MONEY TRUST INVESTIGATION

INVESTIGATION

OF

FINANCIAL AND MONETARY CONDITIONS IN THE UNITED STATES

UNDER

HOUSE RESOLUTIONS NOS. 429 AND 504

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON BANKING AND CURRENCY

PART 26

WASHINGTON
GOVERNMENT PRINTING OFFICE
1913

SUBCOMMITTEE OF THE COMMITTEE ON BANKING AND CURRENCY.

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MONEY TRUST INVESTIGATION.

SUBCOMMITTEE OF THE COMMITTEE
ON BANKING AND CURRENCY,
HOUSE OF REPRESENTATIVES,
Washington, D. C., Friday, January 24, 1913.

The subcommittee met at 11 o'clock a. m.

Present: Messrs. Pujo (chairman), Byrnes, Doughton, Stephens, Daugherty, Neeley, McMorran, Guernsey, and Heald.

Present also: Samuel Untermyer, Esq., of New York City, counsel for the committee.

The CHAIRMAN. The committee will be in order and we will resume the taking of testimony.

Mr. UNTERMYER. We will put into the record an explanatory letter from Mr. Schiff concerning his testimony, and two letters from the Comptroller of the Currency in response to the request from the committee for information.

Mr. Schiff's letter is as follows:

KUHN, LOEB & CO.,
WILLIAM AND PINE STREETS,
New York, January 17, 1913.

DEAR MR. UNTERMYER: When I was before your committee yesterday, upon your question, how large an amount of its deposits the National City Bank might have invested in securities, I answered, I thought 10 to 15 per cent. I have looked into this and find that the National City Bank has practically none of its deposits invested in securities, but that these investments are within the amount of its capital and surplus.

Will you be good enough to have my testimony, if practicable, corrected in this respect?

If I had the opportunity, in any proper answer to your questions, I should not have hesitated to state that the multiplication of banks and trust companies has heretofore led to an overextension of credit, to overtrading, and to illegitimate conditions in general, and that the financial panic of 1907 and other financial depressions that have preceded it have largely been brought on by the too great multiplication of banks and trust companies.

I should be glad if this were likewise appended to the testimony I have given before the committee.

With assurances of esteem, believe me,

Yours, faithfully,

JACOB H. SCHIFF.

SAMUEL UNTERMYER, Esq.,
Counsel to Congressional Monetary Investigation Committee,
675 Fifth Avenue, City.

The following is a letter from the Comptroller of the Currency, dated January 15, 1913:

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Washington, January 15, 1913

SAMUEL UNTERMYER, Esq.,
Care of Banking and Currency Committee,
House of Representatives, Washington, D. C.

SIR: As requested in your letter of January 14, the following information is furnished:

The Merchants' National Bank, of Boston, on November 26, 1912, had capital, $3,000,000, and surplus, $2,000,000. The 19,558 shares of stock of the State National

Bank came into its possession as a result of the consolidation of these two banks. The State National Bank was a national bank, as its name implies, and is now in progress of liquidation through the Merchants' National Bank. The total authorized stock of the State National Bank is 20,000 shares. When the liquidation is completed, the stock will be retired.

The Farmers' Deposit National Bank, of Pittsburgh, Pa., on November 26, 1912, had capital, $6,000,000, and surplus, $2,000,000. The 6,000 shares of the Reliance Life Insurance Co., reported by the examiner on July 16 last, was purchased as an investment. This office has no further information than this in regard to this stock. The 900 shares of Farmers' Deposit Savings Bank stock is also reported as having been purchased for investment. In regard to the savings bank stock the examiner furnishes the following information:

The stock of the savings bank is owned by the national bank, with the exception of the stock of the qualifying directors, who are under agreement to transfer their holdings to the national bank in case of death or resignation. The directors of the national bank are directors of the savings bank.

Respectfully,

LAURENCE O. MURRAY,
Comptroller.

The next is a letter from Mr. T. P. Kane, Deputy and Acting Comptroller, January 21, 1913. It is as follows:

TREASURY DEPARTMENT,
Washington, January 21, 1913.

Mr. SAMUEL UNTERMYER,
New Willard Hotel, Washington, D. C.

SIR: Your telegram of January 20 is received, requesting to be furnished with the list of the stockholders of the Mercantile National Bank of St. Louis, Mo., the examiners' reports on the National Bank of Commerce in St. Louis, and a copy of the comptroller's letter demanding the resignation of Edwards, president of the last-named bank.

A list of the stockholders of the Mercantile National Bank is inclosed as requested. This list shows the controlling interest in the national bank to be owned by the Mercantile Trust Co., and this bank should be added to the list of banks controlled or dominated by State institutions, which was furnished the committee some days ago. As advised at that time, the list furnished was not complete, but was made up from such data as were readily accessible in this office at the time. To have made a complete list of all the national banks controlled by State institutions would have required the examination of the list of shareholders of all the national banks in the country, and could not have been prepared in the time desired. It is not believed, however, that there are many other banks that are not included in the list.

In regard to your request for a copy of the reports of examinations of the National Bank of Commerce, you are advised that the comptroller submitted the matter to the Secretary of the Treasury, who did not consider it advisable or compatible with public interest to authorize him to produce the reports in question. These reports always have been treated as privileged communications, and the Secretary does not feel warranted in breaking a long-established and invariable rule of the comptroller's office in treating them as confidential.

Respectfully,

T. P. KANE,
Deputy and Acting Comptroller.

In connection with the letter from Mr. Schiff we will put in evidence now a list, as of July 23, 1912, of the holdings of the National City Bank. We have not received any list of the holdings of the National Security Co.

The list referred to was marked "Exhibit No. 227, January 24, 1912," and will be found printed in full at the end of this day's proceedings.

FEBRUARY 1, 1913.

Considering the request contained in the letter of Mr. Jacob H. Schiff, of date January 28, 1913, to be permitted to explain a part of the testimony given by him before the committee as set forth in the first paragraph thereof, it is ordered that the said letter be added to the record for that purpose.

The further request to consider the second paragraph of the letter in elucidation of the testimony, is refused, as the committee has now closed its hearings and would not have the opportunity of examining Mr. Schiff upon the new or illustrative matter opened up by his elucidation.

A. P. PUJO, *Chairman.*

KUHN, LOEB & CO.,
WILLIAM AND PINE STREETS,
New York, January 28, 1913.

DEAR MR. UNTERMYER: Thank you very much for the courtesy of your letter of yesterday and for giving me the opportunity to further explain part of the testimony I have given before the committee of which you are the counsel. I have never meant to say, and if the stenographer has so recorded me, he must have misunderstood me, that "in my opinion, any number of individuals should be permitted to combine and by joint action acquire the monopoly of an industry, provided they do not effect this purpose through a holding company." What, as far as I can remember, I did say, and what I meant to say, was, that individual freedom of action should not be curbed or limited by law, and if a single individual deemed it well to acquire the monopoly of an industry he should not be prevented by the law from doing this.

May I be permitted to further add, in elucidation of my testimony, that I make a difference between a holding company organized for the purpose of holding securities and a railroad or industrial corporation. As stated before the committee I am opposed to holding companies, but I would not prevent a railroad or an industrial corporation from acquiring control or ownership of an auxiliary company that is not a competitor.

Trusting that the foregoing can be added to the record, I am, with kind regards,

Very truly, yours,

JACOB H. SCHIFF.

SAMUEL UNTERMYER, Esq.,
37 Wall Street, New York City.

STATEMENT OF MR. HENRY P. DAVISON—Continued.

Mr. UNTERMYER. Have you read over your testimony of yesterday?

Mr. DAVISON. Not with any care; I have glanced through it.

Mr. UNTERMYER. Have you found any part of it in which you desire to make corrections?

Mr. DAVISON. I have not read it with that in view, but I think not.

Mr. UNTERMYER. Did I correctly understand you yesterday to say that the concentration of bank capital had now gone sufficiently far to satisfy what you referred to as the present development of the country?

Mr. DAVISON. I expressed the opinion that consolidation of banking resources in New York had gone sufficiently far to take care of the present business offered to them in New York.

Mr. UNTERMYER. Will you be kind enough to explain in what way the concentration of credit would assist the development of the country?

Mr. DAVISON. In the first place, speaking of concentration, there is in fact less concentration, comparatively, in New York City to-day than there was 10 years ago. The percentage of banking resources in New York City to-day is a little over 18 per cent of the resources of the country——

Mr. UNTERMYER. I do not think you have answered my question.

Mr. DAVISON. I am answering your question—whereas 10 years ago the banking resources were 23 per cent of the bank resources of the country. Now, the question of consolidation is the question of taking care of the business of the country as it is offered in New York. To-day transactions of $1,000,000 or $3,000,000 or $5,000,000 are very frequent. Ten years ago they were very much less frequent. As the business of the country develops, units develop, and larger

institutions are better able to take care of the business offered as the business of the country develops.

Mr. UNTERMYER. Will you be good enough to tell me how many banks there are in New York to-day as compared with the number of banks there were 10 years ago?

Mr. DAVISON. My recollection is that there are to-day five less independent banks than there were 10 years ago.

Mr. UNTERMYER. I want to know the number of banks in New York City—I mean business banks as distinguished from savings banks—as compared with the number 10 years ago.

Mr. DAVISON. I had not finished my answer to the previous question. There are to-day, as I recall, about five less independent individual banks in New York City than there were 10 years ago. There are, however, about 60 more banking offices in New York than there were. I am speaking entirely of corporations. That is, to-day the banks of New York, including branches, are about 60 more than there were 10 years ago.

Mr. UNTERMYER. I do not think you have answered my question at all.

Mr. DAVISON. I beg your pardon. What is the question?

Mr. UNTERMYER. My question calls for an answer as to the number of corporations, State and national banks, and trust companies, as compared with the number that existed 10 years ago.

Mr. DAVISON. I am speaking from recollection. I think there are about 140 corporate banks in New York City to-day.

Mr. UNTERMYER. Do you know that there are only 88 that are either in the clearing house or that do a business through the clearing-house members?

Mr. DAVISON. If I had known that, I would not have made my answer.

Mr. UNTERMYER. But that is the fact, Mr. Davison.

Mr. DAVISON. I do not think it is the fact.

Mr. UNTERMYER. Why do you say that?

Mr. DAVISON. I say it because my information is that way.

Mr. UNTERMYER. Do you recognize that paper [handing witness paper]?

Mr. DAVISON. I do not.

Mr. UNTERMYER. Do you know that that is a statement of the clearing-house banks and those that issue through the clearing house?

Mr. DAVISON. Your question was not as to clearing-house banks and those that issue through the clearing house. You asked me how many independent banks there are in New York City.

Mr. UNTERMYER. We will have the question read.

The stenographer read the question referred to, as follows:

Mr. UNTERMYER. My question calls for an answer as to the number of corporations, State and national banks and trust companies, as compared with the number that existed 10 years ago.

Mr. UNTERMYER. What was the answer?

The stenographer read the answer, as follows:

Mr. DAVISON. I am speaking from recollection. I think there are about 140 corporate banks in New York City to-day.

Mr. UNTERMYER. Now read the next question and answer.

The stenographer read the next question and answer, as follows:

Do you know that there are only 88 that are either in the clearing house or that do a business through the clearing-house members?

Mr. DAVISON. I I had known that I would not have made my answer.

Mr. UNTERMYER. Do you know how many banks there are in the clearing house and that clear through clearing-house banks?

Mr. DAVISON. My recollection is that there are 63 members of the clearing house. How many nonclearing members, so-called, there are, I do not know.

Mr. UNTERMYER. Are there not 25?

Mr. DAVISON. I do not know.

Mr. UNTERMYER. Have you never seen this list that is issued [indicating paper]?

Mr. DAVISON. I never have.

Mr. UNTERMYER. Whilst you were vice president of the First National Bank did not the clearing house issue lists of the clearing house banks and banks that cleared through clearing house banks?

Mr. DAVISON. It did.

Mr. UNTERMYER. Was the list similar to this?

Mr. DAVISON. It was a list of the clearing house banks and the banks that cleared through the clearing house. I never saw a list of that character before, such as you have there; that is to say, in that form.

Mr. UNTERMYER. We will offer this in evidence.

Have you ever seen slips issued by the clearing house of the character of this which I now show you?

Mr. DAVISON. I have.

Mr. UNTERMYER. And have you any doubt that that is one of the slips issued by the clearing house?

Mr. DAVISON. Not the slightest.

Mr. UNTERMYER. Does that contain, or is it supposed to contain, a list of all the clearing house banks and banks that clear through the clearing house, and also those that do not clear through the clearing house?

Mr. DAVISON. I do not think it does, Mr. Untermyer.

Mr. UNTERMYER. What do you understand this list to be?

Mr. DAVISON. I understand it to be a list of the members of the clearing house and those which clear through the clearing house.

Mr. UNTERMYER. And you understand it is confined to them, do you?

Mr. DAVISON. That is my understanding. I have not examined that list. The list I refer to was of that character.

The list referred to was marked "Exhibit No. 228, January 24, 1913."

Mr. UNTERMYER. My question to you, which I do not think is yet answered, was in what way the concentration of credit and the consolidation of banks assisted the development of the country.

