P. MORGAN & CO.
Wall Street, corner Broad

KUHN, LOEB & CO.
52 William Street

New York, September 14, 1914.

CONFIDENTIAL

\$100,000,000

NEW YORK CITY LOAN SYNDICATE

Dear Sirs:

For your definite information in the premises we hand you herewith:

- (1) A copy of the formal contract dated September 10, 1914, between the City of New York and the undersigned; and
- (2) A copy of the Resolutions of the Board of Estimate and Apportionment adopted September 11, 1914, as to certain fiscal policies.

Very truly yours,

J. P. MORGAN & CO. KUHN, LOEB & CO.
Syndicate Managers.

Enclosures.

New York	45	40
Reserve & Chicago St. Louis	35	35
Reserve	<u>20</u>	<u>25</u>
	<u>100</u>	<u>100</u>

Chicago	14	
St. Louis	<u>21</u>	
	35	
Dep. 241	20% =	48
Chicago	59	118
Boston	24	48
Pha	32	64
St. Louis	235	<u>7</u>
		676

484
~~246~~ 50% 160

Canon 207

<u>NAME</u>	<u>CAPITAL</u>	<u>SURPLUS</u>	<u>AVERAGE AMOUNT CIRCULATION OUT- STANDING JUNE 7-14</u>	<u>AMOUNT EMERGENCY CIRCULATION AVAIL- ABLE TO EACH BANK BASED ON CAP. & SUR</u>	<u>PROPORTIONATE AMOUNT TO WHICH EACH INSTITU- TION WOULD BE ENTITLED UNDER THE TERMS OF THE BILL.</u>
Bank of New York, N.B.A.	\$2,000,000	\$3,000,000	\$1,464,000	\$3,536,000	\$2,000,000
Merchants National Bank	2,000,000	1,500,000	1,930,000	1,570,000	1,397,000
Mech. & Metals Nat. Bank	6,000,000	6,000,000	2,976,000	9,024,000	4,826,000
Merchants Ex. Nat. Bank	600,000	400,000	487,000	513,000	381,000
American Ex. Nat. Bank	5,000,000	3,000,000	4,548,000	3,452,000	3,175,000
Nat. Bank of Commerce	25,000,000	10,000,000	9,403,000	24,597,000	14,000,000
Chatham & Phenix Nat. Bk.	2,250,000	1,000,000	1,182,000	2,068,000	1,270,000
Hanover National Bank	3,000,000	13,500,000	1,250,000	15,250,000	6,604,000
Citizens Cent. Nat. Bank	2,550,000	1,500,000	1,977,000	2,073,000	1,600,000
National Park Bank	5,000,000	10,000,000	3,443,000	11,557,000	6,000,000
Fourth National Bank	5,000,000	5,000,000	1,975,000	8,025,000	4,000,000
Second National Bank	1,000,000	2,000,000	654,000	2,346,000	1,200,000
First National Bank	10,000,000	15,000,000	6,143,000	18,857,000	10,000,000
Irving National Bank	4,000,000	3,000,000	1,586,000	5,414,000	2,800,000
N.Y. Co. Nat. Bank	500,000	1,700,000	198,000	2,002,000	889,000
Lincoln National Bank	1,000,000	1,000,000	854,000	1,146,000	800,000
Fifth National Bank	250,000	250,000	243,000	257,000	200,000
Liberty National Bank	1,000,000	2,000,000	496,000	2,504,000	1,200,000
Coal & Iron Nat. Bank	1,000,000	200,000	398,000	802,000	508,000
Union Ex. Nat. Bank	1,000,000	700,000	395,000	1,305,000	698,000
				<u>\$116,298,000</u>	<u>\$ 63,548,000</u>

Amount of circulation outstanding... 41,747,000

Total Capital & Surplus of banks... \$158,045,000

Cross

CONDITION OF NATIONAL BANKS IN THE CITY
OF NEW YORK
ON
JUNE 30th, 1914.

BOROUGHES OF MANHATTAN AND BRONX.	CAPITAL.	SURPLUS & PROFITS.	U. S. BONDS TO SECURE CIRCULATION.	PRESENT CIRCULATION.	MAXIMUM AMOUNT OF ADDITIONAL CIRCULATION RE ALDRICH- VREELAND BILL & AMENDMENT.
Bank of N. Y., N.B. A.	\$ 2,000,000.	\$ 4,346,800.	\$ 800,000.	\$ 787,200.	\$ 5,559,600.
Merchants National Bk.	2,000,000.	2,097,700.	1,950,000.	1,879,500.	2,218,200.
Mechanics & Metals Nat. Bk.	6,000,000.	8,874,600.	5,000,000.	4,420,900.	10,453,700.
National City Bank	25,000,000.	32,916,900.	4,162,800.	3,471,200.	54,445,700.
Chemical National Bank	3,000,000.	7,755,000.	450,000.	425,000.	10,330,000.
Merchants Exchange Nat. Bk.	1,000,000.	761,800.	495,000.	472,300.	1,289,500.
National Butchers & Drovers	300,000.	111,100.	50,000.	47,000.	364,100.
American Exchange Nat. Bk.	5,000,000.	4,693,300.	4,223,000.	3,996,400.	5,696,900.
National Bank of Commerce	25,000,000.	16,690,600.	8,200,000.	7,707,300.	33,983,300.
Chatham & Phenix Nat. Bk.	2,250,000.	1,357,900.	1,200,000.	1,172,700.	2,435,200.
Hanover National Bank	3,000,000.	15,054,800.	50,000.	50,000.	18,004,800.
Citizens Central Nat. Bk.	2,550,000.	2,371,200.	1,555,100.	1,516,300.	3,404,900.
Market & Fulton Nat. Bk.	1,000,000.	1,948,100.	240,000.	59,600.	2,888,500.
Importers & Traders Nat. Bk.	1,500,000.	7,676,000.	50,000.	55,600.	9,120,400.
National Park Bank	5,000,000.	14,344,700.	3,550,000.	3,494,400.	15,850,300.
East River National Bank	250,000.	65,200.	50,000.	49,700.	265,500.
Second National Bank	1,000,000.	2,870,500.	685,000.	669,300.	3,201,200.
First National Bank	10,000,000.	23,177,700.	5,077,000.	4,974,100.	28,203,600.
Irving National Bank	4,000,000.	3,468,600.	1,600,000.	1,562,400.	5,906,200.
N. Y. County National Bk.	500,000.	1,916,800.	200,000.	196,000.	2,220,800.
Chase National Bank	5,000,000.	9,645,700.	450,000.	444,200.	14,201,500.
Lincoln National Bank	1,000,000.	1,789,800.	890,000.	851,300.	1,938,500.
Garfield National Bank	1,000,000.	1,290,100.	350,000.	341,900.	1,948,200.
Fifth National Bank	250,000.	505,000.	250,000.	232,200.	522,800.
Seaboard National Bank	1,000,000.	2,598,500.	440,000.	365,100.	3,233,400.
Liberty National Bank	1,000,000.	2,844,800.	500,000.	477,900.	3,366,900.
Coal and Iron National Bk.	1,000,000.	604,800.	400,000.	391,500.	1,213,300.
Union Exchange National Bk.	1,000,000.	1,008,000.	400,000.	395,900.	1,612,100.
Battery Park National Bk.	200,000.	116,800.	200,000.	195,400.	121,400.
Bronx National Bank	200,000.	255,500.	50,000.	48,400.	407,100.
Gotham National Bank	200,000.	163,000.	200,000.	199,800.	163,200.
Harriman National Bank	500,000.	887,600.	100,000.	92,200.	1,295,400.
Sherman National Bank	200,000.	79,900.	175,000.	170,600.	109,300.
TOTAL BOROUGHES OF MANHATTAN AND BRONX -	\$112,900,000.	\$174,288,800.	\$43,992,900.	\$41,213,300.	\$245,975,500.
TOTAL ALL OTHER BOROUGHES	3,402,000.	4,210,300.	1,677,000.	1,657,600.	5,954,700.
TOTAL CITY OF NEW YORK -	116,302,000.	178,499,100.	45,669,900.	42,870,900.	251,930,200.

CONDITION OF NATIONAL BANKS IN THE CITY
OF NEW YORK
ON
JUNE 30, 1914.

OTHER BOROUGHS	CAPITAL	SURPLUS & PROFITS	U. S. BONDS TO SECURE CIRCULATION	PRESENT CIRCULATION	MAXIMUM AMOUNT OF ADDITIONAL CIRCULA TION RE ALDRICH- VREBLAND BILL & AMENDMENT.
Nassau Natl. Bank, Bklyn	\$ 1,000,000.	\$ 1,121,700.	\$ 267,000.	\$ 267,000.	\$ 1,854,700.
First Natl. Bank "	300,000.	674,700.	300,000.	300,000.	674,700.
Manfrs. Natl. Bank "	252,000.	943,500.	250,000.	245,900.	949,600.
National City Bank "	300,000.	587,500.	120,000.	120,000.	767,500.
Greenpoint Point N.B. "	200,000.	138,700.	50,000.	50,000.	288,700.
Peoples Natl. Bank "	200,000.	147,800.	50,000.	50,000.	297,800.
Ridgewood " " "	100,000.	50,100.	100,000.	97,700.	52,400.
Bayside " " L.I.	25,000.	12,000.	25,000.	22,600.	14,400.
Commercial Natl. L.I. City	200,000.	107,400.	50,000.	49,900.	257,500.
First Natl. Corona, L.I.	100,000.	58,300.	45,000.	44,500.	113,800.
First Natl. Jamaica, L.I.	100,000.	27,000.	50,000.	50,000.	77,000.
First Natl. Ozone Park, L.I.	50,000.	28,600.	50,000.	47,200.	31,400.
First Natl. Whitestone, L.I.	50,000.	27,200.	12,500.	12,500.	64,700.
Flushing Natl. L.I.	100,000.	23,000.	100,000.	100,000.	23,000.
Natl. Bank of Far Rockaway LI	50,000.	42,700.	12,500.	12,000.	80,700.
Marine Harbor Natl. S.I.	50,000.	15,400.	20,000.	19,300.	46,100.
Port Richmond Natl. "	100,000.	86,500.	25,000.	24,300.	162,200.
Richmond Borough Natl. "	100,000.	27,500.	40,000.	38,300.	89,200.
Stapleton Natl. "	100,000.	75,900.	100,000.	96,400.	79,500.
Tottenville Natl. "	25,000.	14,800.	10,000.	10,000.	29,800.
TOTALS	\$3,402,000.	\$4,210,300.	\$1,677,000.	\$1,657,600.	\$5,954,700.

NATIONAL BANKS.

	1	2	3	4	5
	Average Total Reserve.	Proportion carried with Reserve Agents.	Proportion of balance in Gold and gold certificates.	Proportion of balance in Legal Tenders.	Aggregate amount of gold and gold certificates.
Name of City	Per cent	Per cent	Per cent	Per cent	Amount
New Orleans.....	29.	16.	47.	18.	1,613,000
Oklahoma City.....	30.	13.	13.	14.	653,000
Philadelphia	25.6	46.1	72.2	9.1	26,814,000
Pittsburg.....	22.05	42.	25.20 42.80	18.	16,285,337.50
Portland, Ore.....	22.6	7.26	13.6	.22	5,267,355
Pueblo.....	Not given (In money)				945,000
Richmond.....	17.75	6.35	9.40	2.	2,980,000
Salt Lake City.....	24.9	52.	73.	3.	990,000
Omaha.....	28.	52.50	60.8	39.2	2,872,275
So. Omaha.....					
San Antonio	24.96	7.63	9.63	3.32	1,135,000
San Francisco.....	23.	39.	97.	3.	15,180,000
Savannah.....					
Seattle					
Sioux City.....	23.	50.	70.	8.	883,000
Spokane.....	34.8	7.7	14.3	1.	1,736,947
St. Joseph.....	28.76	52.	59.65	19.70	901,000
St. Paul.....	23.50	48.	72.	21.	4,800,000
Tacoma.....	23.3	7.6	13.1	1.4	862,000
Topeka		32.	20.		
Waco.....	24.50	31.	38.	21.	381,000
Wichita.....	29.	57.	68.	19.	463,000
Chicago.....	24.		38.1	28.1	30,821,960
New York.....	In money				156,704,000
St. Louis.....	25.	In money :			

343,531,221

a Gold Certificates
b Gold coin.
c Of time deposits
d " demand "
e " " "
f " time "
g " savings "
h " commercial account
k When acting as reserve agent.