Mr. DAVISON. My answer to that would be this. As you know, we are dealing in large units, commercially and industrially, and in every way. To-day it is not at all an uncommon thing for a corporation to want to borrow up to five millions of dollars, if you please, from their bank. If that is a common practice, it is very much more to the advantage of the corporation to be able to take care of their

customer than it is for that customer to find it necessary to shop around and borrow $500,000 here and $500,000 there and $500,000 elsewhere.

Mr. UNTERMYER. But you do not think it is safer, do you, to leave the banks entirely independent of one another, so that if a man has to shop around he will have plenty of places to shop around in?

Mr. DAVISON. I do not think——

Mr. UNTERMYER. Will you not answer my question?

Mr. DAVISON. Will you let me have it again?

Mr. UNTERMYER. Answer not some other question, but my question.

The question was repeated by the stenographer.

Mr. DAVISON. So far as I know, the banks are entirely independent of one another.

Mr. UNTERMYER. All of them?

Mr. DAVISON. All of them.

Mr. UNTERMYER. Every one?

Mr. DAVISON. Every one.

Mr. UNTERMYER. In the city of New York?

Mr. DAVISON. In the city of New York.

Mr. UNTERMYER. Even where one bank owns the controlling stock in another, you think that the controlled bank is independent of the controlling bank, do you?

Mr. DAVISON. I know of no bank which owns the control of stock of another.

Mr. UNTERMYER. Let us take the Chase National Bank.

Mr. DAVISON. Yes.

Mr. UNTERMYER. You do not think that is controlled by the First National Bank or the Security Co., do you?

Mr. DAVISON. No, sir.

Mr. UNTERMYER. And it never was?

Mr. DAVISON. It never was.

Mr. UNTERMYER. All that the Security Co. had was about 60 per cent of its stock, was it not?

Mr. DAVISON. It had a majority of the stock, as I recall it.

Mr. UNTERMYER. The ownership by one bank of the majority of the stock of another bank you do not think makes the bank that owns the stock the controlling bank of the other, do you?

Mr. DAVISON. You are speaking, are you not, of the banks of New York and their conduct?

Mr. UNTERMYER. I am speaking of the banks of New York, and you say that you know of no banks that are controlled by other banks?

Mr. DAVISON. Are you speaking of control as to stock or control as to conduct?

Mr. UNTERMYER. If you have a control of stock in a company, do you regard yourself as controlling that company?

Mr. DAVISON. Not necessarily.

Mr. UNTERMYER. Not even if you have 99 per cent of it?

Mr. DAVISON. I want you to define the word "control."

Mr. UNTERMYER. I am trying to get you to define it. Would you regard yourself as controlling a corporation of which you owned 99 per cent of the stock?

Mr. DAVISON. I would regard myself as able to control the election of the board of directors of the corporation.

Mr. UNTERMYER. But you do not think that that ability to control the election of the board of directors year by year would constitute a control by you of the corporation?

Mr. DAVISON. It would depend entirely upon the character of the corporation whether it controlled it.

Mr. UNTERMYER. That is the sense, is it, in which you say that you do not know of any bank in New York that is controlled by another bank.

Mr. DAVISON. I make the statement that I know of no bank in New York the conduct of which is controlled by any other bank.

Mr. UNTERMYER. Even though one bank may own the controlling stock in the other; that would not make any difference?

Mr. DAVISON. It would not make any difference, in my judgment, in the control of the conduct of the bank.

Mr. UNTERMYER. Even, for instance, if you owned, or J. P. Morgan & Co. owned, the majority of the stock in all the national banks in New York City, you would not regard J. P. Morgan & Co. as controlling those banks, would you?

Mr. DAVISON. As to the conduct of their business?

Mr. UNTERMYER. Yes.

Mr. DAVISON. If they did, they would not have much business—the bank would not.

Mr. UNTERMYER. That is no answer to the question. Have you tried it?

Mr. DAVISON. It is a necessary answer to the question.

Mr. UNTERMYER. Have you tried it?

Mr. DAVISON. No; we are too wise to try it.

Mr. UNTERMYER. You are too wise. Even if you owned the bank, you would be too wise to try to control it?

Mr. DAVISON. We could not control it.

Mr. UNTERMYER. Would you try it?

Mr. DAVISON. Certainly not.

Mr. UNTERMYER. And that is the sense, is it, in which you make the statement that there is no power in New York that controls the banks of New York? Is that what you mean by it? You mean that there is no central power that controls the banks?

Mr. DAVISON. Yes.

Mr. UNTERMYER. Other banks than those?

Mr. DAVISON. Yes.

Mr. UNTERMYER. Yes?

Mr. DAVISON. I say, there is none so far as I know.

Mr. UNTERMYER. And that is because it is your understanding that even though you might control the majority of the stock of the bank, you would not control the management?

Mr. DAVISON. In practice.

Mr. UNTERMEYR. That is what you mean?

Mr. DAVISON. That is what I mean.

Mr. UNTERMYER. And even if the same directors sat on the boards of all the banks of New York, we will say, by way of illustration, you do not think that that would involve their controlling those banks?

Mr. DAVISON. I think it positively would involve their controlling those banks.

Mr. UNTERMYER. But if the same set of directors sat on the boards of two banks, that you would regard as controlling the banks?

Mr. DAVISON. Including the officers; exactly.

Mr. UNTERMYER. Yes.

Mr. DAVISON. Yes, sir.

Mr. UNTERMYER. Have you said all that you wanted to say on that subject?

Mr. DAVISON. I think I have.

Mr. UNTERMYER. Then in point of fact you would see no objection, would you, to J. P. Morgan & Co. owning the controlling stock of all the banks of New York, from the point of view of the control of the management of the banks? You do not think it would affect it, do you? That is, it would not affect the management?

Mr. DAVISON. I do not think it would affect the conduct of the banks.

Mr. UNTERMYER. Nor their independence?

Mr. DAVISON. Nor their independence in management.

Mr. UNTERMYER. Even if J. P. Morgan & Co. should, by virtue of their holding the control of the stock of all these banks, elect and designate the directors of each of those banks, year by year, in your judgment that would not affect the management of those banks?

Mr. DAVISON. Well, Mr. Untermyer, you are going a little far in your assumption.

Mr. UNTERMYER. I am trying to see where your statements will lead.

Mr. DAVISON. My statements are leading right where they finish.

Mr. UNTERMYER. All right. Let us take up this subject of interlocking directorates. Do I correctly understand that you think that if the law were to prevent what is known as interlocking directorates, that is the identity of certain directors in certain banks, that would put the progress of the country back 25 years?

Mr. DAVISON. No; not necessarily. That was not my statement.

Mr. UNTERMYER. You do not want to see interlocking directorates prevented, do you?

Mr. DAVISON. No; I think it would be unfortunate to have them prevented.

Mr. UNTERMYER. You did not say it would put back the development of the country, did you?

Mr. DAVISON. If you will take your question, which was a very broad, comprehensive one, and read my answer, you will see that my answer was that it would set the country back 25 years to have it adopted. But that is not the question you are asking now.

Mr. UNTERMYER. You do not think the prevention of interlocking directorates would set the business of the country back?

Mr. DAVISON. I do.

Mr. UNTERMYER. Why?

Mr. DAVISON. Because I think there are advantages in interlocking directorates.

Mr. UNTERMYER. That does not answer the question. If you will tell us what you mean by advantages and what they are, we shall understand.

Mr. DAVISON. Yes.

Mr. UNTERMYER. Why the prevention of interlocking directorates in potentially competing banks would interfere with the development of this country.

Mr. DAVISON. I should say it would be unfortunate. I do not think it would be a serious misfortune, but I should regard it as rather unfortunate to pass a law that a man could not sit upon the boards of two banks which are competing banks. I think that as it has been developed in New York the interlocking directors there have served a real purpose. I think they have served a beneficial purpose. I think they benefit the banks upon whose boards they sit.

Mr. UNTERMYER. You continue to generalize, and what we want, what the committee requires in determining on recommendations for legislation, is to know, first, how the development of the country is going to be interfered with in any way by preventing interlocking directorates in potentially competing banking institutions. Will you not be good enough to specify some injury that you believe would be accomplished or brought about through the preventing of interlocking directorates?

Mr. DAVISON. I believe that the banks throughout the country in the centers are better served by the present practice than they would be if there was a law precluding and preventing there being a man sitting upon two financial boards by reason of the advantage to the institution which that man gives.

Mr. UNTERMYER. You are still not giving us a reason. I want to know where the advantage lies?

Mr. DAVISON. I say the advantage lies in the benefit of their experience and the benefit of the advice which is given to those institutions by the men who sit upon two boards.

Mr. UNTERMYER. Do you think the man who sits upon two boards or three boards or six boards of potentially competing banks is necessarily wider in experience than a man who may be sitting on only one board and has had other extensive experience and had other experience in other directions?

Mr. DAVISON. I am referring to his financial experience.

Mr. UNTERMYER. Does financial experience consist entirely in sitting on the board of a bank?

Mr. DAVISON. Not at all.

Mr. UNTERMYER. Then can you conceive that a man who may sit on only one board may have far greater financial experience than a man who sits on half a dozen boards?

Mr. DAVISON. I can conceive of it; but that is a far drawn case. That is not probable.

Mr. UNTERMYER. Let us see. What advantage has that man who sits on a number of boards of potentially competing banks, except that he knows what is going on in other banks?

Mr. DAVISON. That man by reason of his connection must have a broader financial experience than a man connected with only one institution.

Mr. UNTERMYER. You mean you would get a better class of men by allowing the same men to sit on various boards of potentially competing institutions?

Mr. DAVISON. Not necessarily better men, but men better able to serve the purpose for which they are selected.

Mr. UNTERMYER. Do you not think it would be far better to reduce the number of directors in these banks, so that you will get experienced men in all of them, without having them interlocking?

Mr. DAVISON. I think it would be far better to decrease the number of men on the boards of some of the banks. I think the boards are too large.

Mr. UNTERMYER. If you should decrease the boards of these banks, that would permit these men to go around among all these banks without interlocking?

Mr. DAVISON. I do not think the banks of New York would be conducted if there were not interlocking directors. I do not make that point, but I do say that, in my judgment, the financial institutions of the city of New York to-day are benefited by reason of the relationships between them.

Mr. UNTERMYER. Then, carrying that argument still further, you would have no limit to the interlocking directorate?

Mr. DAVISON. I beg your pardon. I most decidedly would.

Mr. UNTERMYER. Where would you draw the line?

Mr. DAVISON. I should draw the line at the point where the boards were dominated—two boards were dominated—by the same factors.

Mr. UNTERMYER. Has that always been your point of view? You say you would not allow the domination, in any one board of a bank, of men who are in another bank. You would not allow them to be in a majority. Is that what you mean?

Mr. DAVISON. What I mean is if there were two boards that were dominated by exactly the same interests I should say those institutions should be merged in practical working.

Mr. UNTERMYER. The Chase Bank and the First National Bank are potentially competing institutions, are they not?

Mr. DAVISON. Yes; I should say so.

Mr. UNTERMYER. I mean if they were both free, each with its separate management and its separate ownership, they would be naturally competitors?

Mr. DAVISON. To a degree. Their business is very different in character.

Mr. UNTERMYER. Do you mean that it has been subdivided between them?

Mr. DAVISON. I do not mean anything of the kind.

Mr. UNTERMYER. What do you mean?

Mr. DAVISON. I mean that the Chase National Bank is known as the bank of banks. It has made a specialty of banking accounts throughout the country.

Mr. UNTERMYER. Do you know to what extent the First National Bank is a bank of banks?

Mr. DAVISON. No, but to a very much less extent.

Mr. UNTERMYER. It has 589 banks as depositors.

Mr. DAVISON. How many has the Chase Bank?

Mr. UNTERMYER. Three thousand one hundred and eight.

Mr. DAVISON. Yes.

Mr. UNTERMYER. Yes——

Mr. DAVISON. That answers your question.

Mr. UNTERMYER. Does it? Let us see. If the First National Bank and the Chase were entirely independent, could not the First

National Bank compete with some of the banks that are now depositors in the Chase Bank?

Mr. DAVISON. They could to-day.

Mr. UNTERMYER. But would they be likely to?

Mr. DAVISON. They would be likely to if they desired that kind of business.

Mr. UNTERMYER. The other business of the Chase and the First National is carrying deposits for firms, corporations, and individuals?

Mr. DAVISON. It is.

Mr. UNTERMYER. In the city of New York?

Mr. DAVISON. Yes.

Mr. UNTERMYER. They are potential competitors for that business?

Mr. DAVISON. Yes.

Mr. UNTERMYER. You are aware that out of the nine directors of the Chase Bank five of them are George F. Baker, George F. Baker, jr., A. Barton Hepburn, James J. Hill, and F. L. Hine?

Mr. DAVISON. Yes.

Mr. UNTERMYER. Are you aware of that?

Mr. DAVISON. I am.

Mr. UNTERMYER. That is a majority of the board of the Chase Bank?

Mr. DAVISON. It is.

Mr. UNTERMYER. And they are all directors of the First National Bank?

Mr. DAVISON. I think they are.

Mr. UNTERMYER. And you see no objection to that situation?

Mr. DAVISON. In practice I see no objection to that particular situation, if that is what you are referring to. There is just one point here that I think ought to be brought out. The whole burden of my thought on this subject is that there is a condition in this country which it is necessary to reckon with. If you will direct the attention of this committee to the legislation of a proper, strong, scientific banking system, all this question will disappear.

Mr. UNTERMYER. Will you excuse me?

Mr. DAVISON. This cooperation, this concentration in New York, is not only not a peril or a menace, but it is a benefit, and has protected this general question. That is the answer to the situation in New York in so far as the banking situation is concerned.

Mr. UNTERMYER. We do not want to get into the currency situation. There is another committee dealing with that.

Mr. DAVISON. You are very much in it.

Mr. UNTERMYER. You say the concentration of credit among the great banks in New York is a benefit to the situation, do you?

Mr. DAVISON. I say——

Mr. UNTERMYER. Do you?

Mr. DAVISON. Certainly.

Mr. UNTERMYER. That is an answer to my question. And on the assumption that a benefit can never be too great a benefit, then the further it would go the more benefit it would be?

Mr. DAVISON. That is your supposition; it is not mine.

Mr. UNTERMYER. It would be better to go further?

Mr. DAVISON. Further in what?

Mr. UNTERMYER. In the concentration. Do you think it ought to keep on extending?

Mr. DAVISON. It will keep on extending.

Mr. UNTERMYER. Do you think it will?

Mr. DAVISON. I am not expressing an opinion——

Mr. UNTERMYER. You will please answer my question.

Mr. DAVISON. I decline to answer that question.

Mr. UNTERMYER. Why do you decline to tell us whether in your opinion it should continue to increase, this concentration which you say now is not a menace but is a benefit?

Mr. DAVISON. I did not say that the concentration was not a menace but was a benefit. I say the situation in New York to-day is not a menace, but has been a benefit to this country as a whole.

Mr. UNTERMYER. Do you think the concentration which has gone on in New York to the point to which it has gone is a benefit or a menace?

Mr. DAVISON. I think it is a decided benefit.

Mr. UNTERMYER. Then on that theory you think it ought to continue to increase?

Mr. DAVISON. I think it will continue to increase, unless you get a proper banking system.

Mr. UNTERMYER. Do you think it ought to continue to increase under existing conditions?

Mr. DAVISON. I think it will increase under existing conditions.

Mr. UNTERMYER. And will you help it to increase?

Mr. DAVISON. We will do anything we can in the interest of the country.

Mr. UNTERMYER. Now, Mr. Davison——

Mr. DAVISON. That is an answer to that question.

Mr. UNTERMYER. You believe it to be in the interest of the country?

Mr. DAVISON. To be in the interest of the country.

Mr. UNTERMYER. You believe it would be for the interest of the country to have J. P. Morgan & Co. own all the banks in New York?

Mr. DAVISON. I certainly do not.

Mr. UNTERMYER. Do you think it would be to their interest to further increase the concentration of credit in New York?

Mr. DAVISON. That would depend entirely on circumstances.

Mr. UNTERMYER. Assuming the existing conditions, is it your opinion that it would be to the benefit of the country to further increase existing concentration of money and credit in New York?

Mr. DAVISON. It would make very little difference what I thought about it, because we have not power to do it, whether I did or not.

Mr. UNTERMYER. Will you be good enough to answer the question?

Mr. DAVISON. I can not answer the question, because you are assuming we thought it wise to increase them. We have not the power.

Mr. UNTERMYER. If you thought it wise?

Mr. DAVISON. We have not the power.

Mr. UNTERMYER. You can buy banks.

Mr. DAVISON. That does not increase it.

Mr. UNTERMYER. Did I ask you that?

Mr. DAVISON. It does not increase it.

Mr. UNTERMYER. You have the money and power to buy as many banks as you please.

Mr. DAVISON. That does not increase concentration.

Mr. UNTERMYER. You think if you owned all the banks it would not increase the concentration of credit?

Mr. DAVISON. Not a dollar.

Mr. UNTERMYER. Not a dollar?

Mr. DAVISON. Not a dollar. It would increase the consolidation, but not the concentration.

Mr. UNTERMYER. You draw a distinction between concentration and consolidation?

Mr. DAVISON. Most decidedly.

Mr. UNTERMYER. If all the resources of the banks of New York were concentrated in the hands and ownership of J. P. Morgan & Co., and Mr. Baker and Mr. Stillman and their associates, you do not think that it would in any way increase the concentration of credit in their hands?

Mr. DAVISON. Do I think it would increase the concentration in their hands? Certainly it would increase the concentration in their hands, but it would not increase the resources of the city of New York.

Mr. UNTERMYER. I have not asked you whether it would increase the resources of the city of New York; but it would put the resources in their hands?

Mr. DAVISON. It would, if the resources were in their hands.

Mr. UNTERMYER. Would you not call that concentration of credit in their hands, if they through the ownership of banks secured into their hands the resources of those banks?

Mr. DAVISON. Are you talking of concentration in New York, or are you talking of concentration in the hands of a few individuals?

Mr. UNTERMYER. I am talking about my question. Will you read it?

The stenographer repeated the question as follows:

Mr. UNTERMYER. Would you not call that concentration of credit in their hands, if they through the ownership of banks secured in their hands the resources of those banks?

Mr. DAVISON. I think I object to that question. I do not understand that question.

Mr. UNTERMYER. Very well; you have heard it read?

Mr. DAVISON. I have heard it read.

Mr. UNTERMYER. And you have pondered it?

Mr. DAVISON. Yes, I have.

Mr. UNTERMYER. You have pondered it and you do not understand it?

Mr. DAVISON. I do not understand the question.

Mr. UNTERMYER. What is the Northern Finance Co.—the Northern Finance Corporation, I think it is called?

Mr. DAVISON. I do not know.

Mr. UNTERMYER. Have you ever heard of it?

Mr. DAVISON. Yes.

Mr. UNTERMYER. In what connection have you heard of it?

Mr. DAVISON. I know the name, and I know the president. I know nothing about it.

Mr. UNTERMYER. Who is the president?

Mr. DAVISON. I think Mr. Ledyard; Lewis Cass Ledyard.

Mr. UNTERMYER. You do not know for what it was formed or what securities it holds?

Mr. DAVISON. I know nothing about it whatever.

Mr. UNTERMYER. And have no relation to it?

Mr. DAVISON. None whatsoever.

Mr. UNTERMYER. I want to come back for a moment to this question of interlocking directorates, because I am not quite sure as to your point of view on that subject. I understand you to say that you approve this and think it is beneficial?

Mr. DAVISON. I approve it?

Mr. UNTERMYER. Yes.

Mr. DAVISON. Yes. I see no objection to interlocking directors to a degree.

Mr. UNTERMYER. I understand you to say that up to the point at which the same men would have a majority of each of the boards of these financial institutions you would see no objection?

Mr. DAVISON. That is rather a difficult question to answer. I would want to know each particular case before I would express an opinion on that. That is to say, I can conceive of a situation where it would be beneficial to two institutions to have interlocking directors.

Mr. UNTERMYER. But in passing laws you understand they have to be general, do you not?

Mr. DAVISON. Yes; that is very true, of course.

Mr. UNTERMYER. Having that in mind, where would you place the limits of interlocking directors?

Mr. DAVISON. I am afraid I would place the limit by not passing a law on that subject. I have a great deal of confidence in American men.

Mr. UNTERMYER. That is a very pretty speech, and we have had a number of speeches, and it sounds very well.

Mr. DAVISON. Yes. You referred yesterday to all these English customs. Do you know that the banks of England——

Mr. UNTERMYER. Do not let us argue.

Mr. DAVISON. I beg your pardon, but this is an important point and you are asking me a question.

Mr. UNTERMYER. Let us go on.

Mr. DAVISON. But you are asking me a question which I want to answer.

Mr. UNTERMYER. On your theory of your belief in American men, would you have any laws, criminal or otherwise, on the books?

Mr. DAVISON. Yes; but less rather than more. Now, you refer to the English bank system, and the banks of England are governed entirely by the English corporations act. There is not a law governing reserves or interlocking directors or anything of the kind. The Bank of England is a private institution. A bank note in England is secured by gold in the vaults of that bank, which is a private institution and subject to no examination on the part of the Government.

Mr. UNTERMYER. Do you know how many shareholders there are in the Bank of England?

Mr. DAVISON. No; I do not. I know the system of voting.

Mr. UNTERMYER. We will take up this subject that you have opened up as to the Bank of England.

Mr. DAVISON. I will be very glad to go into it.

Mr. UNTERMYER. You know that there are upward of 30,000 shareholders?

Mr. DAVISON. I know it is a large list.

Mr. UNTERMYER. Do you know what the average holding per shareholder is?

Mr. DAVISON. I do not know.

Mr. UNTERMYER. I will give it to you. Do you know the regulations of the bank with respect to directors?

Mr. DAVISON. I do.

Mr. UNTERMYER. Do you know the regulations with respect to voting powers?

Mr. DAVISON. I do.

Mr. UNTERMYER. What are they?

Mr. DAVISON. I do not know in detail; I know the principle.

Mr. UNTERMYER. Let us hear it. You say you know all about it?

Mr. DAVISON. No; I beg your pardon. You asked me if I knew, and I said I know the principle.

Mr. UNTERMYER. What is the principle?

Mr. DAVISON. That is to say, there is restrictive voting.

Mr. UNTERMYER. To what extent?

Mr. DAVISON. You know. Bring it out.

Mr. UNTERMYER. I want to know from you.

Mr. DAVISON. There is the principle of restrictive voting on the stock. As I recall it, a holder of shares in excess of 200 has but one vote.

Mr. UNTERMYER. Is not this the fact, that a holder of up to 49 shares has one vote—I am speaking from memory—a holder of from 49 to 200 shares, two votes; and if he holds up to 500 shares he has four votes, and for all the shares that he holds over 500 no vote.

Mr. DAVISON. That may be.

Mr. UNTERMYER. That is intended to protect the minority stockholders, is it not?

Mr. DAVISON. I think that is the purpose of it; yes.

Mr. UNTERMYER. That is the purpose it serves, is it not?

Mr. DAVISON. I should say it probably would. That is in the nature of a voting trust itself.

Mr. UNTERMYER. You think that is in the nature of a voting trust, to give the minority representation on the board?

Mr. DAVISON. No; it consolidates the voting there.

Mr. UNTERMYER. I want you to explain how it consolidates the voting to limit the voting of large holders.

Mr. DAVISON. It minimizes, it reduces, the number of votes cast.

Mr. UNTERMYER. And where is a voting trust involved in that, as you say?

Mr. DAVISON. It reduces the number of votes cast, so that the number of large holders do not get together. It does, in fact, protect the minority interest, as it is intended to do. I will not argue that with you.

Mr. UNTERMYER. You have just said it was in the nature of a voting trust, have you not? Do you not want to withdraw that?

Mr. DAVISON. No. It seems to me it is.

Mr. UNTERMYER. Assume that there were 31,000 shareholders, and that the large holdings of over 500 shares are not allowed to vote, do you mean to say that that has the effect of a holding trust?

Mr. DAVISON. I mean to say this merely, that it reduces the number of votes. The idea and intention of that law is to protect the minority holder, which I think is a very good idea.

Mr. UNTERMYER. And you think it is one we ought to copy in this country?

Mr. DAVISON. I think——

Mr. UNTERMYER. Do you not?

Mr. DAVISON. You are asking me a question, and I want to answer you.

Mr. UNTERMYER. I want you to answer.

Mr. DAVISON. I am not quite clear on that. I believe that the holder of a share of stock should be represented and should have a proper voice, but I think it is a very serious question as to how that should be enacted.

Mr. UNTERMYER. That is the reason we want your judgment on it. Do you think that the minority holders in banks ought to have any voice?

Mr. DAVISON. Yes, I do; but in practice I think it is a difficult thing to work out.

Mr. UNTERMYER. You believe, then, in representation of minorities in corporations, do you?

Mr. DAVISON. I do.

Mr. UNTERMYER. You know that they have none now?

Mr. DAVISON. In what kind of corporations?

Mr. UNTERMYER. Any kind of corporations.

Mr. DAVISON. They have cumulative voting.

Mr. UNTERMYER. Where?

Mr. DAVISON. I have heard you say it—the Pennsylvania Railroad?

Mr. UNTERMYER. I am speaking of generalities.

Mr. DAVISON. Generally, no.

Mr. UNTERMYER. They have no voice at all?

Mr. DAVISON. No.

Mr. UNTERMYER. And in the banking and financial institutions of the Nation there is no representation for minority holders, is there?

Mr. DAVISON. Not so far as I know.

Mr. UNTERMYER. And that is true in banking institutions in New York State?

Mr. DAVISON. So far as I know.

Mr. UNTERMYER. Fifty-one per cent of the stock controls the entire board?

Mr. DAVISON. Yes.

Mr. UNTERMYER. You think that ought to be changed?

Mr. DAVISON. I think it would be very desirable to have it changed, but I think there is in the way a practical difficulty which this committee will have to consider with great care.

Mr. UNTERMYER. What is the practical difficulty?

Mr. DAVISON. The practical difficulty is that you might find a bank that did a very fine class of business, of very good reputation, and that a portion of its stock might suddenly be purchased by a very undesirable man or set of men, who would require and be entitled to a representation on the board. That very act would not only militate against their own interest, but would be very harmful to the bank itself.