STATE INSTITUTIONS.

1	2	3	4	4	4	5
Reserve Requirement How composed. See also Foot note. #	Average Total Reserve Carried.	Proportion With Reserve Agents.	Proportion of balance in Gold and gold certificates.	Proportion of balance in Legal Tenders.	Proportion of Balance in National Bank notes.	Amount of Gold and gold certificates.
Per : cent :	In : vault. :	With Agts. :	Per cent :	Per cent :	Per cent :	Per cent :
25.	8	17.	31.	23.	33.	22.
25.	1/3	2/3	29.	18	:	:
7 1/2	12 1/2	:	19.1	59.6	73.6	9.3
9.7	:	:	5,232,000	:	:	:
No report	:	:	:	:	:	:
25	1/3	21.	24.7	14.3	^a 8.4	.17:
20	1/5	4/5	:	:	:	:
15	:	:	11.85	6.60	^a 2.40	3.
20	1/8	:	23.	64.	:	1.32:
20	2/5	:	33.	74.	43.50	25.
:	:	:	:	:	:	32.
27 1/2	:	:	18.25	.50	:	2.
20	8.	12.	28.	61.	70.	16.
:	:	:	:	:	:	5.
:	:	:	:	:	:	:
20	8f	25.	19.	75.	32.	50
20	5f	:	44.3	26.5	72.8	5.8
15.	:	:	25.	60.	10.50	18.50:
20.	10.	10.	41.	48.	26.	55.
20.	:	:	23.2	14.1	6.4	18.
25.	1/4	3/4	:	60.	21.	22.
25.	10	15	24.	12.	19.	18.
25.	6 1/4	:	40.	68.	14.	22.
:	:	:	12.4	:	64.	20.
:	:	:	:	:	:	26.
:	:	:	:	:	:	:
25.	15.	:	:	:	:	:

144,699,557.50

STATE INSTITUTIONS.

How composed See also Foot note.	#	Average Total Reserve car- ried.	Proportion with Reserve Agts.	Proportion of balance in Gold and Gold certificates.	Proportion of balance in Legal Tenders.	Proportion of Balance in National Bank notes.	Amount of Gold and Gold certificates.
In vault.	With Agts.	Per cent	Per cent	Per cent	Per cent	Per cent	Amount
		40.	19.			16.	
5	10						
8	12						8,493,000
	3/4	12.50	70.	27.	21.	26.	70,000
6	9	15.	70.	99.	6.	12.	637,000
6	12	14.15	62.	29.50	19.	31.	1,974,000
5		24.5	14.7	3.2	2.7	1.7	274,870
10		32.	19.2	3.50	.43	5.1	100,885
20		29.	61.	17.6	2.	5.8	770,000
1/4	3/4	22.	60.	15.	20.	30.	125,000
10		31.					29,600
10	15	58.	16.	21.	4.	16.	
							133,000
							105,000
2/5	3/5	30	66.	31.	30.	30.	29,600
		42.98	34.	8.98	2.03	3.	91,075
1/3	2/3	25.25	54.25	14.87	9.87	13.87	688,800
		24.4	66.4	17.	15.		1,573,000
		28.7	19.7	4.2	1.8	2.9	137,000
1/3	2/3	11.	5.	6.			5,000

NATIONAL BANKS.

Name of City	1		2		3		4		5	
	Average Total. Reserve.	Per cent.	Proportion carried with Reserve Agts.	Per cent.	Proportion of balance in Gold and gold certificates.	Per cent.	Proportion of balance in Legal Tenders	Per cent.	Aggregate amt. of gold and Gold certifi- cates.	Amount
Albany....(See New York, clears through New York)										
Atlanta	22.8		10.		6.2		6.6		1,032,000	
Baltimore	23.		9.06		6.98		2.78		4,402,21250	
Boston.....									16,847,000	
Brooklyn .(Telegram undelivered. It is believed Brooklyn clears through N. Y										
Cedar Rapids.....	26.		72.		45.		25.		290,000	
Cincinnati.....	24.90		40.		74.		4.		6,100,000	
Cleveland			42.		32.		10.50		5,828,000	
Columbus, O.	22.1		8.		6.8		3.4		1,696,145	
Dallas	23.9		9.2		11.5		1.6		2,130,348	
Denver.....	27.		28.50		50.		8.		5,668,000	
Des Moines.....	30.		60.		25.		18.		700,000	
Detroit.....	In money:									
Dubuque.....										
Fort Worth.....	21.								306,510	
Galveston.....	37.		13.		14.		1.50		705,741	
Houston.....	23.6		8.6		66.		7.		2,970,000	
Indianapolis.....	(N. B. and State combined)									
Kansas City, Kans. :										
Kansas City, Mo. :	20.		In money:						^a 2,117,000 ^b 1,914,000	
Lincoln.....	21.		49.		63.		23.		379,000	
Los Angeles.....	26.05		8.97						6,462,200	
Louisville	24.72		44.50		28.		11.25		1,956,825	
Milwaukee.....	20.5		47.6		33.8		7.		3,157,000	
Minneapolis.....	20.8		9.5		^a 4.6 ^b 3.1		3.6		6,189,000	
Muskogee.....	20.6		52.		^a 40. ^b 25.		11.		392,365	

divide by Countries and use for the following - (including Canada)

Bank balances due us -

" " " Them -

Bills matured } Each way -
" maturing }

Commercial Credits due -

" " to mature -

Securities maturing (list) -

Coupons ^{and divs} payable abroad -

Freights -

Income tax payments -

Sterling Loans Finance bills -

Stock Exch. Contracts -

Contracts for futures -

Distribution

Transportation and Car..... \$301.00
Other general expenses..... 34.40
\$335.40
Commissary..... 33.16
\$368.56

	<u>Car, etc.</u>	<u>Commissary</u>	<u>Total</u>
Mr. Strong	\$83.85	\$8.29	\$92.14 ✓
" Benedict	83.85	8.29	92.14 ✓
" Brown	83.85	8.29	92.14 ✓
" Ryan	41.93	8.29	50.22
" Chubb	41.92	..	<u>41.92</u>
			<u>\$368.56</u>

NATIONAL BANKS, BANKS AND TRUST COMPANIES

MEMBERS OF CLEARING HOUSE.

	<u>Net Deposits</u> <u>Aug. 1, 1914.</u>		<u>80% of Previous</u> <u>Column</u>	<u>Gold</u> <u>Liability</u>
Bank of New York, N.B.A.....	\$20,668,000.	820,000.	656,000.	658,000
Bank of Manhattan Company.....	41,900,000.	1,662,000.	1,330,000.	1,333,654
Merchants National Bank.....	21,158,000.	840,000.	672,000.	674,049
Mechanics & Metals National Bank....	85,528,000.	3,394,000.	2,715,000.	2,723,479
Bank of America.....	26,499,000.	1,052,000.	842,000.	844,166
National City Bank.....	196,234,000.	7,788,000.	6,230,000.	6,249,399
Chemical National Bank.....	24,790,000.	984,000.	787,000.	789,600
Merchants Exchange National Bank....	8,858,000.	352,000.	282,000.	282,459
National Butchers & Drovers Bank....	2,171,000.	86,000.	69,000.	69,009
Greenwich Bank.....	10,822,000.	429,000.	343,000.	344,247
American Exchange National Bank.....	47,890,000.	1,900,000.	1,520,000.	1,524,635
National Bank of Commerce.....	117,971,000.	4,682,000.	3,746,000.	3,757,022
Pacific Bank.....	4,927,000.	196,000.	157,000.	157,278
Chatham & Phenix National Bank.....	21,852,000.	867,000.	694,000.	695,715
Peoples Bank.....	2,313,000.	92,000.	74,000.	73,824
Hanover National Bank.....	88,412,000.	3,509,000.	2,807,000.	2,815,760
Citizens Central National Bank.....	21,819,000.	866,000.	693,000.	694,913
Market & Fulton National Bank.....	9,257,000.	367,000.	294,000.	294,495
Metropolitan Bank.....	11,595,000.	460,000.	368,000.	369,122
Corn Exchange Bank.....	75,814,000.	3,009,000.	2,407,000.	2,414,540
Importers & Traders National Bank...	24,077,000.	955,000.	764,000.	766,330
National Park Bank.....	91,241,000.	3,621,000.	2,897,000.	2,905,633
East River National Bank.....	1,766,000.	70,000.	56,000.	56,171
Second National Bank.....	12,625,000.	501,000.	401,000.	402,022
First National Bank.....	106,457,000.	4,225,000.	3,380,000.	3,390,307
Irving National Bank.....	48,208,000.	1,913,000.	1,530,000.	1,535,067
Bowery Bank.....	3,403,000.	135,000.	108,000.	108,329
New York County National Bank.....	9,127,000.	362,000.	290,000.	290,483
German American Bank.....	4,180,000.	166,000.	133,000.	133,205
Chase National Bank.....	115,201,000.	4,572,000.	3,657,000.	3,668,754
Fifth Avenue Bank.....	14,425,000.	572,000.	458,000.	458,995

	<u>Net Deposits</u> <u>Aug. 1, 1914.</u>		<u>50% of Previous</u> <u>Column</u>	<u>Gold</u> <u>Liability</u>
German Exchange Bank.....	\$ 3,481,000.	\$ 138,000.	\$ 110,000.	\$ 110,737
Germania Bank.....	5,582,000.	221,000.	177,000.	177,339
Lincoln National Bank.....	15,522,000.	616,000.	493,000.	494,303
Garfield National Bank.....	9,586,000.	380,000.	304,000.	304,927
Fifth National Bank.....	4,241,000.	168,000.	134,000.	134,810
Bank of the Metropolis.....	12,784,000.	507,000.	406,000.	406,837
West Side Bank.....	4,752,000.	189,000.	151,000.	151,661
Seaboard National Bank.....	29,267,000.	1,161,000.	929,000.	931,632
Liberty National Bank.....	26,680,000.	1,059,000.	847,000.	849,783
New York Produce Exchange Bank....	10,795,000.	428,000.	342,000.	343,444
State Bank.....	24,115,000.	957,000.	766,000.	767,935
Security Bank.....	12,753,000.	506,000.	405,000.	406,034
Coal & Iron National Bank.....	6,987,000.	277,000.	222,000.	222,276
Union Exchange National Bank.....	10,125,000.	402,000.	322,000.	322,581
Nassau National Bank, Brooklyn....	6,720,000.	267,000.	214,000.	214,251
Brooklyn Trust Company.....	20,788,000.	825,000.	660,000.	662,013
Bankers Trust Company.....	102,559,000.	4,070,000.	3,256,000.	3,265,929
U.S. Mortgage & Trust Company.....	28,179,000.	1,118,000.	894,000.	897,127
Astor Trust Company.....	15,590,000.	619,000.	495,000.	496,710
Title Guarantee & Trust Co.....	20,843,000.	827,000.	662,000.	663,617
Guaranty Trust Company.....	141,517,000.	5,616,000.	4,493,000.	4,506,500
Fidelity Trust Company.....	5,900,000.	234,000.	187,000.	187,771
Lawyers Title Insurance & Tr. Co...	11,883,000.	472,000.	378,000.	378,751
Columbia-Knickerbocker Trust Co...	38,688,000.	1,535,000.	1,228,000.	1,231,744
Peoples Trust Company.....	15,156,000.	601,000.	481,000.	482,266
New York Trust Company.....	29,554,000.	1,173,000.	938,000.	941,261
Franklin Trust Company.....	7,541,000.	299,000.	239,000.	239,929
Lincoln Trust Co.....	8,669,000.	344,000.	276,000.	276,039
Metropolitan Trust Co.....	20,436,000.	811,000.	649,000.	650,778
Broadway Trust Co.	<u>13,940,000.</u>	<u>553,000.</u>	<u>442,000.</u>	<u>443,749</u>
	\$1,935,821,000.	76,820,000.	61,460,000.	61,643,396

Clearing Non-Member Banks.	Net Deposits Aug. 1, 1914.		50% Previous Column	Gold Liability
Bank of Washington Heights.....	\$ 1,253,000.	\$ 50,000.	\$ 40,000.	\$ 40,122.
Battery Park National Bank.....	1,829,000.	73,000.	58,000.	58,578.
Century Bank.....	6,535,000.	259,000.	207,000.	207,831
Colonial Bank.....	7,060,000.	280,000.	224,000.	224,683
Columbia Bank.....	7,198,000.	286,000.	229,000.	229,497
Fidelity Bank.....	1,018,000.	40,000.	32,000.	32,098
Mutual Bank.....	5,494,000.	218,000.	174,000.	174,932
New Netherland Bank.....	3,571,000.	142,000.	114,000.	113,946
Yorkville Bank.....	5,063,000.	201,000.	161,000.	161,290
First National Bank, Brooklyn.....	3,338,000.	132,000.	106,000.	105,922
Citizens-Manufacturers Trust Co., Brooklyn...	10,531,000.	418,000.		335,420
Mechanics Bank, Brooklyn.....	15,291,000.	607,000.	486,000.	487,081
National City Bank, Brooklyn.....	4,536,000.	180,000.	144,000.	144,439
North Side Bank, Brooklyn.....	<u>2,638,000.</u>	<u>105,000.</u>	<u>84,000.</u>	<u>84,256</u>

NON-MEMBERS OF CLEARING HOUSE
NET DEPOSITS AS OF JUNE 30, 1914.

National Banks.

Bronx National Bank.....	\$ 995,000.	\$ 39,000.	\$ 31,000.	\$ 31,295
Gotham National Bank.....	2,405,000.	95,000.	76,000.	76,232
Harriman National Bank.....	11,562,000.	459,000.	367,000.	368,320
Sherman National Bank.....	2,139,000.	85,000.	68,000.	68,207
Greenpoint Natl. Bank, Brooklyn....	823,000.	33,000.	26,000.	26,481
Peoples National Bank, Brooklyn...	1,333,000.	53,000.	42,000.	82,529
Ridgewood National Bank " ...	1,095,000.	43,000.	34,000.	34,505
Bayside National Bank, Long Island.	221,000.	9,000.	7,000.	7,222
Commercial National Bank, L. I. City	441,000.	17,000.	14,000.	13,641
First National Bank, Corona.....	533,000.	21,000.	17,000.	16,851
" " " Jamaica.....	613,000.	24,000.	19,000.	19,259
" " " Ozone Park...	477,000.	19,000.	15,000.	15,246
" " " Whitestone...	182,000.	7,000.	6,000.	5,617
Port Richmond Nat. Bank, S. I.....	746,000.	30,000.	24,000.	24,073
Stapleton National Bank, S. I.....	<u>531,000.</u>	<u>21,000.</u>	<u>17,000.</u>	<u>16,851</u>
	\$ 2,031,375,000.	80,612,000.	64,492,000.	64,686,245

State Banks.

Bank of the United States.....	\$ 1,938,000.	\$ 77,000.	\$ 62,000.	\$ 61,788
Broadway Central Bank.....	425,000.	17,000.	14,000.	13,641
Bronx Borough Bank.....	1,956,000.	78,000.	62,000.	62,590
Bryant Park Bank.....	1,058,000.	42,000.	33,000.	33,702
Chelsea Exchange Bank.....	2,280,000.	90,000.	72,000.	72,220
International Bank.....	1,461,000.	58,000.	47,000.	46,541
Public Bank.....	8,960,000.	356,000.	284,000.	285,668
Twenty-third Ward Bank.....	1,722,000.	68,000.	54,000.	54,566
Westchester Avenue Bank.....	586,000.	23,000.	18,000.	18,456
Bank of Coney Island, Brooklyn.....	528,000.	21,000.	17,000.	16,851
Homestead Bank, Brooklyn.....	493,000.	19,000.	15,000.	15,246
Montauk Bank, Brooklyn.....	616,000.	24,000.	19,000.	19,259
Bank of Flatbush, Brooklyn.....	829,000.	33,000.	26,000.	26,481
Hillside Bank, Richmond Hill.....	460,000.	18,000.	14,000.	14,444
Bank of Long Island, Jamaica.....	<u>5,817,000.</u>	<u>231,000.</u>	<u>185,000.</u>	<u>185,364</u>
	\$2,063,126,000.	81,872,000.	65,497,000.	65,697,318

Trust Companies.

Central Trust Company.....	75,430,000.	2,993,000.	2,394,000.	2,401,701
Commercial Trust Company.....	3,255,000.	129,000.	103,000.	103,515
Empire Trust Company.....	17,431,000.	692,000.	554,000.	555,288
Equitable Trust Company.....	66,809,000.	2,651,000.	2,121,000.	2,127,267
Farmers Loan & Trust Co.....	98,179,000.	3,896,000.	3,117,000.	3,126,304
Fulton Trust Company.....	8,568,000.	340,000.	272,000.	272,829
Hudson Trust Company.....	2,477,000.	98,000.	78,000.	78,639
Mutual Alliance Trust Co.....	8,707,000.	346,000.	277,000.	277,644
Transatlantic Trust Co.....	2,054,000.	82,000.	66,000.	65,800
Union Trust Company.....	51,935,000.	2,061,000.	1,649,000.	1,653,828
United States Trust Company.....	58,469,000.	2,320,000.	1,856,000.	1,861,659
Citizens Trust Co., Brooklyn.....				
Hamilton Trust Co., Brooklyn.....	5,995,000.	238,000.	190,000.	190,981
Home Trust Co., Brooklyn.....	2,912,000.	116,000.	93,000.	93,083
Kings County Trust Co., Brooklyn....	15,538,000.	617,000.	494,000.	495,105
Queens County Trust Co., Jamaica....	<u>1,997,000.</u>	<u>79,000.</u>	<u>63,000.</u>	<u>63,393</u>
	\$2,519,936,000.	100,000,000.	80,000,000.	80,243,940

Crossed Out.

Flushing National Bank.....	\$ 8,000.	\$ 6,420.	
+ National Bank of Far Rockaway..	28,000.	22,465.	+ These banks were unable to take the proportionate liability allotted to them and the amount was reduced as indicated.
+ Mariners Harbor National Bank..	9,000.	7,222.	
+ Richmond Borough Nat. Bank.....	13,000.	10,432.	
+ Tottenville National Bank.....	9,000.	7,222.	
Bank of Europe.....	57,000.	69,512.	
Cosmopolitan Bank.....	15,000.	14,444.	
N. Y. Life Insurance & Trust Co.	<u>1,249,000.</u>	<u>1,002,247.</u>	
	\$ 1,421,000.	1,140,267.	

Added in place of above.

National Bank of Far Rockaway..	15,000.	12,037.
Tottenville National Bank.....	3,000.	2,407.
Richmond Borough Nat. Bank.....	12,000.	9,629.
Mariners Harbor Nat. Bank.....	5,000.	4,012.
J. P. Morgan & Co.....	693,000.	556,091.
Kuhn, Loeb & Co.....	<u>693,000.</u>	<u>556,091.</u>
	\$ 1,421,000.	1,140,267.

The following statement of Cash Reserves is based upon the report of the Comptroller of the Currency, showing the condition of National Banks on December 3, 1907.

<u>Central Reserve Cities-</u>	<u>Cash</u> <u>Required</u>	<u>Cash</u> <u>On Hand</u>	<u>Excess</u>	<u>Deficit</u>	<u>Percentage</u> <u>Excess Cash</u>
New York City.	\$206,098,000	\$180,448,000	...	\$25,650,000	..
Chicago.....	56,591,000	54,792,000	...	1,797,000	..
St. Louis.....	25,774,000	21,826,000	...	4,948,000	..
	<u>\$289,463,000</u>	<u>\$257,066,000</u>	<u>...</u>	<u>\$32,397,000</u>	<u>..</u>
 <u>Reserve Cities-</u>					
Boston.....	\$20 974 000	\$17 468 000	...	\$ 3 506 000	..
Albany.....	3 058 000	2 000 000	...	1 058 000	..
Brooklyn.....	1 726 000	2 046 000	320 000	...	..
Philadelphia...	24 704 000	18 907 000	...	5 897 000	..
Pittsburg.....	18 056 000	17 030 000	...	1 026 000	..
Baltimore.....	6 025 000	5 579 000	...	446 000	..
Washington.....	2 703 000	4 785 000	2,082,000	...	77%
Savannah.....	170 000	261 000	91 000	...	..
New Orleans....	2 489 000	3 025 000	536 000	...	..
Louisville.....	2 408 000	2 468 000	60 000	...	..
Dallas.....	1 499 000	1 683 000	184 000	...	..
Fort Worth.....	965 000	1 162 000	197 000	...	..
Galveston.....	231 000	486 000	255 000	...	110.3
Houston.....	1 464 000	2 077 000	613 000	...	..
San Antonio....	907 000	1 957 000	1 050 000	...	115.7
Waco.....	383 000	655 000	272 000	...	..
Cincinnati.....	6 141 000	6 046 000	...	95 000	..
Cleveland.....	5 718 000	5 156 000	...	562 000	..
Columbus.....	2 332 000	2 508 000	176 000	...	..
Indianapolis...	3 072 000	5 118 000	2 046 000	...	66.6
Detroit.....	2 957 000	2 471 000	...	486 000	..
Milwaukee.....	4 512 000	4 264 000	...	248 000	..
Cedar Rapids...	697 000	535 000	...	162 000	..
Des Moines.....	1 296 000	1 162 000	...	134 000	..
Dubuque.....	325 000	323 000	...	2 000	..
Minneapolis....	5 468 000	6 092 000	624 000	...	..
St. Paul.....	5 726 000	4 648 000	922 000	...	..
Kansas City, Kan.	1 044 000	1 033 000	...	11 000	..
Wichita.....	518 000	633 000	115 000	...	..
Kansas City, Mo.	4 990 000	5 799 000	...	1,191 000	..
St. Joseph.....	1 199 000	1 071 000	...	128 000	..
Lincoln.....	703 000	832 000	129 000	...	..
Omaha.....	4 086 000	6 934 000	2 848 000	...	69.7
Denver.....	5 061 000	7 520 000	2 459 000	...	48.5
Pueblo.....	1 019 000	1 127 000	108 000	...	..
Salt Lake City..	1 209 000	1 818 000	609 000	...	..
Los Angeles....	4 051 000	6 473 000	2 422 000	...	59.7
San Francisco..	5 118 000	9 600 000	4 482 000	...	87.7
Portland.....	1 979 000	4 306 000	2 327 000	...	117.5
Seattle.....	2 893 000	4 090 000	1 197 000	...	..
	<u>\$157 876 000</u>	<u>\$169 048 000</u>	<u>\$26 124 000</u>	<u>\$14 932 000</u>	<u>..</u>