Mr. UNTERMYER. Who is to determine the limits that go to make desirability or undesirability?

Mr. DAVISON. The great public.

Mr. UNTERMYER. What has the great public to do with voting in a bank? We are talking of representation of minority stockholders.

Mr. DAVISON. You do not want a law that is going to break down banking, do you?

Mr. UNTERMYER. You do not seriously put that question to me, do you?

Mr. DAVISON. I think——

The CHAIRMAN. That would be indifferent, because Congress would have to pass the law.

Mr. DAVISON. Yes; I appreciate that.

The CHAIRMAN. Of course, Mr. Untermyer does not want any law of that kind.

Mr. UNTERMYER. Then do you say that there should or should not be minority representation in a bank?

Mr. DAVISON. In my opinion it is very desirable that every stockholder of every corporation should have a voice in the conduct and management——

Mr. UNTERMYER. Is it not just as likely that a so-called undesirable would get a majority of the stock as a minority?

Mr. DAVISON. No; I do not think it is at all as likely.

Mr. UNTERMYER. Why not?

Mr. DAVISON. Well, those things are not done in a minute. I know a case in New York where a man bought an important block of stock. It would have been very unfortunate if he had been given representation on that board——

Mr. UNTERMYER. You do not answer my question. Why is it not just as likely that an undesirable would buy a majority as a minority?

Mr. DAVISON. A man might buy 1,000 shares any day, but to acquire 6,000 or 7,000 would require some time.

Mr. UNTERMYER. It would depend on how much money the undesirable had?

Mr. DAVISON. Not at all.

Mr. UNTERMYER. Is not stock purchasable for money?

Mr. DAVISON. Not always.

Mr. UNTERMYER. That is so of bank stock, is it?

Mr. DAVISON. It is.

Mr. UNTERMYER. You can not buy it for money?

Mr. DAVISON. Not always.

Mr. UNTERMYER. It depends on how much money the bank is making and how much the man is willing to pay?

Mr. DAVISON. Not necessarily.

Mr. UNTERMYER. It does not? I suppose that depends on character, too?

Mr. DAVISON. That depends on character, too.

Mr. UNTERMYER. Whether a man with money can go out and buy stock of a bank?

Mr. DAVISON. Not necessarily.

Mr. UNTERMYER. It does not depend on whether he has the money to buy it?

Mr. DAVISON. Not necessarily.

Mr. UNTERMYER. You understand what cumulative voting is, do you not?

Mr. DAVISON. I do.

Mr. UNTERMYER. You understand that if there are nine directors to be elected, a man must have one-ninth of the stock to elect one director?

Mr. DAVISON. Yes.

Mr. UNTERMYER. And you have not made up your mind whether that is a proper thing to enact into law or not?

Mr. DAVISON. I am very much in favor of a law in that direction, yes, with the reservation that the situation in regard to financial institutions is, in my mind, quite different from that of industrial corporations and railroads.

Mr. UNTERMYER. What is the reservation you want to make now as to allowing the man with one-ninth of the stock to have one out of nine directors?

Mr. DAVISON. Of a financial institution?

Mr. UNTERMYER. Yes; certainly. He could not outbid the other eight?

Mr. DAVISON. I am not talking about that.

Mr. UNTERMYER. I say, could he outbid the other eight?

Mr. DAVISON. I have thought, sometimes, that on your theory he could, but I never thought he could.

Mr. UNTERMYER. On what theory did you suppose he could outvote the other eight?

Mr. DAVISON. Because you are having one man control ten or fifteen billion dollars, on your theory.

Mr. UNTERMYER. Or 25,000,000,000.

Mr. DAVISON. On that theory. I never supposed so, myself, but on your theory he could.

Mr. UNTERMYER. If one man had the $25,000,000,000 of property he would be entitled to control it, would he not?

Mr. DAVISON. If he owned it.

Mr. UNTERMYER. You say if he owned it, or if other people chose to put it in his charge?

Mr. DAVISON. What is that? If other people chose to put it in his charge for control?

Mr. UNTERMYER. Yes.

Mr. DAVISON. Oh, yes.

Mr. UNTERMYER. Now let us come back to the subject on which I was questioning you.

Mr. DAVISON. But you made a statement that one man could not control a board of nine directors.

Mr. UNTERMYER. Yes.

Mr. DAVISON. I think that is true.

Mr. UNTERMYER. Now, will you not answer my question?

Mr. DAVISON. What is the question?

Mr. UNTERMYER. You say that in a financial institution you would make certain reservations?

Mr. DAVISON. Yes; I say this: The success or failure of a financial institution depends upon public confidence in that institution and in the conduct of the institution.

Mr. UNTERMYER. That is true of all business, is it not?

Mr. DAVISON. Not to any such extent; oh, no.

Mr. UNTERMYER. Is it not true of railroads?

Mr. DAVISON. Do you mean to say that you think it is true?

Mr. UNTERMYER. I am asking you if you think it is true.

Mr. DAVISON. I say it is not?

Mr. UNTERMYER. Then in industrial ventures, and in railroads and other enterprises, character does not count for so much, does it?

Mr. DAVISON. I think you would buy a pair of boots from a concern that was run by a rascal just as quick as you would from a good man, if the boots were all right.

Mr. UNTERMYER. Then you do not think that character counts for so much in those concerns, do you?

Mr. DAVISON. Certainly not.

Mr. UNTERMYER. Will you not go on and answer the question as to whether you would be in favor of cumulative voting in financial institutions?

Mr. DAVISON. I am free to say that I am not quite clear how it should be done. I am clear that it should be done, but I am not clear what form it should take, for the reason that a financial institution might be very much harmed by that voting.

Mr. UNTERMYER. You think it should be hedged in by some provision whereby the bank authority should have the right to say whether the director was satisfactory or not?

Mr. DAVISON. That would be a pretty delicate situation for the comptroller to find himself in.

Mr. UNTERMYER. You would not want J. P. Morgan & Co. to have that to say, would you?

Mr. DAVISON. No, sir.

Mr. UNTERMYER. Where would you like to put that?

Mr. DAVISON. I have not said that I would like to have it. I am not at all clear how that could be worked out, and I think it is a very delicate thing, and I think the committee ought to consider that with great care.

Mr. UNTERMYER. Do you see any objection to the present system by which officers and directors of national banks are permitted to borrow the money of the banks?

Mr. DAVISON. I think in practice it is better that they should not. There is another theory——

Mr. UNTERMYER. Do not give us all the theories. Just answer——

Mr. DAVISON. I am going to give you two.

Mr. UNTERMYER. No.

Mr. DAVISON. It is necessary to give you two to answer one.

Mr. UNTERMYER. You have answered the question.

Mr. DAVISON. No, I have not answered the question. I think, on the whole, it is perhaps better not; but I have known a bank officer who said: "I want every bank officer to borrow his money here, so that I will know what he is doing and what he is borrowing, and I do not want him to borrow outside."

Mr. UNTERMYER. How would his borrowing from the bank of which he is an officer interfere with his borrowing elsewhere?

Mr. DAVISON. It would not interfere with his borrowing elsewhere.

Mr. UNTERMYER. How would that enable them to know any more about his borrowing elsewhere than if he did not borrow from his own bank?

Mr. DAVISON. If he did not have the confidence of the officers he would not be in the bank to borrow.

Mr. UNTERMYER. That is not the point.

Mr. DAVISON. That is the point.

Mr. UNTERMYER. How would the permitting of that bank officer to borrow from his own bank give the bank any more idea what he was borrowing elsewhere than if he did not have the power to borrow from his own bank?

Mr. DAVISON. Our premises are different. I am assuming that he is an honest man, and you are not.

Mr. UNTERMYER. No, you are mistaken about that. I am indulging in no presumptions. We are trying to find out your views on certain questions, for the purpose of recommending certain legislation, and you have told us that there is a view to the effect that it is safer to allow bank officers to borrow from their own banks so as to know what they are borrowing.

Mr. DAVISON. Exactly.

Mr. UNTERMYER. What I am trying to find out is how that permission would enable the bank to know what that officer was borrowing elsewhere.

Mr. DAVISON. It would not, in any sense, enable the bank to know what he was borrowing elsewhere.

Mr. UNTERMYER. Then on the whole I take it you think that the officers and directors ought not to be allowed to borrow from their own banks?

Mr. DAVISON. I thought you were speaking of officers only.

Mr. UNTERMYER. No, I am speaking of officers and directors.

Mr. DAVISON. Oh, not at all. I do not think there is any objection whatever to directors borrowing from their own banks.

Mr. UNTERMYER. You think there is an objection to the officers borrowing?

Mr. DAVISON. I think, on the whole, if there were to be legislation on that subject, I would rather that they should not borrow from their own banks. I think evil practices and bad results have come from that in times gone by.

Mr. UNTERMYER. Have you ever heard of any evil practices or bad results from the directors borrowing from their banks?

Mr. DAVISON. Not to any serious extent. There have been occasions, I think. There always will be occasions.

Mr. UNTERMYER. But you think that should be permitted?

Mr. DAVISON. That directors should be permitted to borrow?

Mr. UNTERMYER. Yes.

Mr. DAVISON. Yes, I do; most decidedly.

Mr. UNTERMYER. You understand, do you not, that if there were 15 directors of a bank, that would permit, without an infraction of law, of their borrowing the whole resources of the bank, provided they did not each borrow over one-tenth of the capital and surplus?

Mr. DAVISON. Yes, I know that; and I know just as clearly that all the laws of the kingdom can not prevent 15 men from looting a bank if they start out to do it.

Mr. UNTERMYER. But do you not think that the law should make it criminal for them to do so?

Mr. DAVISON. I think that the law has made it criminal.

Mr. UNTERMYER. As it stands now, could not the directors borrow all the resources of a bank without violating any law?

Mr. DAVISON. When you are getting down to a nicety of that character, I think it is going too far.

Mr. UNTERMYER. You know that is so, do you not?

Mr. DAVISON. I know that if 15 directors sat around the board and divided up the assets of the bank and kept within the law, that bank would not have any assets; and you do not need any law to govern that.

Mr. UNTERMYER. Do you not think that the law should make that criminal?

Mr. DAVISON. I think that it is made criminal. They are criminals, anyway. They would be caught in some other direction.

Mr. UNTERMEYER. Oh, that is your idea?

Mr. DAVISON. That is my idea.

Mr. UNTERMYER. That there ought not to be any law to make evil practices criminal because they would be caught in some other direction?

Mr. DAVISON. No, I did not say that, and I object to your putting the question in that way.

Mr. UNTERMYER. Is not that a fair inference?

Mr. DAVISON. It is not, in any sense, a fair inference.

Mr. UNTERMYER. Of course you understand I am putting an extreme case for the purpose of having you tell me your view as to whether directors should be permitted to borrow from their banks.

Mr. DAVISON. Yes; and I am saying that I think it is most important that they should be allowed to do so, and it would be very unfortunate for the banks and the country if they were not.

Mr. UNTERMYER. If the directors were not permitted to borrow from their own banks?

Mr. DAVISON. Certainly.

Mr. UNTERMYER. Would you put any limit on the borrowing capacity of a director from his own bank?

Mr. DAVISON. No more than I would on the borrowing capacity of any customer.

Mr. UNTERMYER. You know, do you not, that as matters now stand every corporation that issues stock has got to offer it to its stockholders in proportion to their holdings?

Mr. DAVISON. I suppose there are State laws, differing in different States.

Mr. UNTERMYER. You know that is the general rule and that is the general practice, to offer stock to the stockholders?

Mr. DAVISON. Yes.

Mr. UNTERMYER. You know that that privilege is not offered with respect to bonds?

Mr. DAVISON. I do, unless they be convertible bonds.

Mr. UNTERMYER. Yes; if they are convertible into stock at the option of the stockholder, then they have to be offered to the stockholders?

Mr. DAVISON. Yes.

Mr. UNTERMYER. I am speaking now of stock and bonds not convertible. Why should not the rule be the same, that the bonds should be first offered to the stockholders?

Mr. DAVISON. Why, it would kill the market on the bonds.

Mr. UNTERMYER. It would kill the market?

Mr. DAVISON. Yes.

Mr. UNTERMYER. It does not kill the market on the stock, even if they do not take it?

Mr. DAVISON. Yes; but that is a very different thing.

Mr. UNTERMYER. You think it is?

Mr. DAVISON. A very decidedly different thing.

Mr. UNTERMYER. That is your answer, is it?

Mr. DAVISON. That is my answer; yes, sir.

Mr. UNTERMYER. You know, do you not, that national and State and municipal bonds are sold by competitive bidding?

Mr. DAVISON. Yes; I know that endeavors are made to sell them by competitive bidding.

Mr. UNTERMYER. Morgan & Co. are very substantial bidders for bonds of that kind, are they not?

Mr. DAVISON. At times they are. They have been.

Mr. UNTERMYER. And are those occasions very numerous?

Mr. DAVISON. Yes; I would say that they are.

Mr. UNTERMYER. Would you disapprove of requiring the bonds of great interstate corporations and interstate railroad corporations to be sold by competitive bidding?

Mr. DAVISON. I would; most decidedly.