<u>Country Banks-</u>	<u>Cash Required</u>	<u>Cash On Hand</u>	<u>Excess</u>	<u>Deficit</u>	<u>Percentage Excess Cash</u>
Maine.....	\$2 876 000	\$2 800 000	\$ 924 000	...	49.2
New Hampshire..	1 111 000	1 908 000	797 000	...	71.7
Vermont.....	916 000	1 499 000	583 000	...	63.6
Massachusetts..	6 748 000	10 707 000	5 959 000	...	88.6
Rhode Island...	1 230 000	1 946 000	716 000	...	58.2
Connecticut....	5 123 000	5 697 000	2 574 000	...	82.4
	<u>\$15 004 000</u>	<u>\$24 557 000</u>	<u>\$9 553 000</u>	<u>...</u>	
New York.....	14 066 000	20 424 000	6 558 000	...	45.2
New Jersey.....	7 720 000	10 666 000	2 946 000	...	38.1
Pennsylvania...	20 253 000	52 796 000	12 543 000	...	61.9
Delaware.....	553 000	1 057 000	504 000	...	91.1
Maryland.....	1 650 000	2 393 000	743 000	...	45.
Dist. of Columbia	64 000	196 000	132 000	...	206.2
	<u>44 506 000</u>	<u>67 532 000</u>	<u>23 236 000</u>	<u>...</u>	
Virginia.....	5 536 000	5 832 000	2 296 000	...	65.
West Virginia..	1 996 000	5 551 000	1 555 000	...	77.9
North Carolina..	1 113 000	2 418 000	1 505 000	...	117.2
South Carolina..	714 000	1 444 000	730 000	...	102.2
Georgia.....	1 692 000	4 581 000	2 989 000	...	187.7
Florida.....	1 007 000	1 836 000	829 000	...	82.5
Alabama.....	1 442 000	5 879 000	2 437 000	...	169.
Mississippi....	618 000	1 240 000	650 000	...	103.2
Louisiana.....	765 000	1 212 000	447 000	...	58.6
Texas.....	5 100 000	12 518 000	7 418 000	...	145.4
Arkansas.....	684 000	1 456 000	772 000	...	112.8
Kentucky.....	1 885 000	5 440 000	1 555 000	...	82.4
Tennessee.....	2 414 000	4 734 000	2 520 000	...	96.1
	<u>22 858 000</u>	<u>48 141 000</u>	<u>25 283 000</u>	<u>...</u>	
Ohio.....	9 096 000	14 704 000	5 608 000	...	61.6
Indiana.....	5 246 000	10 574 000	5 328 000	...	101.5
Illinois.....	8 925 000	15 854 000	6 929 000	...	77.6
Michigan.....	4 020 000	6 418 000	2 398 000	...	59.6
Wisconsin.....	4 243 000	6 046 000	1 803 000	...	42.4
Minnesota.....	5 726 000	6 394 000	2 668 000	...	71.6
Iowa.....	5 469 000	7 795 000	2 326 000	...	42.5
Missouri.....	1 464 000	2 786 000	1 522 000	...	90.5
	<u>42 189 000</u>	<u>70 571 000</u>	<u>28 382 000</u>	<u>...</u>	
North Dakota...	1 402 000	2 332 000	930 000	...	66.5
South Dakota...	1 298 000	2 396 000	1 098 000	...	84.5
Nebraska.....	2 806 000	4 545 000	1 739 000	...	61.9
Kansas.....	3 230 000	6 087 000	2 757 000	...	85.0
Montana.....	1 718 000	5 752 000	2 034 000	...	118.5
Wyoming.....	705 000	1 631 000	926 000	...	151.5
Colorado.....	2 102 000	5 568 000	3 466 000	...	164.8
New Mexico.....	627 000	1 344 000	717 000	...	114.5
Oklahoma.....	2 243 000	5 150 000	2 907 000	...	129.6
	<u>16 131 000</u>	<u>32 705 000</u>	<u>16 674 000</u>	<u>...</u>	
Washington.....	2 321 000	5 348 000	3 027 000	...	150.4
Oregon.....	1 055 000	2 674 000	1 659 000	...	159.9
California.....	3 511 000	7 876 000	4 365 000	...	124.5
Idaho.....	661 000	1 360 000	699 000	...	105.7
Utah.....	348 000	581 000	233 000	...	66.9
Nevada.....	272 000	704 000	432 000	...	158.8
Arizona.....	321 000	748 000	427 000	...	133.
Alaska.....	80 000	19 65 000	10 875 000	15 000	..
	<u>8 549 000</u>	<u>19 356 000</u>	<u>10 822 000</u>	<u>15 000</u>	
	<u>\$149 037 000</u>	<u>\$262 962 000</u>	<u>\$113 940 000</u>	<u>\$15 000</u>	76.

	<u>Cash</u>	<u>Cash</u>	<u>Excess</u>	<u>Deficit</u>	<u>Percentage</u>
	<u>Required</u>	<u>On Hand</u>			<u>Excess</u>
					<u>Cash</u>
New York City	\$206,098, M	\$180,448, M		\$25,650, M	
Chicago.....	56,591	54,792		1,797	
St. Louis....	26,774	21,826		4,948	
Central Reserve Cities	\$289,463 M	\$257,066 M	--	\$32,397 M	
Boston.....	\$ 20,974 M	\$ 17,468 M		\$ 3,506 M	
Albany.....	3,058	2,000		1,058	
Brooklyn.....	1,726	2,046	320, M	--	
Philadelphia.	24,704	18,807		5,897	
Pittsburg.....	18,056 M	17,030 M	....	1,026 M	
Baltimore....	6,025	5,579		446	
Washington...	2,703	4,785	2,082	.....	77.
Savannah....	170	261	91		
New Orleans.....	2,489 M	3,025 M	536 M		
Louisville...	2,408	2,468	60		
Dallas.....	1,499	1,683	184		
Fort Worth...	965	1,162	197		
Galveston.....	231 M	486 M	255 M	.....	110.3
Houston.....	1,464	2,077	613		
San Antonio..	907	1,957	1,050	.....	115.7
Waco.....	383	655	272		
Cincinnati.....	6,141 M	6,046 M	...	95 M	
Cleveland....	5,718	5,156		562	
Columbus.....	2,332	2,508	176		
Indianapolis.	3,072	5,118	2,046	.....	66.6
Detroit.....	2,957 M	2,471 M	....	486 M	
Milwaukee....	4,512	4,264		248	
Cedar Rapids	697	535		162	
Des Moines...	1,296	1,162		134	
Dubuque.....	325 M	323 M	....	2 M	
Minneapolis..	5,468	6,092	624		
St. Paul.....	3,726	4,648	922		
Kansas City, Kan.	1,044	1,033		11	
Wichita.....	518 M	633 M	115 M		
Kansas City, Mo.	4,990	3,799		1,191 M	
St. Joseph...	1,199	1,071		128	
Lincoln.....	703	832	129		
Omaha.....	4,086 M	6,934 M	2,848 M	.....	69.7
Denver.....	5,061	7,520	2,459	.....	48.5
Pueblo.....	1,019	1,127	108		
Salt Lake City	1,209	1,818	609		
Los Angeles.....	4,051 M	6,473 M	2,422 M	.....	59.7
San Francisco	5,118	9,600	4,482	.....	87.7
Portland.....	1,979	4,306	2,327	.....	117.5
Seattle.....	2,893	4,090	1,197		
Reserve Cities.....	\$157,876 M	\$169,048 M	\$26,124 M	\$14,952 M	

Report of Comptroller of the Currency, showing the condition of

National Banks on December 3, 1907.

	<u>Cash</u> <u>Required</u>	<u>Cash</u> <u>On Hand</u>	<u>Excess</u>	<u>Deficit</u>	<u>Excess</u> <u>Cash</u>
Maine.....	\$ 1 876 M	\$ 2 800 M	\$ 924 M	.....	49.2
New Hampshire.....	1 111	1 908	797	.....	71.7
Ver. ont.....	916	1 499	583	.....	63.6
Massachusetts.....	6 748 M	10 707 M	3 959 M	.....	58.6
Rhode Island.....	1 230	1 946	716	.....	58.2
Connecticut.....	3 123	5 697	2 574	.....	82.4
	<u>\$15 004 M</u>	<u>\$24 557 M</u>	<u>\$ 9 553 M</u>		
New York.....	14 066	20 424	6 358	.....	45.2
New Jersey.....	7 720	10 666	2 946	.....	38.1
Pennsylvania.....	20 253	32 796	12 543	.....	61.9
Delaware.....	553 M	1 057 M	504 M	.....	91.1
Maryland.....	1 650	2 393	743	.....	45.
District of Columbia.	64	196	132	.....	206.2
	<u>\$44 306 M</u>	<u>\$67 532 M</u>	<u>\$23 236 M</u>		
Virginia.....	3 536 M	5 832 M	2 296 M	.....	65.
West Virginia.....	1 996	3 551	1 555	.....	77.9
North Carolina.....	1 113	2 418	1 305	.....	117.2
South Carolina.....	714	1 444	730	.....	102.2
Georgia.....	1 592 M	4 581 M	2 989 M	.....	187.7
Florida.....	1 007	1 836	829	.....	82.3
Alabama.....	1 442	3 879	2 437	.....	169.
Mississippi.....	610	1 240	630	.....	103.2
Louisiana.....	765 M	1 212 M	447 M	.....	58.4
Texas.....	5 100	12 518	7 418	.....	145.4
Arkansas.....	684	1 456	772	.....	112.8
Kentucky.....	1 885	3 440	1 555	.....	82.4
Tennessee.....	2 414	4 734	2 320	.....	96.1
	<u>\$22 858 M</u>	<u>\$48 141 M</u>	<u>\$25 283 M</u>		
Ohio.....	9 096 M	14 704 M	5 608 M	.....	61.6
Indiana.....	5 246	10 574	5 328	.....	101.5
Illinois.....	8 925	15 854	6 929	.....	77.6
Michigan.....	4 020 M	6 418 M	2 398 M	.....	59.6
Wisconsin.....	4 243	6 046	1 803	.....	42.4
Minnesota.....	3 726	6 394	2 668	.....	71.6
Iowa.....	5 469	7 795	2 326	.....	42.5
Missouri.....	1 464	2 786	1 322	.....	90.3
	<u>\$42 189 M</u>	<u>\$70 571 M</u>	<u>\$28 382 M</u>		
North Dakota.....	1 402 M	2 332 M	930 M	.....	66.3
South Dakota.....	1 298	2 396	1 098	.....	84.5
Nebraska.....	2 806	4 545	1 739	.....	61.9
Kansas.....	3 230 M	6 087 M	2 757 M	.....	88.0
Montana.....	1 718	3 752	2 034	.....	118.3
Wyoming.....	705	1 631	926	.....	131.3
Colorado.....	2 102	5 568	3 466	.....	164.8
New Mexico.....	627 M	1 344 M	717 M	.....	114.3
Oklahoma.....	2 243	5 150	2 907	.....	129.6
	<u>\$16 131 M</u>	<u>\$32 705 M</u>	<u>\$16 674 M</u>		
Washington.....	2 321 M	5 348 M	3 027 M	.....	130.4
Oregon.....	1 035	2 674	1 639	.....	159.9
California.....	3 511	7 876	4 365	.....	124.3
Idaho.....	661	1 360	699	.....	105.7
Utah.....	348 M	581 M	233 M	.....	66.9
Nevada.....	272	704	432	.....	158.8
Arizona.....	321	748	427	.....	133.
Alaska.....	80	65	...	15 M	
	<u>\$ 8 549 M</u>	<u>\$19 356 M</u>	<u>\$10 822 M</u>	<u>\$ 15 M</u>	
	<u>\$149 037 M</u>	<u>\$262 962 M</u>	<u>\$113 940 M</u>	<u>\$ 15 M</u>	

New York, at the date of this statement, showed a deficit in
Reserves of \$25,650,000.; Chicago - \$1,797,000.; St. Louis - \$4,948,000.

Dec 3/07

"In explanation would say that I first figured the exact amount in cash that central reserve city, reserve city, and country banks (by States) were required to keep in their own vaults under the law, based on their deposits, as shown in the Comptroller's report at the close of business December 3, 1907. I then took the actual cash that all such banks held in their vaults. The results show that, while New York City banks were under their reserve to an amount exceeding \$25,000,000., the reserve cities as a whole were over their reserve, even though a few of them showed a shortage, and that the State banks in every State and Territory in the United States, outside of Alaska, showed an excess of cash required of 76%, or \$113,840,000. These country banks could have carried an average excess reserve over requirements of 54%, and then have divided the rest up among the three central reserve cities of New York, Chicago, and St. Louis, which would have resulted in making up their entire deficit of \$32,000,000.

Instead, therefore, of the so-called "big interests", and particularly the New York bankers, having brought on or purposely caused the panic, as has been so kindly suggested by various members of Congress, these figures show the whole trouble to have been due to actual hoarding of money by country banks in all parts of the United States, particularly in the West and South.

You will notice, in the enclosed tables, that many of the banks in the Southern and Western states carried over 100% more cash in their vaults than the law required. The banks in Georgia held 187% more cash than was necessary; in Alabama 169%, in Texas 145%, in Colorado 164%, in Oregon 159%. These figures clearly show that, while New York was making every effort to protect the rest of the country and live up to its position as a central reserve city, the country banks were all taking more than their share; and, further, that they could have carried an average excess cash reserve of over 50% and still have left enough funds for the central reserve cities to do business without friction."

Name of Bank	Reserve	Emergency Currency Outstanding	C. H. Cdfs. among Assets	C. H. Cdfs. among Liabilities	Other Extraordinary Liabilities
National Bank of Commerce	17.6%	\$15,071,000	\$11,370,000		
National City	21%	12,206,000	13,430,000		\$4,484,740
Citizens Central	36%	1,143,000		\$2,000,000	
Hanover	24%	7,802,000		30,000	2,735,000
National Park	17%	5,127,000	4,810,000		2,662,000
Importers & Traders	21%	1,060,000		1,310,000	
American Exchange	17%	3,523,000		1,620,000	1,897,000
Union Exchange	20%	1,209,000		950,000	450,000

Case 1018
43 min
Amount of purchased paper now outstanding, ⌘

Amount of paper matured from July 28th to August 14th,
inclusive, ... ⌘ *7,166,796*

→ Amount of sales, July 28th to August 14th, ⌘ *3,282,944*

35 min
Amount of paper maturing to December 31st, ⌘

Amount of purchased paper now outstanding, ^{40,997,700} \$ ✓

Amount of paper matured from July 28th to August 14th, - ^{5,617,450}
inclusive, \$ ✓

Amount of sales, July 28th to August 14th, ^{2,597,675.51} \$ ✓

Amount of paper maturing to December 31st, ^{3,775,350.9} \$ ✓

Amount of purchased paper now outstanding, \$ 3,965,000.00
Amount of paper matured from July 28th to August 14th,
inclusive, \$ 1,250,000.00
Amount of sales, July 28th to August 14th, \$ 290,000.00
Amount of paper maturing to December 31st, \$ 3,590,000.00

Amount of purchased paper now outstanding, \$ 66,000.000

Amount of paper matured from July 28th to August 14th,
inclusive, \$ 7,000.000.

Amount of sales, July 28th to August 14th, \$ 900,000.00 of

*This amount \$425,000 is actually sold and
\$475,000 is under option and may be returned*

PAPER OUTSTANDING - AUGUST 21, 1914.

On hand (G. S. & Co.)	1,647,500
Foreign Buyers	4,532,000
Private Buyers	855,000
New York City Banks	25,322,312
New York City Trust Companies	17,464,000
Arizona	5,000
Arkansas	25,000
California	5,000
Colorado	35,000
Connecticut	135,000
Delaware	25,000
Iowa	60,000
Indiana	465,000
Illinois	4,084,000
Kansas	10,000
Kentucky	40,000
Massachusetts	4,800,000
Minnesota	140,000
Missouri	205,000
Michigan	360,000
New York (Exclusive of N. Y. City)	1,736,000
New Jersey	1,474,000
Nebraska	103,000
Oregon	190,000
Ohio	1,092,000
Pennsylvania	6,125,000
Rhode Island	865,000
South Dakota	15,000
Texas	20,000
Utah	10,000
Vermont	10,000
Washington, D. C.	75,000
Wisconsin	553,000
West Virginia	25,000
Washington	90,000
TOTAL	72,597,812

Leading Dealers in Commercial Paper.

NEW YORK

- begin* → Goldman Sachs & Co.
- E. Naumberg & Co. *c*
- Holbrook & Corey *c*
- Blake Bros. & Co. *c*
- In hand* - Hathaway, Smith, Folds & Co.
- Bend & Goodwin *c*
- Bayne Hine & Co. *c*
- Campbell Heath & Co. *c*
- F. S. Moseley & Co. *c*
- Markwald & Springer *c*

CHICAGO

- A. G. Becker & Co.
 - George H. Burr & Co.
 - W. T. Rickards & Co.
- } *ask Waldeck -*

BOSTON

- Curtis & Sanger
 - W. O. Gay & Co.
 - Weil Farrell & Co.
- } *Have asked Old Colony -*

PHILADELPHIA

- Dunne Bros & Co.
 - Bodine Sons Co.
- } *ask de Alviotti - Franklin dat -*

ST. LOUIS

- McCluney & Co.

HARTFORD

- Stedman & Redfield

* 10,000,000 ?

Hold

Price of gold -

Deposit accounts -

Rate of int. -

	Out.	July 28 -	Sales	Due by Dec 31
		Aug 14 -	to	
B.S.G.	42,000.000	7,167,000	3,283,000	35,000,000
	40,000,000	5,617,000	2,598,000	37,754,000
A.S.Z.	102,000,000	7,742,500	500,000 (m)	
H.S.V.C.	72,598,600			
H.C.V.C.	14,770,000		15%	13,210,000
	3,965,000	1,250,000	290,000	3,590,000
	66,000,000	7,000,000	900,000	
B.H.V.C.		14%	20% of normal	93% -
Booth		23,994,000	9,892,000	

MATURITIES TO DECEMBER 31, 1914.

	L O N D O N		P A R I S	
	Maturing Indebtedness	Coupons	Maturing Indebtedness	Coupons
August	\$	\$	\$	\$
September	10,286,395.	* 3,863,648.19	\$ 1,323,193.00	**747,617.50
October	10,940,089		1,976,260.00	
November	29,719,088.	899,160.00	6,762,953.00	
December	12,387,829.		1,616,865.00	
	\$63,333,401.	* \$4,762,808.19	\$11,679,271.00	** \$747,617.50

* Of this amount \$747,617.50 is payable also at Paris.

** This amount is included also in the \$3,863,648 payable in London, the coupons being payable at either city.

MATURITIES TO DECEMBER 31, 1914.

	L O N D O N		P A R I S	
	<u>Maturing Indebtedness</u>	<u>Coupons</u>	<u>Maturing Indebtedness</u>	<u>Coupons</u>
August	£	£	Fcs.	Fcs.
September	2,170,000	*793,182-7-4	** 7,000,000.	A***3,865,094
October	2,310,000		10,450,000.	
November	6,225,000	184,327-16-0	35,550,000.	
December	2,605,000		8,500,000.	
	<u>£13,310,000</u>	<u>£ 977,510-3-4</u>	<u>Fcs 61,500,000.</u>	<u>Fcs.3,865,094</u>

* Of this amount £153,481:9:6 is payable also at Paris.

** This amount is included in the £793,182 payable in London, the coupons being payable at either city.

Paper Maturing

July.	28.	475,000
	29.	512,500
	30.	912,500
	31.	702,500
Aug	3	520,000
	4	400,000
	5	435,000
	6	252,500
	7	307,500
	10	845,000
	11	442,500
	12	545,000
	13	445,000
	14	947,500
		\$ 7,742,500

Salvo at G. Office' about \$500~~000~~

48% = \$ 180,000,000.-

	Loes		
Boston	26,000,000	12,500,000	
Phila	32,000,000	15,500,000	
Chic.	59,000,000.	28,500,000	
New York	242,000,000.	116,500,000	36,500,000
		80,000.	
St Louis	15,000,000.	7,000,000	
	<u>374,000,000</u>	<u>186,000,000</u>	

bal. of \$ 100,000,000
63,500,000

		1/4 Cr.	Net.
Boston	12,500,000	3,125,000	9,375,000
Phila	15,500,000	3,875,000	11,625,000
Chic	28,500,000	7,125,000	21,375,000
St Louis	7,000,000	1,750,000	5,250,000
	<u>63,500,000</u>	<u>15,875,000</u>	<u>47,625,000</u>
		47,625.	
		<u>63,500,000</u>	

488. Total
374. 5 Cities
104,000,000

3470

M. 160,000

B. 26,000

P. 32,000

C. 59,000

St. 15,000

A. 292,000.00

286

Interest

I

Dr Int on money in use as per average balance sheet		\$68,064.00
Less		
Int on balance in Chase	2201.74	
Int on balance abroad \$1705	8354.50	
		<u>10,556.24</u>
Net interest cost to date		\$57,507.76

Dr Int on money bill Nov. 30th

From 28MM to say 5MM equal 16MM for 35 das @ 6%		\$93,333.00
Int on 6MM (1MM £s London 1MM \$s here) " 2%		<u>11,600.</u>
Probable interest cost to Nov. 30		\$81,733.00

Grand total interest loss \$139,240.76

Expenses

2

Cost of shipping gold 10MM	\$8,470.
Printing, Cables, etc.	1,000.
Cost of shipping to N. Y. to date	<u>1,840.</u>
Total to date	11,310.
Cost of shipping 15MM	12,700.
Expenses (no printing)	1,000.
Cost of shipping to New York not yet notified (Figuring 30MM @ 25¢ per M or \$7500. less \$1840.)	<u>5,660.</u>
Grand Total	30,670.

Recapitulation Final (Est Nov 30, 1914). 3.

Total Interest loss	\$139,240.
Total expense	<u>30,670.</u>
Total	169,910.

Pounds 5MM equal @ .03398¢ per £

Average cost of £ equals	4.89309
Interest and expenses	<u>.03398</u>
Total estimated cost	4.92707

Recapitulation
(To date Oct. 26, 1914).

Total interest cost	\$57,500.
Total other cost	<u>11,300.</u>
Total	68,800.

£ 2MM equals 3.44

Average cost of £	4.89309
Cost	<u>.0344</u>
@	4.92749

Not Counting Interest.

5.

To date cost \$11,310.

± 2M	5,655.
Rate	<u>4,893,093.</u>
	<u>4,898,748.</u>

Estimated to Nov. 30.- 30,670.

± 5	6,134.
	<u>4,893,093.</u>
	<u>4,899,227.</u>

① Price of Eagles -

Gold in Eng. Sov. = \$ 4.86656

One oz Am. gold coin = \$ 18.6046

\$ 18.6046 @ 4.86656 = 76.5 1/2 which

is value expressed in Sterling of one oz. of Amer. gold -

Price paid prior to war was 76.5 1/2

after large stock Eagles on hand price

was dropped to 76.3 1/2 London and

76. - 1/2 Ottawa. ? Is deduction

warranted, to cover

- 1 Cost melting ? Coming -
- 2. " transferring Ottawa London
- 3 allowance for resale -

Profit Gold Pool. make figures taking
into %c. Abandon, Shipping Cost to
ny, & to Ottawa, Int. Loss, Com.
Expenses, Possible loss on
balances held after Sterling falls,
Credit 2% on balances. allow for
date etc. Exchange distributed, &
for policy, selling slowly.

³
Advances Low cost of Exch. needed.

Ins. on losses when rates low. Care
for Emergency, Policy, Bank of France.
Lumber Bank contributing and delay
in assembling gold - Less important
now. - Statist Aug 1. P. 334. -

Page 3 - missing

(4)

Cotton. Stability price of Cotton & of Exchanges both needed. Normal course of business should be restored. Points to be covered:-

no Embargo - Exchanges Open

N.Y. & Liverpool - Loan Pool

Completed (explain local situation) -

Confirmed Credits and certain discount (explain Exchange risks

and method handling Cotton Exch.) -

The New York Position -

Good Book - its history and plan
and policy -

Bill, loan transactions - and
free to pay - Care not to
compete -

Absence call loan mat.

B.H. C.F.S. -

Bank reserves -

Position with regard currency

F. R. Bancroft

Policy, F. R. Bancroft -

The Stock & Bond Market.

Stock Exch. opening -

Current debts pay in gold -

No contract to pay for Seeps in gold -

Effect on our ^{Stock} market & Collat. loans.

Cooperation by Committees &

Banks -

F. R. Bank cannot lend on Seeps -

Effect on our credit situation -

Possible £ 20,000,000 credit -

Await opening J. R. Banks -

Cotton & other trade well possible,
suffice -

Such credit if needed should
be handled by Gov Fund Com.

If J. R. Bank Strong Europe

Could this be at once and

no credit needed -

No discrim. by Prot. Eng. vs.

Amer. bills -

Commenting that in view of short term
stock of gold will be increased,

"In view of the exceptional conditions
that now prevail the B of C is giving
facilities for the shipment of gold from
New York to London by placing immediately
the amt shipped to the credit of the
shippers."