Mr. UNTERMYER. Your answer is not at all influenced by the fact that it might interfere with your business?

Mr. DAVISON. Oh, not at all. I am entirely unprejudiced.

Mr. UNTERMYER. You are sure you could look at it from a broader point of view than that?

Mr. DAVISON. Yes; I will give you a reason for that.

Mr. UNTERMYER. Yes; state the reason.

Mr. DAVISON. You said municipal bonds. The bonds of the city of New York are always offered to the public for sale. We have seen the price of those bonds going down and the return coming up, as conditions and situations have changed.

Mr. UNTERMYER. That is so as to all bonds?

Mr. DAVISON. That is so as to all bonds. In the fall of 1907 the mayor and the comptroller and the other city officials in New York came into the house of J. P. Morgan & Co. and said they found themselves confronted with a situation where they had to meet maturing bonds, and they had offered their bonds to the public and could not sell them, and they wanted to know what could be done. It was a very strenuous time, as you well know. Mr. Morgan at once arranged for the taking up of those bonds, arranged a syndicate—a small syndicate—and he told the city authorities at that time that if they would offer those bonds to the public he would underwrite the $40,000,000 of bonds. They went out and did offer those bonds to the public, and J. P. Morgan & Co. were bidders for them and the city got its money.

Mr. UNTERMYER. Well, the bonds were taken were they not?

Mr. DAVISON. In part.

Mr. UNTERMYER. How much of them did you take at public bidding?

Mr. DAVISON. I was not in the firm then, but——

Mr. UNTERMYER. Oh, you are speaking from hearsay?

Mr. DAVISON. Oh, not at all.

Mr. UNTERMYER. Were you a party to the transaction?

Mr. DAVISON. I was not.

Mr. UNTERMYER. You do not remember how many bonds J. P. Morgan & Co. secured on that competing bidding?

Mr. DAVISON. It does not make any difference; the fact that the bonds were underwritten satisfied the public. Do not make any mistake about that; those bonds were offered and not taken.

Mr. UNTERMYER. How do you know the public would not take those bonds if they were offered, even in time of panic?

Mr. DAVISON. Because the law precluded their being offered beyond a certain price, and they had been offered and they were not taken.

Mr. UNTERMYER. That is it. They were offered at too high a price for that panic time, were they not?

Mr. DAVISON. They were, and they could not get——

Mr. UNTERMYER. Suppose this law to which I refer provided for the selling of these bonds at competitive bidding, do you not think that you would be likely—your house would be likely—to go and buy bonds that way instead of the way you were buying them, without competition?

Mr. DAVISON. Bearing upon that question, I would like to offer in evidence the letter of Mr. Morgan to the mayor, and a reply addressed to Mr. Morgan——

Mr. UNTERMYER. Oh——

Mr. DAVISON. Bearing very particularly on this subject, and if I may, I will read——

Mr. UNTERMYER. We do not want the record lumbered by improper things, Mr. Davison.

Mr. DAVISON. The record will not be lumbered by improper things if you put this in.

The CHAIRMAN. If it is germane to the questions asked it may be put in; otherwise not.

Mr. UNTERMYER. It is not germane to any question here at all. I do not object to the witness's enconiums on Mr. Morgan, but I do not think they are properly part of the record.

Mr. DAVISON. They are part of the record in so far as it bears upon the public offering of municipal and other forms of Government securities.

Mr. UNTERMYER. If they are germane I have no doubt the committee will let them go in.

The CHAIRMAN. If they are germane to your testimony and the questions you have been asked they may be put in, but otherwise not.

Mr. DAVISON. I think, Mr. Pujo, you will find that they are very germane to that subject.

The CHAIRMAN. The chair has ruled that if this matter is germane it may go in. That has been the general ruling of the committee from the start, but counsel is now reading the record to find the rule in reference to that. We can pass it for the moment, and this may come up later

Mr. DAVISON. Mr. Chairman, I would like to say it is not regarded by me as important, but it illustrates the point that I wanted to make, the disadvantage at times of offering securities, even by municipalities, and then if you will get down to the question of corporations, I will give you a very much stronger answer as to my objection.

Mr. UNTERMYER. Because of that circumstance would you now recommend that the United States Government, the several States, and the great cities should not sell their bonds by public bidding?

Mr. DAVISON. I most decidedly would not recommend that.

Mr. UNTERMYER. I see. Then does this instance to which you refer bear at all on the question as to whether those municipalities and departments of government should sell their bonds at public bidding?

Mr. DAVISON. No, it does not; but it illustrates the difficulty in which even a municipality can find itself, and nothing but patriotism would have worked out that situation at that time. They had obligations to meet, they were maturing, and they could not get the money from the public. So they had to go to private sources, and nothing but patriotism saved them. In the fall of 1907 nobody wanted to loan the city of New York money.

Mr. UNTERMYER. But I understand you to say that that would not induce you to depart from the present method of selling those bonds?

Mr. DAVISON. It would not, for reasons I will give if you will ask the question.

Mr. UNTERMYER. I think we might be here a week——

Mr. DAVISON. No; but you have not——

Mr. UNTERMYER. Just a moment——

The CHAIRMAN. Let us proceed.

Mr. UNTERMYER. You understand we want to get through, and you want to get through.

Mr. DAVISON. Thank you.

The CHAIRMAN. Suppose we proceed, and then we will get through.

Mr. UNTERMYER. You do not see any objection to private bankers selling bonds—securities—to banks in which they are interested?

Mr. DAVISON. On the general principle?

Mr. UNTERMYER. Yes.

Mr. DAVISON. I do not.

Mr. UNTERMYER. If they were forbidden to sell bonds—securities—to banks in which they were interested and represented on the board, what effect, in your judgment, would that have upon the present methods of doing business?

Mr. DAVISON. Probably it would result in their resigning from the boards.

Mr. UNTERMYER. Then having resigned from the boards, would it not put them in a much more independent position in dealing with those banks in the sale of securities?

Mr. DAVISON. I think they probably would make more money; yes.

Mr. UNTERMYER. You think they would make more money? You think because of the fact that they have representation on the boards they sell the bonds cheaper, do you?

Mr. DAVISON. I think a connection of that kind always militates against the man who is doing the business.

Mr. UNTERMYER. That is to say, the more dependent the bank is on the banker as to the price the bank shall pay for the bonds, the cheaper the bank usually gets them; is that right?

Mr. DAVISON. Well, I think that might work out in practice.

Mr. UNTERMYER. You think that is about right?

Mr. DAVISON. I think in practice——

Mr. UNTERMYER. And the more independent the bank is in dealing with the banker, the higher price it would have to pay for them?

Mr. DAVISON. Not at all.

Mr. UNTERMYER. Well, that is the corollary. Do you not subscribe to that?

Mr. DAVISON. Will you put that question again?

The question was read by the stenographer, as follows:

Mr. UNTERMYER. And the more independent the bank is in dealing with the banker, the higher price it would have to pay for them?

Mr. UNTERMYER. The higher price the banker has to pay for the bonds?

Mr. DAVISON. Not necessarily.

Mr. UNTERMYER. You think it would be just as well able to protect itself independent of the banker?

Mr. DAVISON. I think it is always independent of the banker.

Mr. UNTERMYER. Do you approve of regulations that would require bankers and brokers and intermediaries to make complete disclosure of all intermediate operations and profits in corporate organization?

Mr. DAVISON. I do not quite get that.

Mr. UNTERMYER. What I mean to ask is this: Would you approve of regulations that before a security could be listed on the stock exchange, we will say, the corporation or whoever sought to have it listed should be required to make a full disclosure of all contracts relating to those securities and all the profits in the transaction, so as to show what the company really secured and what was paid in the intermediate operations to banks and brokers? In other words, do you believe in complete publicity?

Mr. DAVISON. I do.

Mr. UNTERMYER. Of all intermediate transactions? You think that would be a wholesome law?

Mr. DAVISON. Decidedly so.

Mr. UNTERMYER. Has the organization of these trusts and combinations in the last 10 years had a good deal to do with concentrating money in New York?

Mr. DAVISON. Oh, I think it has; yes.

Mr. UNTERMYER. Has it not brought the principal offices of these great corporations to New York?

Mr. DAVISON. It has.

Mr. UNTERMYER. And brought large deposits there?

Mr. DAVISON. I think it has been a very important factor to that end.

Mr. UNTERMYER. Has it not, in fact, been the most important factor in concentrating these great funds there?

Mr. DAVISON. It has been one of the important factors. Of course, our banking law is the really important factor.

Mr. UNTERMYER. You mean, the requirement for reserves to be kept in New York?

Mr. DAVISON. Yes; and the fact that New York is the natural money center of the United States, and it is the exchange center of the banks of the country. They practically all carry accounts in New York.

Mr. UNTERMYER. Does your firm give participations in underwritings to officers of banks?

Mr. DAVISON. Not as a rule; very exceptionally.

Mr. UNTERMYER. But you do at times?

Mr. DAVISON. I would not say that we never have, but it is not our practice. I recall no case where we have done that.

Mr. UNTERMYER. You do not think it is right, do you?

Mr. DAVISON. I think it might be done and not be harmful. I think it would be wrong if it were done with the idea of influencing that banker——

Mr. UNTERMYER. Never mind about the idea; we are speaking of the fact.

Mr. DAVISON. Very well.

Mr. UNTERMYER. Do you not think it is unethical and wrong to do so, where you are selling or expect to sell bonds to the bank?

Mr. DAVISON. I think it would be better not.

Mr. UNTERMYER. You think it should be forbidden, do you not?

Mr. DAVISON. Well, I do not think these laws are as necessary as you think they are. I think in practice it is not done.

Mr. UNTERMYER. What is that?

Mr. DAVISON. I do not think it is a custom.

Mr. UNTERMYER. Why do you say that? Do you not know that in practice in New York it is very largely done?

Mr. DAVISON. I do not know that. It is not done with us and I did not suppose it was generally done.

Mr. UNTERMYER. Have you had your attention called to testimony before this committee, to a single transaction, a small one, of only a $5,000,000 syndicate, in which 24 officers of banks were underwriters?

Mr. DAVISON. Yes, sir.

Mr. UNTERMYER. And two national banks were engaged?

Mr. DAVISON. Yes; and it is done more than I realized.

Mr. UNTERMYER. But you do not do it?

Mr. DAVISON. I do not do it, and as a bank officer I never shared in that. I never had an opportunity, so far as I know, and it is not the common practice, so far as I know. If it is the common practice it ought not to be done.

Mr. UNTERMYER. And do you not think it should be forbidden by law?

Mr. DAVISON. If it is a practice, I think it should be forbidden by law.

Mr. UNTERMYER. Is your firm a loaner on the New York Stock Exchange?

Mr. DAVISON. Yes.

Mr. UNTERMYER. At the loan stand?

Mr. DAVISON. I suppose so; yes.

Mr. UNTERMYER. Through whom do you lend your money?

Mr. DAVISON. I do not know.

Mr. UNTERMYER. And who passes on the collateral? Is there some established rule of collateral, or is there some one to pass on it?

Mr. DAVISON. The loan department.

Mr. UNTERMYER. Your loan department?

Mr. DAVISON. Yes.

Mr. UNTERMYER. Your loan clerk checks the securities?

Mr. DAVISON. He does.

Mr. UNTERMYER. Is there an established custom as to the margin of security, the general character of collateral, required on those loans?

Mr. DAVISON. General practice.

Mr. UNTERMYER. You had at that time, we will say, $16,000,000 of your money in cash in bank?

Mr. DAVISON. In the bank, yes; not in cash.

Mr. UNTERMYER. Yes; in bank. What I want to know is how these funds that were on deposit with you were invested?

Mr. DAVISON. I should say that that was entirely a private matter which does not concern this committee in any way.

Mr. UNTERMYER. I think it does, Mr. Davison. I do not want to know the names of the securities. I want to know generally how the money of these interstate corporations was dealt with by your firm.

Mr. DAVISON. Upon an experience of 55 years, which is the length of time which the house has been in business——

Mr. UNTERMYER. So we have heard.

Mr. DAVISON. We handle our deposits in a way that we think is proper and wise and in the interests of ourselves and our clients.

Mr. UNTERMYER. I think the committee is entitled to know, in a general way, without prying into your private business, in what way these funds of the interstate corporations deposited with you are dealt with.

Mr. DAVISON. What do you mean?

Mr. UNTERMYER. Whether they are invested in bonds, whether you buy securities for them, or how they are held.

Mr. DAVISON. Mr. Untermyer, that is a matter that is entirely a private matter. There would be no objection whatever to giving you full information upon it, but we would lose our self-respect if we were to come here and set an example before this country of a private house and private individuals coming here and giving up all their affairs of a private character.

Mr. UNTERMYER. Just a moment; you know perfectly well, do you not, that this question does not call for your private affairs? It calls for particular information as to whether you keep this money of your depositors on hand in convertible securities or demand loans, or whether you deal with it like a bank would deal with it; whether you invest it permanently. The purpose of the inquiry is to enable the committee to ascertain and report as to the advisability of private bankers holding the funds of interstate corporations on deposit; and you understand further, do you not, that J. P. Morgan & Co. are not the only private bank in the country, and that the laws are made generally for all.

Mr. DAVISON. I understand that fully. I do not think there is anybody that appreciates the responsibility of that quite as much as the members of the firm of J. P. Morgan & Co. do. The moneys are invested in such a way that they can meet upon demand the checks drawn upon them by their customers. If you want to know—you have asked if we loan money on the Stock Exchange. We do. Is that convertible or is it not?

Mr. UNTERMYER. Do you loan on the Stock Exchange, and have you outstanding loans on the Stock Exchange?

Mr. DAVISON. We have.

Mr. UNTERMYER. Demand loans, that are at all times sufficient to meet the amount of those deposits?

Mr. DAVISON. That is a question that I think we will not answer, because I do not think it bears upon this inquiry. We invest that

money in a way that makes it immediately available, to our own satisfaction, to meet the demands made upon us. The firm of J. P. Morgan & Co. is a private partnership. The entire resources of all the individuals are liable for all the debts of the firm. The moneys are individual, are represented by capital put in, as are the deposits. Those moneys are invested in a way that is perfectly satisfactory to the members of the firm, and apparently to our clients.

Mr. UNTERMYER. That does not answer the question at all. The committee is dealing with a general situation and not with J. P. Morgan & Co. alone. Let us see whether we can not get an answer to our question, or whether you will decline to answer it. The committee wants to know what proportion of the deposits of J. P. Morgan & Co. from interstate corporations is invested in demand loans.

Mr. DAVISON. Our answer to that is that the deposits of interstate corporations are made with J. P. Morgan & Co., who at that moment become entirely responsible for the payment of those deposits upon time or upon demand, as the case may be. They so conduct their business that the checks when presented are paid, and that is all they have to say to this committee; and it is quite satisfactory, apparently, to the depositors. Of course we invest our money—for your general information I will say this, that we have not only cash on hand, but we have call loans as you know, we have deposits in bank, we have commercial paper, and we have high-class bonds. If that answers your question, that is as much as I will say.

Mr. UNTERMYER. Let us see. I do not think you want to take that attitude. It is not wise and it is not necessary, because the committee does not want to go beyond the necessary points to get the information for legitimate purposes. What we want to know is, Do you invest part of the funds of the deposits in your bank in buying bonds?

Mr. DAVISON. We invest all the funds in one form or another; either cash in bank, in call loans, or securities.

Mr. UNTERMYER. Have you any rule for keeping securities as against these deposits?

Mr. DAVISON. We have a rule satisfactory to ourselves.

Mr. UNTERMYER. What is the rule as to the reserve you keep against those deposits?

Mr. DAVISON. You mean the cash reserve?

Mr. UNTERMYER. Yes.

Mr. DAVISON. We decline to give that information.

Mr. UNTERMYER. Do you keep as much as 10 per cent against it?

Mr. DAVISON. Now, Mr. Untermyer, I object to that question in view of my previous answer. Did I not just say the rule was satisfactory to ourselves, and we will not tell you that. We will not answer that question.

Mr. UNTERMYER. The committee will have to determine whether it will insist upon an answer. What we want to get at, you understand, what the committee wants to find out——

Mr. DAVISON. I have told the committee this: You asked how we invest our funds. I say we invest our funds in cash in banks, call loans on the street, and securities of a character that are satisfactory to us. That is quite satisfactory to me as a reply to your question.

Mr. UNTERMYER. You are a witness before a congressional committee, and what may be satisfactory to you, you understand, may not be satisfactory to the committee. Do you realize that?

Mr. DAVISON. I appreciate that; oh, yes.

Mr. UNTERMYER. What the committee wants to find out is the facts from which it can determine on a report as to the safety or the wisdom of the deposits of interstate corporations being left with banks; not with one firm or any other firm, but with private bankers generally. Do you understand that?

Mr. DAVISON. I do.

Mr. UNTERMYER. Do you know whether there is any rule among private bankers that accept deposits of these corporations with respect to keeping any cash reserve such as is required to be kept by banks?

Mr. DAVISON. I know nothing about the practice of other banking houses.

Mr. UNTERMYER. Have you any rule that corresponds at all to the law with respect to banks as to reserves required to be kept by them?

Mr. DAVISON. The amount of cash kept by us depends entirely upon our own judgment, and our rule is our own.

Mr. UNTERMYER. You do not observe any such rule as prevails among the banks?

Mr. DAVISON. I will give you no further information upon that subject.

Mr. UNTERMYER. Have you any rule with respect to any amount of convertible securities kept on hand, as compared with deposits of interstate corporations kept with you?

Mr. DAVISON. Yes.

Mr. UNTERMYER. You have?

Mr. DAVISON. Yes.

Mr. UNTERMYER. And that rule is what?

Mr. DAVISON. That we shall always be able to pay out deposits immediately on demand.

Mr. UNTERMYER. You mean the entire amount?

Mr. DAVISON. The entire amount.

Mr. UNTERMYER. Then that answers every question, and if you had told us that a while ago we would have finished long ago.

Mr. DAVISON. If you had stopped dealing with percentages, I would have told you.

Mr. UNTERMYER. You have furnished the committee, or your firm has, a statement of transactions which you designate as transactions with interstate corporations, offered publicly.

Mr. DAVISON. Yes.

Mr. UNTERMYER. Is this list limited to those issues that were made by public offering, by advertisement?

Mr. DAVISON. Entirely.

Mr. UNTERMYER. Have you any list of securities that were issued by you and privately disposed of?

Mr. DAVISON. No; I have not.

Mr. UNTERMYER. But you do make a number of such issues?

Mr. DAVISON. Very, very few.

Mr. UNTERMYER. Most of your issues are public?

Mr. DAVISON. Almost all of them.

Mr. UNTERMYER. Do you know anything about the Virginia Railway issue of bonds recently made?

Mr. DAVISON. I know that only in a general way.

Mr. UNTERMYER. Do you know much about the road or where it runs?

Mr. DAVISON. I know more or less about it; nothing in detail. I never had anything to do with it personally.

Mr. UNTERMYER. Is your firm interested in it?

Mr. DAVISON. In the property?

Mr. UNTERMYER. Yes.

Mr. DAVISON. No.

Mr. UNTERMYER. In the issue?

Mr. DAVISON. Yes.

Mr. UNTERMYER. The Virginia Railway runs from Norfolk—from tidewater?

Mr. DAVISON. It runs over into the coal fields.

Mr. UNTERMYER. From tidewater over to the coal fields?

Mr. DAVISON. The New River coal fields.

Mr. UNTERMYER. And it is a competitor of the Norfolk & Western?

Mr. DAVISON. I believe so.

Mr. UNTERMYER. Do you know what other roads it competes with between the coal fields and the seaboard—tidewater?

Mr. DAVISON. I do not. It competes, I think, with the Seaboard, does it not? I am not clear on that.

Mr. UNTERMYER. Do you know of any other road with which it competes? I do not think it does compete with the Seaboard.

Mr. DAVISON. I do not know. I am not at all familiar with it.

Mr. UNTERMYER. It competes with the Chesapeake & Ohio at certain points?

Mr. DAVISON. I should think it would at certain points. I can give you no information on that subject.

Mr. UNTERMYER. And you know nothing about the deal itself?

Mr. DAVISON. I remember that there was a deal, a transaction, as I recall it of $18,000,000 of bonds, and I think we were given a participation in that business.

Mr. UNTERMYER. With Lee, Higginson & Co. or Kidder, Peabody & Co.?

Mr. DAVISON. I did not suppose it was either one of them. My information is——

Mr. UNTERMYER. It was $25,000,000 of bonds, was it not?

Mr. DAVISON. How much?

Mr. UNTERMYER. $25,000,000.

Mr. DAVISON. I do not think it was $25,000,000.

Mr. UNTERMYER. When was it? It was in March, 1912, was it not?

Mr. DAVISON. Yes. I would like to apologize by saying again that I was out of the country at that time.

Mr. UNTERMYER. Then we will take that up with some one else. Do you know how many railroads there are from the anthracite coal fields to tidewater?

Mr. DAVISON. I am not familiar with that situation.

Mr. UNTERMYER. You are not?

Mr. DAVISON. I am not familiar at all with it.

Mr. UNTERMYER. That is all.

Mr. DAVISON. I would like to offer a statement which I would like to read to the committee, as it bears upon this subject, and offer it in evidence.

Mr. UNTERMYER. Let the committee see it.

Mr. Davison here handed the statement to counsel.

The CHAIRMAN. With your statement we were trying to close this morning we will consider these matters, and if your letters are germane to any question asked you on your entire investigation, and your statement is pertinent to the testimony given by you, they will be admitted. It is a privilege which has been accorded to all witnesses and it will be gladly accorded to you. Otherwise it will be excluded. We will not take a general statement ex gratia.

Mr. LINDABURY. We understood that all witnesses were permitted to make a statement at the end of their testimony.

Mr. UNTERMYER. Upon their testimony.

Mr. LINDABURY. This is upon the testimony.

Mr. UNTERMYER. The committee will consider it, and if it is germane it will receive it; and if it is not, it will not.

The CHAIRMAN. The chair has so ruled.

Mr. LINDABURY. But that is after the witness has departed.

The CHAIRMAN. There are other witnesses here, and we will not take a recess to consider this, as we are trying to get through. We will put it in if it is germane.

(Note by the committee: The statement referred to is received as an argument, but not as a part of the evidence.)

TESTIMONY OF JAMES J. HILL.

The witness was sworn by the chairman.

Mr. UNTERMYER. You live in St. Paul?

Mr. HILL. Yes.

Mr. UNTERMYER. Are you now chairman of the board of the Great Northern?

Mr. HILL. No, sir

Mr. UNTERMYER. Who is chairman of the board now?

Mr. HILL. The chairman of the board is my son, L. W. Hill.

Mr. UNTERMYER. Louis W. Hill?

Mr. HILL. Yes.

Mr. UNTERMYER. Are you a director in a number of financial institutions?

Mr. HILL. I am a director in a few banks.

Mr. UNTERMYER. Will you be good enough to designate them; those in New York first?

Mr. HILL. In New York, in the First National and the Chase National.

Mr. UNTERMYER. And also in the Fourth National Bank, are you not?

Mr. HILL. No, sir.

Mr. UNTERMYER. You are not a director of the Fourth National Bank?

Mr. HILL. No, sir.

Mr. UNTERMYER. Are you a director in Chicago financial institutions?

Mr. HILL. I am a director in the First of Chicago.

Mr. UNTERMYER. The First National?

Mr. HILL. Yes.

Mr. UNTERMYER. Are you also in the Illinois Trust & Savings?

Mr. HILL. I think I am. I might say that I have never attended a board meeting of either one of them, because I live too far away from Chicago, and I have asked the officers to relieve me from that directorship, but they have not done so yet.

Mr. UNTERMYER. You are also a director in the First Trust & Savings of Chicago, are you not, which is connected with the First National Bank of Chicago? They have, I believe, identical directors?

Mr. HILL. I am not sure of that, sir. It is a matter that I have asked them to relieve me of, but I have not charged myself with the information.

Mr. UNTERMYER. Are you a director in a number of railroads?

Mr. HILL. I am a director in practically two.

Mr. UNTERMYER. You mean the Great Northern and the Northern Pacific?

Mr. HILL. No; I am not a director of the Northern Pacific.

Mr. UNTERMYER. The Great Northern and the Chicago, Burlington & Quincy?

Mr. HILL. Yes.

Mr. UNTERMYER. Are they competing roads?

Mr. HILL. Which roads?

Mr. UNTERMYER. The Great Northern and the C., B. & Q.?

Mr. HILL. Not in any manner.

Mr. UNTERMYER. But the Great Northern and the Northern Pacific are competing roads?

Mr. HILL. Quite active.

Mr. UNTERMYER. At many points they are competitors?

Mr. HILL. At many points; they always have been.

Mr. UNTERMYER. Upon the dissolution of the Northern Securities Co. you came into possession of a large amount of stock of the Great Northern and of the Northern Pacific?

Mr. HILL. Of both. Not a large amount—well, a considerable amount.

Mr. UNTERMYER. Your family own, do they not, over 37,000 shares of the Great Northern and over 62,000 shares of the Northern Pacific?

Mr. HILL. I do not remember.

Mr. UNTERMYER. Do not remember your holdings?

Mr. HILL. I do not remember. I think I have of Northern Pacific somewhere between 25,000 and 30,000 shares.

Mr. UNTERMYER. And Mr. J. W. Hill has about 25,000 shares, has he not, or 20,000 shares?

Mr. HILL. I do not know anyone named J. W. Hill. Do you mean J. N. Hill?

Mr. UNTERMYER. J. N. Hill. He is your son, is he not?

Mr. HILL. Yes, sir. How many does he own?

Mr. UNTERMYER. Twenty thousand three hundred and forty-one shares.

Mr. HILL. Possibly.

Mr. UNTERMYER. And your son Louis W. Hill owns 10,250 shares?

Mr. HILL. Possibly; but I am not familiar with the list of stockholders of the Northern Pacific Railroad.

Mr. UNTERMYER. J. N. Hill, trustee, owns 3,576 shares, and Mrs. Mary H. Hill, 3,000 shares?

Mr. HILL. Yes.

Mr. UNTERMYER. As to the Great Northern, you hold how many shares in that, 20,000?

Mr. HILL. Yes; as many as that.