²
1/2 fine (due allowance for
cost melting and loss in
weight eagles being made)
point of eagles not being up
to standard does not arise
though as a matter fact
no coin when melted yields
full original standard.

Statist suggestion apparently
emanates from Kent. No!

For your information
Eagles were formerly bought
into view & sale as such
up to 76/5 1/2 slope for several
years past eagles only

Re paid by Bank of England
Metropolitan Club
Fifth Avenue & Sixtieth Street
for eagles deposited in
Ottawa which has criticized
in Statist newspaper of
Oct 1914.

Following is extract from cable
from London to ECG 22 Oct 1914.

"There is no suggestion Eagles
not up to standard quality,
and since eagles are
bought per ounce 9/10 fine
whereas bars are bought

bought as bullion and ~~experience~~ ~~shows~~ their value
as such in comparison with bars at banks
price $77\frac{1}{9}$ to be $76\frac{3}{4}$ which price less shipping
charges is now ~~per~~ being paid for Ottawa."

$$\begin{array}{r}
 76.4 \quad \checkmark = \\
 \quad \quad 1\frac{1}{2} \\
 \hline
 76.2\frac{1}{2} \quad \checkmark =
 \end{array}$$

Freight 3/16 2 =	.90	
Insurance 4/20 2 =	.24	
	1.14	
expressage	.36	
	.78 = 1 1/2	

$$\begin{array}{r}
 77.9 \quad \checkmark \\
 \quad \quad 1\frac{1}{2} \\
 \hline
 77.7\frac{1}{2} \quad \checkmark \checkmark
 \end{array}$$

October 10, 1914.

RE: PRICES PAID BY BANK OF ENGLAND FOR GOLD BARS.

During the past four years, The Bank of England has paid between 77:9 and $77:9-\frac{1}{4}$ for Brs. A fair London price, under the present conditions, would be about $77:9-\frac{1}{4}$, and if they desire to encourage Gold shipments, $77:9-\frac{3}{4}$. Deducting normal shipping charges would make the Ottawa price $77:7-\frac{1}{4}$ to $77:7-\frac{5}{4}$.

28

October 10, 1914.

RE: PRICES PAID BY BANK OF ENGLAND FOR GOLD COIN.

During the past four years, The Bank of England has never paid less than $76:3-\frac{1}{2}$, nor more than $76:5$. A fair average price would probably be about $76:4-\frac{1}{4}$.

The Bank of England is now paying $76:3-\frac{1}{2}$ in London and $76:0-\frac{1}{2}$ in Ottawa. They are, therefore, charging about $3-\frac{1}{4}$ per Mill for freight and insurance. This is about 1 per Mill above the usual cost of transportation and insurance.

The price, $76:0-\frac{1}{2}$ is $\frac{1}{2}$ Penny less than the parity of $77:6$, now paid for Bars.

The present bar price is the legal minimum, and the additional reduction of $\frac{1}{4}$ Penny is, therefore, equivalent to paying less for coin than the equivalent of the legal minimum for Bars.

Under the circumstances, The Bank of England should pay at least $1-\frac{1}{2}$ Pence above the present price, and would be justified, if it desires to attract Gold in paying 2 Pence above the present price. This would make the Ottawa price $76:2-\frac{1}{2}$.

On a theoretical basis, it would appear that an Ottawa price of $76:2-\frac{1}{2}$ would be equivalent to a London price of $76:5-\frac{1}{2}$. As a matter of fact, however, it would not equal that, unless the Bank of England was compelled to pay an abnormally high premium rate for insurance, and in such case, the question arises of whether they should not themselves bear the increase in expense.

English -
286

Referring to statement No. 8 and to meet the conditions outlined therein the following tentative suggestion is submitted for a credit of approximately twenty million pounds sterling.

That ninety day sight bills of exchange should be drawn on agreed acceptors in London or on the Bank of England by a committee in New York representing strong guarantors from among the National banks, trust companies and private banking firms in the United States. That as and when required to supply an unusual demand for exchange these bills should be sold by the Committee and the proceeds loaned against the obligation of stock exchange houses secured by recognized, approved stock exchange collateral, accompanied by the guarantee of the stock exchange firm to maintain a margin of at least twenty-five percent.

At the maturity of the bill if the purpose for which it was drawn was accomplished and exchange was available at normal prices, payment for the stock exchange loan could be remitted in payment of the acceptance. If exchange was not available at normal prices a request from the Committee for a renewal of the bill could be granted. The granting of this credit is predicated on the understanding that the ninety day bill would be renewed but once, but that if at the end of this period ^{and then were such that} settlement could be made

in gold only, a further renewal would be granted.

This ^{arrangement} situation contemplates a corresponding credit from this country to England if the international exchange situation should be reversed and we should be in a position to draw gold from England to an extent that would weaken England's financial position to our mutual disadvantage.

Leading Dealers in Commercial Paper.

NEW YORK

weq9m

Goldman Sachs & Co.
E. Naumberg & Co.
Holbrook & Corey
Blake Bros. & Co.
Hathaway, Smith, Folds & Co.
Bend & Goodwin
Bayne Hine & Co.
Campbell Heath & Co.
F. S. Moseley & Co.
Markwald & Springer

CHICAGO

A. G. Becker & Co.
George H. Burr & Co.
W. T. Rickards & Co.

BOSTON

Curtis & Sanger
W. O. Gay & Co.
Weil, Farrell & Co.
F. S. Moseley & Co.

PHILADELPHIA

Dunne Bros & Co.
Bodine Sons Co.

ST. LOUIS

McCluney & Co.

HARTFORD

Stedman & Redfield

Leading Dealers in Commercial Paper.

NEW YORK

wc99m

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E. Naumberg & Co.
Holbrook & Corey
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F. S. Moseley & Co -

PHILADELPHIA

Dunne Bros & Co.
Bodine Sons Co.

ST. LOUIS

McCluney & Co.

HARTFORD

Stedman & Redfield

H. S. F. & CO.

October 1, 1913	‡ 84,400,200.
January 1, 1914	84,198,651.
April 1, 1914	103,429,645.
June 30, 1914	102,964,189.

CORPORATION BOND AND NOTE MATURITIES

August 20, 1914, to January 2,
1915, inclusive.

RAILROADS

AUGUST:

27 Michigan Central RR 6 % Notes \$ 2,000,000
2,000,000.

SEPTEMBER:

1	Pennsylvania RR Equipment 4s, Series A	2,459,000
1	St.Louis & San Francisco RR 6 % Notes, \$2,600,000. (In default).	
1	Wheeling and Lake Erie 5 % Receivers' Ctfs.	101,000
15	New York Central & H R RR 5 % Notes	5,000,000
15	Chicago, Indianapolis & Louisville Ry Equipments. . .	21,000
15	Frisco Construction Equipments.	112,000
15	Georgia Southern & Florida Equipments	25,000
15	New Orleans, Texas & Mexico RR Equipments	56,000
/	Atlantic Coast Line Equipments.	225,000
	Canadian Northern Ry Equipments	255,000
	Central of Georgia Ry Equipments.	38,000
	Chicago & Eastern Illinois RR Equipments.	165,000
	Denver & Rio Grande Equipments.	75,000
	Lehigh Valley RR Equipments	250,000
	Minneapolis, St.Paul & Sault Ste Marie Equipments . .	60,000
	New York, Ontario & Western Ry Equipments	35,000
	St.Louis & San Francisco RR Equipments.	18,000
	Seaboard Air Line Ry Equipments	26,000
	Toledo, St.Louis & Western Equipments	50,000
		18,971,000

OCTOBER:

1	Erie RR 5 % Notes	4,550,000
1	Muscataine North & South Ry 6 % Notes.	425,000
1	Red River & Eureka RR 1st Mtge 5 % Bonds.	313,000
1	South Carolina & Pacific Ry 1st Mtge 6 % Bonds. . . .	104,600

Forward 5,392,600

CORPORATION BOND AND NOTE MATURITIES

OCTOBER (continued):

Forward

5,392,600.

15	Chicago, Indianapolis & Louisville Ry Equipments . . .	\$ 33,000
	Banger & Arcostock Equipments	45,000
	Buffalo & Susquehanna Ry Equipments	27,000
	Canadian Northern Ry Equipments	250,000
	Chesapeake & Ohio Ry Equipments	170,000
	Chicago & Alton RR Equipments	72,000
	Chicago & Eastern Illinois RR Equipments	124,000
	Chicago, Rock Island & Pacific Ry Equipments	265,000
	Cincinnati, Hamilton & Dayton Equipments	146,000
	Colorado & Southern Ry Equipments	52,000
	Erie RR Equipments	202,000
	Ft. Worth & Denver City RR Equipments	19,000
	Hocking Valley RR Equipments	37,000
	Iowa Central RR Equipments	15,000
	Mexican Central Ry Equipments	50,000
	Minneapolis & St. Louis RR Equipments	18,000
	Minneapolis, St. Paul & Sault Ste Marie Equipments	61,000
	Mobile & Ohio RR Equipments	90,000
	New York Central & H R RR Equipments	348,000
	New York, Ontario & Western Ry Equipments	36,000
	Pere Marquette RR Equipments	186,000
	Rutland RR Equipments	100,000
	St. Louis & San Francisco RR Equipments	361,000
	Seaboard Air Line Ry Equipments	25,000
	Texas & Pacific Ry Equipments	260,000
	Wabash RR Equipments	67,000

8,451,600

NOVEMBER:

1	Hocking Valley Ry 5 % Notes	4,000,000
1	New York Central & H R RR 5 % Notes	12,000,000
1	Pennsylvania RR Equipments	2,000,000
15	Oklahoma Central Ry 5 % Receiver's Ctfs	450,000
	Alabama Great Southern RR Equipments	74,000
	Ann Arbor RR Equipments	33,000
	Atlanta, Birmingham & Atlantic RR Equipments	30,000
	Central Vermont Ry Equipments	50,000
	Chicago & Alton RR Equipments	180,000
	Chicago, Rock Island & Pacific Ry Equipments	225,000
	Cincinnati, New Orleans & Texas Pacific Ry Equipments	162,000
	Erie RR Equipments	47,000
	Grand Trunk Ry of Canada Equipments	365,000
	Kansas City Southern Ry Equipments	72,000
	Missouri Pacific Ry Equipments	147,000
	New York Central Lines Equipments	2,000,000
	Norfolk & Western Ry Equipments	100,000
	Rock Island Improvement Co. Equipments	280,000
	St. Louis & San Francisco RR Equipments	26,000
	St. Louis, Iron Mtn & Southern Equipments	145,000
	Seaboard Air Line Ry Equipments	65,000
	Southern Ry Equipments	440,000
	Virginia & Southwestern Ry Equipments	25,000
	Virginian Ry Equipments	187,000

23,103,000

CORPORATION BOND AND NOTE MATURITIES

DECEMBER:

1	New York, Ontario & Western Ry 5 % Notes.	\$ 200,000
	Atlantic Coast Line RR Equipments	125,000
	Banger & Arcostock RR Equipments	45,000
	Carolina, Clinchfield & Ohio Ry Equipments.	130,000
	Chesapeake & Ohio Ry Equipments	215,000
	Chicago & Alton RR Equipments	113,000
	Cincinnati, Hamilton & Dayton RR Equipments	116,000
	Erie RR Equipments.	450,000
	Ft.Worth & Denver City RR Equipments.	39,000
	Kansas City Southern Ry Equipments.	92,000
	Minneapolis, St.Paul & Sault Ste Marie Equipments	51,000
	Missouri Pacific Ry Equipments.	77,000
	Norfolk & Western Ry Equipments	200,000
	Pere Marquette RR Equipments.	44,000
	Pittsburgh, Shawmut & Northern RR Equipments.	11,000
	St.Louis & San Francisco RR Equipments.	5,000
	St.Louis, Iron Mtn & Southern Ry Equipments	67,000
	Seaboard Air Line Ry Equipments	253,000
	Southern Ry Equipments.	292,000
	Texas & Pacific Ry Equipments	185,000
	Wabash RR Equipments.	43,000

2,733,000.