Mr. UNTERMYER. Louis W. Hill, 13,520 shares?

Mr. HILL. Possibly that is right. I have not the list of the stockholders.

Mr. UNTERMYER. I have it here.

Mr. HILL. There are a great many of them.

Mr. UNTERMYER. Yes; there are. Mr. George F. Baker is a large holder in both companies, is he not?

Mr. HILL. In the Northern Pacific?

Mr. UNTERMYER. In the Northern Pacific and in the Great Nothern?

Mr. HILL. I do not know how many he holds in the Northern Pacific.

Mr. UNTERMYER. Does he not hold 34,500 shares in the Great Northern, and 25,000 shares in the Northern Pacific?

Mr. HILL. It may be as to the Northern Pacific. I could not testify.

Mr. UNTERMYER. What is the Northern Finance Co.?

Mr. HILL. I do not know.

Mr. UNTERMYER. You have no relation to that?

Mr. HILL. I do not know. I do not know as I ever heard it mentioned.

Mr. UNTERMYER. What is the Curtiss Security Co.?

Mr. HILL. The Curtiss Security?

Mr. UNTERMYER. Yes.

Mr. HILL. I do not know. I have no knowledge of it at all. I do not know as I ever heard it mentioned before.

Mr. UNTERMYER. Do you not know that they have 47,000 shares in the Great Northern and 56,000 shares in the Northern Pacific?

Mr. HILL. The Curtiss Security Co.?

Mr. UNTERMYER. The Curtiss Security Co. I will show you the stock list.

Mr. HILL. Let me see, now. Is that Willis James's estate?

Mr. UNTERMYER. I really do not know.

Mr. HILL. Mr. D. Willis James was an old associate in the Great Northern for many years. I could not testify absolutely, but my opinion is that that is the estate of D. Willis James, who was during his lifetime for 30 years or more associated with me.

Mr. UNTERMYER. Are you and your son, Mr. James N. Hill, directors in the Northern Pacific?

Mr. HILL. I have already testified that I am not a director in the Northern Pacific Co.

Mr. UNTERMYER. Is Mr. James N. Hill the only member of your family who is a director in the Northern Pacific?

Mr. HILL. I do not know. He is abroad, and I do not know that he is a director at the present time.

Mr. UNTERMYER. Do you know that he is vice president?

Mr. HILL. No, I do not. I know that he is not.

Mr. UNTERMYER. What is that?

Mr. HILL. I know that he is not. He was.

Mr. UNTERMYER. He was until when, Mr. Hill?

Mr. HILL. I do not know what time; possibly some time during the last year.

Mr. UNTERMYER. You do not know whether he is still a director?

Mr. HILL. I do not.

Mr. UNTERMYER. Your son, Louis W. Hill, is chairman of the board of the Great Northern?

Mr. HILL. Yes.

Mr. UNTERMYER. And you and he are directors in the Great Northern—on the board?

Mr. HILL. Yes. The board consists of nine directors.

Mr. UNTERMYER. Are you not connected with some financial institutions up in St. Paul as a director, or did you not acquire some interests here recently?

Mr. HILL. I am a director of the First National Bank of St. Paul. I have been for many years.

Mr. UNTERMYER. Did that bank acquire another bank recently?

Mr. HILL. Yes.

Mr. UNTERMYER. What was the other bank?

Mr. HILL. The Second National Bank.

Mr. UNTERMYER. And they have been consolidated?

Mr. HILL. Yes, sir.

Mr. UNTERMYER. Is that the largest bank in that section?

Mr. HILL. Yes. There is another one about the same size in Minneapolis.

Mr. UNTERMYER. Do you remember what its capital and surplus are?

Mr. HILL. Its capital is $3,000,000 and its surplus $2,000,000

Mr. UNTERMYER. What is the extent of its deposits?

Mr. HILL. $17,000,000 or $18,000,000.

Mr. UNTERMYER. That is a recent consolidation or merger?

Mr. HILL. The consolidation took place on the first of the year.

Mr. UNTERMYER. The first of this year?

Mr. HILL. Yes. I might say that those were the two largest banks in the State, and the stock had drifted into the estates of dead men, and there was no active interest in the ownership of the stock. I bought the stock and distributed what I desired to; I bought every share of both banks and distributed what I desired to with men who would take an active part in it—younger men.

Mr. UNTERMYER. You have had an experience of many years with financial institutions, have you not?

Mr. HILL. Not a great deal.

Mr. UNTERMYER. You have been a director in banks for many years?

Mr. HILL. Yes; I have been a director of that bank for a great many years.

Mr. UNTERMYER. In your judgment, should there be minority representation in a bank? I mean, should not the minority of the stockholders have the right to select representatives on the board?

Mr. HILL. If the bank officers—I mean the board of directors of the bank—realize and obey the law and regard the oath they have taken, it does not make much difference, in my judgment.

Mr. UNTERMYER. Do you not think that, for instance, a 49 per cent stockholding interest in a bank ought to have a right to representation on the board?

Mr. HILL. Why, certainly; and I can not imagine conditions under which it would not have a right.

Mr. UNTERMYER. You know that it has now no legal right, do you not; in other words, that the 51 per cent of stock can elect the whole board as a matter of right?

Mr. HILL. As a matter of practice——

Mr. UNTERMYER. No; I am asking how the condition is, as a matter of right.

Mr. HILL. It is hard for me to give an opinion on a question, the conditions as you state them having never come under my observation in the world.

Mr. UNTERMYER. But as a general proposition, Mr. Hill, would you agree, or would you differ, that the law should provide representation for minorities in all corporations?

Mr. HILL. The law, as I understand it, provides for the representation of every shareholder. Now, it may be that some shareholders will be in the minority. I have seen cases where a single shareholder, holding one, two, or five hundred shares, would stop the transaction of business of a very large corporation. I think you may know of your own personal knowledge a man named Venner, who makes a living doing such things.

Mr. UNTERMYER. Yes.

Mr. HILL. I think he acknowledges it.

Mr. UNTERMYER. I have heard of him. I do not know him.

Mr. HILL. He acknowledges that his business is levying blackmail because he is a minority stockholder.

Mr. UNTERMYER. Does that furnish to your mind a reason why a bare majority of a stock should select all the directors?

Mr. HILL. Mr. Untermyer——

Mr. UNTERMYER. Well, does it?

Mr. HILL. Your question is a new one to me, and the other condition one that arises in my mind, and I just stated it. There are two extremes.

Mr. UNTERMYER. That brings us back to the question as to whether or not, from your experience in corporations, it is your judgment that there should be what is known as cumulative voting, which allows to each share of stock representation?

Mr. HILL. I do not think that cumulative voting, properly construed, could do any harm, and it might do good.

Mr. UNTERMYER. Would you not favor it?

Mr. HILL. For instance——

Mr. UNTERMYER. Or would you favor it?

Mr. HILL. I will give you something that will answer your question, I think. Take for instance, the Aldrich bill, so called.

Mr. UNTERMYER. I think that we had better keep away from that.

Mr. HILL. Well, now, just a minute. It provides a sort of majority and minority and interlocking, and a, to me. quite curious method, governmental appointment of directors. I think there you would have to have it. You could not have all the little banks of the country——

Mr. UNTERMYER. Do not let us get on that, because it is endless.

Mr. HILL. You are talking about directors, and I think I can answer your question and please you, too.

Mr. UNTERMYER. I do not care to be pleased.

Mr. HILL. All right; I will not try, then.

Mr. UNTERMYER. Would you like to say anything more about that, Mr. Hill?

Mr. HILL. Do you want me to?

Mr. UNTERMYER. Not especially, except that we would like to know whether you believe in cumulative voting as a good thing.

Mr. HILL. If you want me to I will, otherwise I will not.

Mr. UNTERMYER. Go right on, then.

Mr. HILL. Providing that all the national banks in the country should vote—there are a very great many of $20,000 or $25,000 banks. They have not interest enough in it to vote, because $25,000 of capital in a bank, under ordinary conditions, would not earn money enough to pay the salary of the president and of the cashier. But we will say, for instance, that eight of them, or, if you like, four of them, would have one vote. That would be $100,000. Then you might restrict large banks. You might say that a bank with $1,000,000 capital could have 10 votes, but beyond that it could not have any.

Mr. UNTERMYER. You are talking about votes in a central reserve association under the Aldrich plan?

Mr. HILL. Yes; I was, directly. But you can apply the same thing, because a central reserve association is a large bank to do business, and I do not see that the same principle would not apply largely, or a modification or adaptation of it would not apply, in the other way.

Mr. UNTERMYER. Do you see any objection to applying the principle of cumulative voting to give representation to the minority in railroad corporations and all industrial corporations, so that the minority would be represented?

Mr. HILL. I can not see where it would do any good in ordinary business corporations, and I can see where it would do an immense amount of harm.

Mr. UNTERMYER. Take, for instance, the Great Northern, with which you are connected, or the Northern Pacific?

Mr. HILL. Yes.

Mr. UNTERMYER. Do you not see any justice in allowing a certain amount of stock to get together there and have a representation and elect directors?

Mr. HILL. No; so far as that is concerned. But now let us take the effect, if you give that power to some one who may exercise it.

Mr. UNTERMYER. If there were ten directors to be elected, or nine as in the Great Northern, they would have to get together one-ninth of all the stock to elect one director. You understand that, do you not?

Mr. HILL. Yes; and they might borrow the proxies. Some stockholder might lend his proxies and they might pay him one-half of 1 per cent for the privilege of voting them. That man might come and sit at the council board and he might be interested in preventing the Great Northern from extending its line here, there, or anywhere.

In other words, you would have a very awkward condition. You could not go on and build your road in any direction. You know a railroad in order to get its right of way has got to do it quietly.

Mr. UNTERMYER. How could one man out-vote the other eight?

Mr. HILL. He would not out-vote them, but he would get the knowledge, and he could block action. He has simply the right to go and attend all meetings and look at the records.

Mr. UNTERMYER. Then you think that the knowledge of what is going on in the corporation ought to be kept from the stockholders, or that they ought to have a right to secure that knowledge?

Mr. HILL. A small minority ought not to have the right to destroy the property of the owners of the majority. In a great property the man who becomes a minority holder for the purpose of making trouble ought not to be permitted by the law to do it.

Mr. UNTERMYER. Can you conceive of any conditions under which the owners of a one-ninth of the stock of a great corporation like the Great Northern would want to destroy their property?

Mr. HILL. They might not own it, sir. He might be elected by proxies, and not own it. It is very seldom——

Mr. UNTERMYER. Is that the way you gentlemen are elected—by proxies?

Mr. HILL. Yes. Let me answer your question, to show you. I do not recall in 30 years where there was a single stockholder that attended a Great Northern meeting except some man who wanted to make trouble for the corporation.

Mr. UNTERMYER. You mean stockholders as a rule do not take any interest?

Mr. HILL. The stockholders send their proxies in. Not a solitary stockholder, it may be, is present. I have had to adjourn a meeting in order to appoint tellers, because there was nobody there.

Mr. UNTERMYER. How many shares are there in your corporation?

Mr. HILL. $210,000,000.

Mr. UNTERMYER. That would be 2,100,000 shares.

Mr. HILL. Yes. It is divided among between 18,000 and 19,000 shareholders, and I suppose nearly one-half of them are women and children. The average holding is less than $12,000.

Mr. UNTERMYER. As a fact, Mr. Hill, in practical operation you are able to control that company with a little over 2 per cent of the stock?

Mr. HILL. Well, I do not control it. I was instrumental in building it, but I do not control it, and I am getting to be an old man, and I want to get out before I die, and have a little time of my own.

Mr. UNTERMYER. And your son is taking your place?

Mr. HILL. He is, I am glad to say.

Mr. UNTERMYER. Is one of your fears as to cumulative voting that a director might get on the board and go out and use the information for some competing road.

Mr. HILL. Yes; he might be a director. He might represent an unfriendly interest.

Mr. UNTERMYER. A competing interest?

Mr. HILL. Yes. It would not be a difficult thing to get one-ninth of the proxies. I got one-ninth of proxies once to help a friend, or, in fact, more than that. I think I got 15 or 18 per cent of proxies to

help a friend who asked me to do it. It was Charles Francis Adams, of Boston, and he pretended he was an honest and straightforward man, and I think he was. I felt so at the time. I never have had any reason to change my opinion.

Mr. UNTERMYER. You say one of the things you fear would be that a man might get in there and get information for a competing road?

Mr. HILL. He might; or he might publish the information. A railroad has to build its road on certain lines. You can not build over the tops of houses, and real estate has to be acquired for the purposes of the railroad; and if you are prudent you will get your right of way before you announce where you are going to build.

Mr. UNTERMYER. Do you believe in the same man being a director in competing companies?

Mr. HILL. It depends on what they are. It depends on the man

Mr. UNTERMYER. We are talking about the laws now, not about men.

Mr. HILL. Well, the law——

Mr. UNTERMYER. Do you believe in a law forbidding men to be directors in different companies?

Mr. HILL. The law might forbid an excellent, good man——

Mr. UNTERMYER. Please answer my question.

Mr. HILL. I am trying to.

Mr. UNTERMYER. The question is, do you think the law should forbid or permit the same men to be directors in competing companies?