1915

JANUARY:

1	Richmond & Danville RR Consol. Mtge 6 % Bonds	4,722,000
1	New York Central & H R RR Equipments.	2,000,000
2	St.Louis & San Francisco 6 % Receivers' Ctfs.	3,000,000

9,722,000.

Total Railroads

\$ 55,000,000

CORPORATION BOND AND NOTE MATURITIES

I N D U S T R I A L S

1914

SEPTEMBER:

1	Johnson Company of Pennsylvania 1st Mtge 6s.	\$ 100,000
1	Miami Paper Co. 1st Conv. 5s	26,000
1	National Fire Proofing Co. 1st & Coll.Tr. 5s	125,000
1	St.Creix Paper Co. 1st 5s.	105,000
1	Studebaker Corporation 5 % Notes	400,000
2	Huntington Land & Improvement Co. 6 % Notes.	1,000,000
15	American Rolling Mill Co. 6 % Notes.	375,000

2,131,000

OCTOBER:

1	American Locomotive Co. 5 % Notes.	1,000,000
1	Canadian-Puget Sound Lumber Co., Ltd., 6 % Bonds	125,000
1	Indian Refining Co. 1st 6s	200,000
1	John Scullin Co. (St.Louis) 6 % Notes.	900,000

2,225,000

NOVEMBER:

1	Bishop-Babcock-Baker Co. Coll.Tr. 6 % Notes.	200,000
1	Cleveland Cliffs Iron Co. Coll.Tr. 6 % Notes	500,000
1	Federal Sugar Refining Co. 5 % Notes	2,500,000
1	Long Bell Lumber Co. 1st & Refunding 6 % Bonds	300,000
1	Union Oil Co. of California Coll.Tr. 6 % Bonds	450,000
	Pittsburgh Coal Co. Equipments	52,000

4,002,000

DECEMBER:

1	Agricultural Credit Co. Coll.Tr. 5 % Notes, "B"	1,800,000
1	American Malting Co. 1st 6s.	2,834,000
1	Concordia Land & Timber Co. 1st Mtge 6 % Bonds	25,000
1	Empire Steel & Iron Co. Coll.Tr. 6 % Bonds	50,000
1	J.I. Case Threshing Machine Co. 6 % Bonds	1,500,000
1	Glidden Varnish Co. 1st Mtge 6 % Bonds	25,000
1	Iroquois Iron Co. 1st Mtge 5 % Bonds	128,000
1	Standard Oil Cloth Co. 6 % Notes	100,000
1	United States Envelope Co. 1st Mtge 5 % Bonds.	50,000
1	Tennessee Copper Co. 1st Mtge 6 % Bonds.	200,000

6,712,000

CORPORATION BOND AND NOTE MATURITIES

1915

JANUARY:

1 Texas Company 1st Mtge 6 % Notes	\$ 300,000
1 Montreal Tramways and Power Co. 6 % Notes	1,350,000
1 Wm. Cramp & Sons Ship & Engine Building Co. 5 % Notes	140,000

1,790,000

Total Industrials \$ 16,860,000.

PUBLIC UTILITIES

1914

SEPTEMBER:

1 Union Natural Gas Corporation Coll.Tr. 6s.	\$ 300,000
Hudson & Manhattan RR Equipments	46,000

346,000

OCTOBER:

1 American Gas Co. Coll.Tr. 6s	1,500,000
1 Boston-Virginia Transportation Co. 1st Marine Eq. 6s	30,000
1 California-Idaho Co. 1st Coll.Tr. 5s	400,000
1 Milwaukee Coke & Gas Co. 1st 5s.	80,000
1 Niagara, Lockport & Ontario Power Co. 6 % Notes. . .	900,000
1 Paterson (N.J.) Ry Second Genl Mtge 6 % Bonds. . . .	300,000
1 Second Avenue RR (N.Y.) 5 % Receiver's Ctfs.	3,140,000
1 United Water & Light Co. Coll. 6 % Notes	200,000
1 West Side RR (Elmira, N.Y.) 1st Mtge 5 % Bonds. . . .	355,000
Chesapeake S. S. Co. Equipments.	30,000
Cincinnati Traction Co. Equipments	27,000
Hudson & Manhattan RR Equipments	25,000
Merchants & Miners Transportation Co. Equipments . .	100,000

1 Washn. Ry & Elec bonds

1,000,000 8,087,000.

NOVEMBER:

1 Delaware County Gas Co. 1st Mtge 5s.	200,000
1 Northern Ohio Traction & Light Co. Coll.Tr. 6s	100,000
20 Appalachian Power Co. Conv. 6 % Notes.	500,000

1 United Ry of St. Louis (St. L. & W.) bonds

600,000 1,400,000

DECEMBER:

1 Sacramento Valley Irrigation Co. 1st Mtge 6 % Bonds.	489,000
American Refrigerator Transportation Co. Equipments.	81,000
Mather Humane Stock Transportation Co. Equipments. .	7,000

Jan'y, Calif. Street Cable bonds

900,000 577,000
900,000

Total Public Utilities \$ 11,310,000

Grand Total \$ 83,170,000

Parish

MEMORANDA

for Mr. Strong

DEPARTMENT

Nov. 10, 1914.

Miss Walker asks me to send you bill for getting out the additional copies of the report of the special bankers' committee.

This work was divided up in small sections among the stenographers here and was completed on Saturday morning. While the girls hustled pretty lively, practically no extra time outside of regular hours was put in upon it, except by Burrell and myself, who worked until about six o'clock Saturday evening, comparing, ~~correcting~~ and assembling the pages.

The job, if done by a commercial office, would cost about \$40.00, exclusive of stationery.

This is simply for information, in case you absolutely want it. No one here knows of your inquiry, or expects any remuneration.

J.H.L.

2149
[Handwritten signature]

17

(6) The Credit of the Government. The issue of paper money, bearing the obligation of the Government, must be examined in its historical and economic aspects, and, further, with regard to the protection of the credit of the Government itself. Discussing only the latter features of this subject, what are the possibilities under the Owen-Glass bill of difficulty or disaster as contrasted with the accepted plan common to all the great European nations, of a bank note issue under Government regulation, but without the Government obligation, should this country become involved in a foreign war, a great economic disturbance, or, what is more possible, should our credit situation be subjected to the disturbing influences of a great conflict between foreign nations, how may the demand obligations of the Government created by the Owen bill affect the credit of our Government?

The bill provides that the notes shall be redeemable in gold, on demand, at the Treasury Department of the United States, or in gold or lawful money at any Federal reserve bank. The bill permits the Federal Reserve bank to authorize member banks to use Federal reserve notes or notes of the National banks as reserves. Under these conditions, any great economic disturbance in this country, or any world-wide disturbance of credit which might react upon this country's credit establishment, involves a danger to the credit of the Government, so long as the Government's obligation is attached to the notes, to the extent, in fact, that a suspension of the reserve requirements of the regional banks as permitted by the bill might involve a suspension of specie payments by the United States Government. A great European war, necessitating huge expenditures, would raise rates of interest in foreign countries that would react in turn upon our banking system, requiring the exercise of every possible measure, first, to retain our store of gold; second, to the extent that it became impaired, to enable the regional banks to pay their notes in lawful money; third, to enable the Government to redeem its lawful paper money in gold. Will a system of regional banks, which is the instrument for issuing

untold millions of Government obligations, be able to protect the Government in such an emergency, and is it not the duty of Congress to see that any legislation now enacted shall afford every means which can be devised to that end? A drain upon the gold of the country in such emergency would be due to the necessary repurchase of foreign investments, to the interruption of our foreign commerce and the disturbance of the balance of international trade, to the floating of foreign loans in this market, to the withdrawal of foreign bank credits now extended to this country, and to the imposition upon our own credit establishment of the burden of financing trade which is now largely carried by England. Gold, in this emergency, would be withdrawn through the presentation of Federal reserve notes of the regional banks, so long as they were able to furnish gold in payment, when unable to furnish gold, presumably they would exercise their right to pay in lawful money. The demand for gold would thereby be transferred to the United States, by the presentation of the lawful money. This process might necessitate the suspension of the reserve requirements as to the regional banks throughout the country. The ability of the Government to pay gold would be limited to \$150,000,000 now held in its trust fund reserve, and its ability to obtain gold from the regional banks. By what process might the Government redeem its notes in gold if the regional banks had suspended their reserve requirements and the Government were forced to rely upon its own ability to purchase gold by the use of its own obligations? The markets of Europe would be closed. Our gold supply at home would be subject to influences largely corresponding to those which now arise in this country in time of panic. We will have possibly 20,000 State institutions, who, influenced by the strain and shock to the credits of the country, due to conditions described and to the suspension of the reserve requirements of the regional banks, will at once endeavor to strengthen their gold reserves, and to do so by presenting Federal reserve notes to the regional banks and demanding gold for them. Should payment be made in lawful money, the demand would be transferred to the Government.

Our system for many years will be unable to overcome the influence of the process of hoarding on the part of State institutions which are not subject to Federal control or to the influence of regional banks.

As contrasted with this condition, if the notes are the obligation of a central bank, the absolute suspension of reserve requirements could be made without involving the credit of the United States for the redemption of the notes, and the last resort of banking practice could be safely employed before suspension of payment in gold would be forced upon the Government. The United States is already obligated for the redemption on demand in gold of a sum of paper money greater than the entire funded debt of the Government. Why add to the peril? Why offer gratuitously the credit of the United States when it is not required? Why create a note issue with a redemption fund hardly more than one-half of the amount which experience shows to be required in Europe, and then attempt to cure its defects by the endorsement of the Government?

Memos on
FR Board +
Treasury
1921

[From B Strong p.]
Jan 26. 1921

SITUATION IN THE FEDERAL RESERVE BOARD

The present membership in the Federal Reserve Board consists of:

Governor Harding - Birmingham (Atlanta Federal Reserve District)
Mr. Platt - Poughkeepsie (New York Federal Reserve District)
Mr. Miller - San Francisco (San Fran. Federal Reserve District)
Mr. Hamlin - Boston (Boston Federal Reserve District)
Mr. Rich - Cleveland (Cleveland Federal Reserve District)

And Two ex-officio members, the
Secretary of the Treasury, and
Comptroller of the Currency.

The Secretary of the Treasury retires March 4. The Comptroller of the Currency holds a recess appointment which has never been confirmed by the Senate, and a bill has recently been introduced and is now in committee to abolish the office of the Comptroller of the Currency and transfer the functions of that office to the Federal Reserve Board. Governor Harding, it is stated, has expressed his willingness to accept the presidency of another corporation. Mr. Rich has been appointed temporarily to fill a vacancy and expects shortly to leave to fulfill his work as Federal Reserve Agent and Chairman of the Federal Reserve Bank of Cleveland. The legislation to abolish the office of the Comptroller of the Currency contemplates appointing two new members of the Board in place of the Secretary of the Treasury and the Comptroller of the Currency, neither of whom would, thereafter, be ex-officio members of the Board (this I regard as a mistake as to the Secretary of the Treasury).

The situation in the Federal Reserve Board is, therefore, as follows: There are likely to be three and possibly four vacancies on March 4. Of the three members remaining, Mr. Platt is a new member, appointed during the past year, and, of course, less familiar with the work of the Board than others.

Appointments to the Federal Reserve Board are required to be

representative of the various sections of the country, geographically and with due regard to the business and economic interests of the different parts of the country, and no two members may be appointed from the same Federal Reserve District.

Dictated but not Read.

[From B. Slings Jr.]

SITUATION IN THE TREASURY.

Since the ending of the war the organization of the Treasury has been gradually disbanded, men who were serving from motives of patriotism having resigned to resume their regular occupations. This includes such men as Assistant Secretary Leffingwell, Assistant Secretary Rathbone, Assistant Secretary Davis (now in the Department of State), all of the members of the War Loan Organization and the War Savings Organization, and others who were there doing special work.

The only two left in the Department, who were brought in to assist during the war, are Assistant Secretaries Gilbert and Kelley (salaries \$5,000 each) whose promotions to the offices of Assistant Secretaries resulted from the resignation of their superior officers, Mr. Leffingwell and Mr. Rathbone, respectively. These men, I understand, hold recess appointments.

In addition, Messrs Broughton and Hand (salaries \$6,000 each) who are old Treasury Department employes, are also likely to retire, as they, together with Assistant Secretaries Gilbert and Kelley have more lucrative positions offered them in private life. It may be that Messrs Broughton and Hand could be retained if their appointments were confirmed promptly. These four men are the only four who might be regarded as indispensable, by reason of their knowledge and experience throughout the period of the war.

The Treasury Department has always been undermanned, and particularly as to men in more important positions. It will appear to me, with the expiration of the present Congress, the Department will be not only without a head, but with no responsible person there having a

continuous knowledge of the affairs of the Treasury. This is a serious handicap to any new Secretary of the Treasury, and should be considered in connection with the appointment.

(Dictated but not read)

FEDERAL RESERVE BOARD

Confidential:

It seems desirable to elaborate an earlier memorandum on the subject of the Federal Reserve Board.

The present membership of the Board consists of:

*HONORABLE DAVID F. HOUSTON, Secretary of the Treasury,
Retires March 4, 1921

*HONORABLE JOHN SKELTON WILLIAMS, Comptroller of the
Currency; Retires March 4, 1921
or earlier. It is contemplated that the office of
the Comptroller of the Currency may be abolished
under legislation now pending.

HONORABLE W. P. G. HARDING, Governor, Birmingham (Atlanta
Federal Reserve District), Democrat.
Term expires August 10, 1922
Governor Harding now has under consideration an
important position with a new corporation just
organized.

HONORABLE EDMUND PLATT, Poughkeepsie (New York Federal
Reserve District), Republican.
Term expires October 26, 1928
Mr. Platt recently was a member of the House of
Representatives and served on the Committee on
Banking and Currency, his membership on the
Federal Reserve Board dating only from
May 28, 1920.

HONORABLE CHARLES S. HAMLIN, Boston (Boston Federal Re-
serve District), Democrat.
Term expires August 10, 1926
Member of Federal Reserve Board since establishment.

HONORABLE ADOLPH C. MILLER, San Francisco, (San Francisco
Federal Reserve District), Democrat.
Term expires August 10, 1924
Has been a member of the Federal Reserve Board
since its establishment.

HONORABLE D. C. WILLS, Cleveland (Cleveland Federal Re-
serve District), Republican.
Term expires Interim appointment
Mr. Wills was appointed temporarily to fill a
vacancy in the Board and expects shortly to
resume his office of Federal Reserve Agent and
Chairman of the Board of Directors of the Fed-
eral Reserve Bank of Cleveland.

* These two are ex-officio members of the Board.

It will be observed that at an early date there will be three and possibly
four vacancies in the Federal Reserve Board. These vacancies must be filled by a

president just taking office, who will not have the benefit of the advice of a secretary of the treasury who has been conversant with the policies and affairs of the Treasury Department and the Federal Reserve Board. Section 10 of the Federal Reserve Act contains the following provisions respecting the appointment and qualifications of the members of the Federal Reserve Board:

"A Federal Reserve Board is hereby created which shall consist of seven members, including the Secretary of the Treasury and the Comptroller of the Currency, who shall be members ex officio, and five members appointed by the President of the United States, by and with the advice and consent of the Senate. In selecting the five appointive members of the Federal Reserve Board, not more than one of whom shall be selected from any one Federal reserve district, the President shall have due regard to a fair representation of the different commercial, industrial and geographical divisions of the country. The five members of the Federal Reserve Board appointed by the President and confirmed as aforesaid shall devote their entire time to the business of the Federal Reserve Board and shall each receive an annual salary of \$12,000 payable monthly together with actual necessary traveling expenses, and the Comptroller of the Currency, as ex officio member of the Federal Reserve Board, shall, in addition to the salary now paid him as Comptroller of the Currency, receive the sum of \$7,000 annually for his services as a member of said board.

"The Secretary of the Treasury and the Comptroller of the Currency shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank. The appointive members of the Federal Reserve Board shall be ineligible, during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Of the five members thus appointed by the President at least two shall be persons experienced in banking or finance. One shall be designated by the President to serve for two, one for four, one for six, one for eight, and one for ten years, and thereafter each member so appointed shall serve for a term of ten years unless sooner removed for cause by the President. Of the five persons thus appointed, one shall be designated by the President as governor and one as vice governor of the Federal Reserve Board. The governor of the Federal Reserve Board, subject to its supervision, shall be the active executive officer. The Secretary of the Treasury may assign offices in the Department of the Treasury for the use of the Federal Reserve Board. Each member of the Federal Reserve Board shall within fifteen days after notice of appointment make and subscribe to the oath of office.

* * * * *

"The Secretary of the Treasury shall be ex officio chairman of the Federal Reserve Board. No member of the Federal Reserve Board shall be an officer or director of any bank, banking institution, trust company, or Federal reserve bank nor hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member

of the Federal Reserve Board he shall certify under oath to the Secretary of the Treasury that he has complied with this requirement. Whenever a vacancy shall occur, other than by expiration of term, among the five members of the Federal Reserve Board appointed by the President, as above provided, a successor shall be appointed by the President, with the advice and consent of the Senate, to fill such vacancy, and when appointed he shall hold office for the unexpired term of the member whose place he is selected to fill.

"The President shall have power to fill all vacancies that may happen on the Federal Reserve Board during the recess of the Senate, by granting commissions which shall expire thirty days after the next session of the Senate convenes."

The important considerations affecting appointments to fill vacancies in the Federal Reserve Board should be the following:

1. That the appointees should be men of mature banking experience and judgment, with knowledge of finance and economics, and in a broader sense than is general among our bankers.
2. That the appointees should be so free of political activities as to insure the continuance of the present policy contemplated by the Federal Reserve Act that the Board should be strictly non-political.
3. That the appointees should be representative of the whole country, both geographically and economically.

As the President-Elect will have no opportunity to confer with a secretary of the treasury who is familiar with the traditions of the Board and the experience of the war period, it seems most important that those who are familiar with these matters be at least given opportunity to express their views, and more especially Governor Harding.

His record has been so sound and courageous during his term of office as governor, which is doubtless as difficult a period as the reserve system is likely to meet for a long time, it is important that he should not only remain a member of the Board, but the Governor of the Board. He has an important position under consideration, but has not accepted it, and, I believe, would not accept it could he be assured of continuing his present work for the balance of his term as a member of the Board.

Inquiry just made discloses the same character of independence of thought in political matters that he has shown in financial matters. Notwithstanding the

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fact that he was born and spent his life in the South, and might be classed as a Democrat, he voted for McKinley in 1896 and 1900, for Palmer in 1904, in 1908 he was unable to vote, he voted for Wilson in 1912 and did not vote in 1916 or 1920.

As Governor Harding will, in any event, remain a member of the Board, and Governor, for some months after March 4, he will be in position to advise in these important matters in case his advice is desired.

BS.MSB
(2.5.21)

Lundberg Quarterly
Foundation

1927

Mr. Benjamin Strong
Private and Confidential

Filed in B.S. Personal File

[From B. Strong] 320.214
Annotated

America is to give a most fitting tribute in recognition of the epoch-making flight of Captain Charles Lindbergh.

France, Belgium and England have conferred the highest honors upon America's distinguished son, and the testimonial of the people of his own Country, symbolizing their admiration and esteem, is to take an enduring and most auspicious form, which is nearest Captain Lindbergh's heart and will be most gratefully appreciated by him.

It is proposed to establish in Captain Lindbergh's honor, and as a memorial to him, the Lindbergh Aviation Foundation for the promotion and development of the science of aviation.

The fund necessary to create the Lindbergh Aviation Foundation will be raised by popular subscription throughout the United States.

Captain Lindbergh will be tendered the position of General Director of the Foundation.

It is planned to have President Coolidge formally notify Captain Lindbergh, upon his return, of the establishment of the Lindbergh Aviation Foundation as the spontaneous recognition by the people of the United States of his marvelous accomplishment, from which they have already so greatly benefited.

The first action of the Lindbergh Aviation Foundation will be to present to Captain Lindbergh the most modern and improved aeroplane that money can buy. The plane will be designed and manufactured in accordance with Captain Lindbergh's own ideas and directions.

At the request of Harry H. Knight, President of the St. Louis Flying Club, and H. H. Dixby, President of the St. Louis Chamber of Commerce, who were Captain Lindbergh's backers, and of Mr. Louis K.

many other friends of Captain Lindbergh, Hon. Dwight F. Davis, Secretary of War, has consented to take general charge of the entire matter.

The selection of the Secretary of War for this purpose is especially appropriate in view of the fact that Lindbergh is a Reserve Officer in the United States Army, and a Captain in the Missouri National Guard.

An Advisory Committee will be appointed by the Secretary of War to cooperate with him in the project, and in arranging details incident to the organization of the Lindbergh Aviation Foundation. It is likely that the Foundation will be incorporated by special act of Congress, as soon as it convenes.

As the Lindbergh Aviation Foundation will represent a testimonial to Captain Lindbergh by all the people of the United States, contributions of small amounts from a great number of men, women and children are desired rather than large amounts from a few.

Captain Lindbergh has refused most tempting offers to go into the movies or on the stage, and declared his unwillingness to commercialize his flight, which was prompted by his intense interest in aviation and its development.

It was planned originally to have sufficient of the income from the Foundation paid to Captain Lindbergh to make him independent for life, but, with characteristic graciousness, he has informed the Secretary of War that he would prefer to have the income from the Foundation, bearing his name and established in his honor, used for the benefit of crippled or disabled aviators, and of families of aviators killed while flying, as well as for medals to be awarded o

account of exceptional courage and achievement in flying, and for prizes to promote the development and advancement of aeronautics.

France already has a similar fund, in the Caisse de Secours de l'Aeronautique. It was to that organization that Captain Lindbergh gave the 150,000 francs, donated to him in France for a cup in commemoration of his great achievement, declaring that he wanted the money used for the benefit of the families of French aviators who "have laid down their lives for the progress of aviation".

It is expected that a very substantial amount will be raised quickly, without any organized effort. It is in no sense to be a "drive", and it seems only necessary to arrange facilities to enable the American people to express their deep appreciation of Captain Lindbergh's indomitable courage and wonderful achievement, by establishing this permanent and highly desirable memorial to him.

It is purposed to enlist the cooperation of the Governors and Mayors of the different states and larger cities.

Hon. Benjamin Strong, Governor of the Federal Reserve Bank in New York, has consented to act as general Treasurer of the fund, and arrangements are being effected as regards handling and keeping record of all subscriptions.

Checks and money orders should be made payable to "Lindbergh Aviation Foundation" and sent directly to Hon. Benjamin Strong, Governor of Federal Reserve Bank, New York, N. Y.

Amounts may also be deposited with the President of any bank in the United States with instructions to forward the same to Governor Strong, or to local treasurers when appointed, for credit to the "Lindbergh Aviation Foundation".

Announcement will be made at once respecting arrangements completed with the Governors of other Federal Reserve Banks, giving the names of those who will act as Treasurers in the various cities where a Reserve Bank is located, and as regards various other details now being consummated.

To all Governors -

at request of Secretary
of War I have agreed to act as General
Treasurer of a fund to be known as
Lindbergh Aviation Foundation, and he
also ~~desires~~ hopes the Governors of all
Reserve Banks will consent to act ^{as Treasurers} in
their respective districts. Governor
Luisinger advises me the Board approve
this method. The General management
of the arrangements will be in the hands
of the Secretary of War who will
appoint an advisory Committee, and
when the fund is completed a trust
will be created for benefit of Lindbergh
and his family ~~and as far as possible~~ ^{as far as possible} be devoted
to the promotion of aviation and ^{as a} benefit for
the families of aviators who lose their
lives. The President is expected to
present the act of trust. There will
~~be no~~ ^{be no} debts and
no soliciting beyond general publicity.
The fund is suggested because Lindbergh
has refused offers of large sums ~~for~~
from various promotions and this
will be a popular recognition of his

achievement. Particulars will be
in press announcement.

I hope you will accept and advise
me promptly.

Each ~~letter~~ subscription and accompanying
letter should be numbered and letters
preserved in numerical order ~~and~~
~~so~~ so that later they may be
suitably bound for presentation to
Lindberg.

Strong