Mr. HILL. The effect of that would in my judgment depend upon the character of the man, the individual. I can understand possibly I might not want a competitor in a bank sitting at the bank board with me. I might not want him, but he might be the best director, and as good as I am. If he obeys the law and regards his oath, he might be——

Mr. UNTERMYER. Do you not understand that in passing laws you can not have regard to the character of the men who are to act under them? Now, Mr. Hill, I am trying to find out from you whether you think the law should or should not forbid the same men being directors in competing companies? Have you any view on that?

Mr. HILL. My view is that in trying to do good you are liable to do harm; you might not necessarily do harm and you might not necessarily do good; but it depends on the individual man. All acts are personal things, and the mind and conscience of that individual man is what is going to govern his actions.

Mr. UNTERMYER. That is all, Mr. Hill. You may be excused.

Mr. HILL. Thank you.

Thereupon the subcommittee took a recess until 2 o'clock p. m.

AFTER RECESS

The committee met pursuant to adjournment.

TESTIMONY OF ROBERT WINSOR.

The witness was sworn by the chairman.

Mr. UNTERMYER. Where do you reside?

Mr. WINSOR. In Boston.

Mr. UNTERMYER. Are you a member of the firm of Kidder, Peabody & Co.?

Mr. WINSOR. Yes.

Mr. UNTERMYER. They are bankers in Boston, are they not?

Mr. WINSOR. Yes.

Mr. UNTERMYER. That is an international banking house?

Mr. WINSOR. We do an international business.

Mr. UNTERMYER. How long has that firm been constituted, with varying memberships?

Mr. WINSOR. Since 1865, and it is the successor of a firm formed in 1845.

Mr. UNTERMYER. Have you a London house?

Mr. WINSOR. No.

Mr. UNTERMYER. You have London connections?

Mr. WINSOR. Baring Bros. & Co. are our correspondents.

Mr. UNTERMYER. Have you prepared a statement of syndicate transactions in answer to the request of the committee and in answer to various questions that have been put?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Is there any objection to that being made part of the record before the committee—that is, in the case of other banks?

Mr. WINSOR. No.

The statement referred to was marked "Exhibit No. 229," and will be found printed in full at the end of this day's proceedings.

Mr. UNTERMYER. You have also supplied certain supplemental information by the supplemental letter from your counsel, have you not?

Mr. WINSOR. I have no doubt.

The supplemental letter referred to is included in Exhibit No. 229, which will appear at the end of this day's proceedings.

Mr. UNTERMYER. Are you and the members of your firm directors in various banks in Boston?

Mr. WINSOR. Some of us are.

Mr. UNTERMYER. Can you state from memory in what banks your various partners are directors?

Mr. WINSOR. Mr. Webster and I are directors in the National Shawmut Bank.

Mr. UNTERMYER. Mr. Webster is one of your partners?

Mr. WINSOR. Senior.

Mr. UNTERMYER. I forgot to ask you to give us the names of your partners.

Mr. WINSOR. William G. Webster, Frank E. Peabody, William Endicott, jr., Frank W. Remick, and myself; and our New York partners are Charles S. Sargent, jr., and William L. Benedict.

Mr. UNTERMYER. You are a director in what banks in Massachusetts?

Mr. WINSOR. The National Shawmut Bank.

Mr. UNTERMYER. The State of Massachusetts I called for.

Mr. WINSOR. Yes.

Mr. UNTERMYER. Are you a director in any trust company—in the Union Trust Co. of Springfield?

Mr. WINSOR. Oh, yes. I thought you asked for the banks. Excuse me.

Mr. UNTERMYER. Banks and trust companies.

Mr. WINSOR. The Worcester Trust Co. and the Union Trust Co. of Springfield.

Mr. UNTERMYER. And the Commonwealth Trust?

Mr. WINSOR. No.

Mr. UNTERMYER. I thought you stated you were.

Mr. WINSOR. If so it was an error. I was, and resigned some time ago.

Mr. UNTERMYER. When did you resign?

Mr. WINSOR. I can not be sure, but I should think a couple of years ago.

Mr. UNTERMYER. In how many corporations are you a director, do you remember?

Mr. WINSOR. Approximately 20 of them, I think it is stated there.

Mr. UNTERMYER. Does that include the American Telephone & Telegraph Co.?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Do you remember in what banks Mr. Webster is a director?

Mr. WINSOR. The National Shawmut Bank and the Boston Safe Deposit & Trust Co.

Mr. UNTERMYER. He is also a director in various other corporations, is he not?

Mr. WINSOR. Very few, I should think. A few.

Mr. UNTERMYER. Four, I think.

Mr. WINSOR. I am not sure.

Mr. UNTERMYER. Do you remember what banks and trust companies Mr. Endicott is a director of?

Mr. WINSOR. The National Bank of Commerce and the Old Colony Trust Co.

Mr. UNTERMYER. How about the Bay State Trust Co.?

Mr. WINSOR. He may be; I do not know.

Mr. UNTERMYER. The New England Trust Co.?

Mr. WINSOR. Yes.

Mr. UNTERMYER. And the Bay State?

Mr. WINSOR. I am not sure about that.

Mr. UNTERMYER. Are those all four Boston corporations?

Mr. WINSOR. Yes.

Mr. UNTERMYER. He is also a director in a number of other corporations, is he not?

Mr. WINSOR. I think so.

Mr. UNTERMYER. Is Mr. Remick a director in any bank, that you know of?

Mr. WINSOR. Not to my knowledge.

Mr. UNTERMYER. He is, however, in other corporations, is he not?

Mr. WINSOR. A few.

Mr. UNTERMYER. What is the largest bank in Boston?

Mr. WINSOR. The National Shawmut.

Mr. UNTERMYER. Do you remember what its capital and surplus, undivided profits and deposits are?

Mr. WINSOR. Capital, 10,000,000; surplus and undivided profits, between six and seven million, I believe; and deposits in the vicinity of $85,000,000 to $90,000,000, normally.

Mr. UNTERMYER. Did that bank absorb a number of other banks?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Do you remember how many banks it absorbed?

Mr. WINSOR. My impression is there were 14 banks.

Mr. UNTERMYER. That were absorbed into the Shawmut?

Mr. WINSOR. Fourteen in all, including the old Shawmut bank, I think; but I am not perfectly sure about that.

Mr. UNTERMYER. It absorbed 13 other banks?

Mr. WINSOR. Approximately that.

Mr. UNTERMYER. Which is the next largest bank in Boston?

Mr. WINSOR. The First National.

Mr. UNTERMYER. That also absorbed a number of other banks?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Do you remember how many?

Mr. WINSOR. No, I do not.

Mr. UNTERMYER. Do you recall what its surplus and capital are?

Mr. WINSOR. $5,000,000 capital, $5,000,000 surplus, and $5,000,000 undivided, approximately.

Mr. UNTERMYER. Undivided profits?

Mr. WINSOR. Yes.

Mr. UNTERMYER. How much deposits, approximately?

Mr. WINSOR. I would say $75,000,000 normally; somewhere along there.

Mr. UNTERMYER. There is a third large bank in Boston, is there not?

Mr. WINSOR. The Old Colony Trust Co.

Mr. UNTERMYER. Yes; did that absorb other institutions?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Do you remember how many?

Mr. WINSOR. No, I do not.

Mr. UNTERMYER. Do you recall what its present capital, surplus, and undivided profits and deposits are?

Mr. WINSOR. I do not remember.

Mr. UNTERMYER. Do you know what proportion of the total resources of all the banks of Boston is included in these three corporations—the Shawmut, the First National, and the Old Colony Trust Co.?

Mr. WINSOR. No, I do not.

Mr. UNTERMYER. Is it not approximately two-thirds of all the resources?

Mr. WINSOR. It must certainly be a majority.

Mr. UNTERMYER. Is it not something over two-thirds?

Mr. WINSOR. I do not know.

Mr. UNTERMYER. How many national banks are there in Boston now?

Mr. WINSOR. I think there are 14; but I am not sure.

Mr. UNTERMYER. Do you know how many national banks, as against 14 now existent, there were in 1898?

Mr. WINSOR. I suppose in the vicinity of 50.

Mr. UNTERMYER. There were 58, were there not?

Mr. WINSOR. I do not know.

Mr. UNTERMYER. The total resources of these 14 national banks to-day—are they very much larger than the total resources of the 58 national banks in 1898?

Mr. WINSOR. I have no idea.

Mr. UNTERMYER. The clearances have increased very much in Boston, have they not?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Are you a member of the clearing house?

Mr. WINSOR. The Shawmut Bank, you mean?

Mr. UNTERMYER. No; I mean the clearances of the Boston clearing house for all the institutions.

Mr. WINSOR. Yes.

Mr. UNTERMYER. They have largely increased from year to year?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Have you any recollection as to what the clearances are?

Mr. WINSOR. Not the slightest.

Mr. UNTERMYER. How many directors has your firm on the Shawmut Bank board?

Mr. WINSOR. Two.

Mr. UNTERMYER. How many directors are there of the Shawmut Bank?

Mr. WINSOR. Between 35 and 40, I think.

Mr. UNTERMYER. What is the extent of the stock holdings of your firm, and individual members, in the Shawmut Bank?

Mr. WINSOR. About 5,000 shares.

Mr. UNTERMYER. Has your firm conducted joint syndicate transactions with J. P. Morgan & Co.?

Mr. WINSOR. Yes.

Mr. UNTERMYER. And with the First National Bank of New York?

Mr. WINSOR. Probably. I do not remember definitely.

Mr. UNTERMYER. Do you also have joint transactions with Lee, Higginson & Co. of your city?

Mr. WINSOR. I have no doubt we have.

Mr. UNTERMYER. You have had a number of such transactions, have you not?

Mr. WINSOR. No doubt.

Mr. UNTERMYER. Do the Shawmut, the First National, and the Old Colony Trust Co. participate in issues made by your firm?

Mr. WINSOR. Do you mean do we ever give them participations?

Mr. UNTERMYER. Yes.

Mr. WINSOR. Yes; both the Old Colony Trust Co. and the Shawmut Bank. I am not sure about the First National.

Mr. UNTERMYER. You are not allied with the First National Bank, are you?

Mr. WINSOR. No.

Mr. UNTERMYER. I think Lee, Higginson & Co. are allied with that bank, are they not?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Do you also exchange participations with J. P. Morgan & Co. in your issues?

Mr. WINSOR. Yes, I think so; occasionally.

Mr. UNTERMYER. And they with you?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Have you any recollection now, independent of the data you have produced here, of the number of joint transactions between your firm, J. P. Morgan & Co., and the First National Bank of New York?

Mr. WINSOR. No.

Mr. UNTERMYER. What is the rule, or what are the banking ethics, with respect to the participation, the interest of bankers, of banking houses, in the issues of a corporation where they have previously been interested in issues of that same corporation?

Mr. WINSOR. I should say that there was no fixed rule. It depends entirely on circumstances.

Mr. UNTERMYER. Is it not a fact, where you have been partners or jointly interested in one ownership of a corporation, that you offer participation to the same people in subsequent issues of that same corporation?

Mr. WINSOR. We should want to.

Mr. UNTERMYER. Well, that would be the rule?

Mr. WINSOR. No; I should not think it was the rule.

Mr. UNTERMYER. It would not be?

Mr. WINSOR. No.

Mr. UNTERMYER. Take, for instance, the issues of the American Telephone & Telegraph Co. There have been a number of such issues, have there not?

Mr. WINSOR. Yes.

Mr. UNTERMYER. To what extent has your firm been interested in such issues since 1906?

Mr. WINSOR. I think we have been interested in all of them.

Mr. UNTERMYER. There have been how many issues?

Mr. WINSOR. I should think three. I am not sure.

Mr. UNTERMYER. There have been five, including the recent one of $67,000,000. You are interested in that, are you not?

Mr. WINSOR. Yes.

Mr. UNTERMYER. And the issues together have amounted to about how much; about $250,000,000, have they not?

Mr. WINSOR. I should think so.

Mr. UNTERMYER. Have you had the same partnerships or joint interests as between the banking houses in all those issues?

Mr. WINSOR. No.

Mr. UNTERMYER. Have they not been divided in substantially the same way?

Mr. WINSOR. No; not exactly.

Mr. UNTERMYER. What has been the difference?

Mr. WINSOR. I do not know the details, but they have not been exactly the same.

Mr. UNTERMYER. Let us see. Have not Morgan & Co. been interested with you in all of them?

Mr. WINSOR. No.

Mr. UNTERMYER. In which of these issues have they not been interested?

Mr. WINSOR. I think there were some collateral trust bonds. There have been two large issues; $150,000,000, and then this last one——

Mr. UNTERMYER. Of $67,000,000?

Mr. WINSOR. Yes.

Mr. UNTERMYER. They have been interested with you in both those?

Mr. WINSOR. Yes.

Mr. UNTERMYER. And have not Kuhn, Loeb & Co. been interested with you in the same issues?

Mr. WINSOR. Yes.

Mr. UNTERMYER. And in the same proportions?

Mr. WINSOR. Is that a necessary question?

Mr. UNTERMYER. We have the proportions here in this statement.

Mr. WINSOR. No; not the same proportions.

Mr. UNTERMYER. There has been a change of the proportions. Do you distribute your issues generally among banks and trust companies—the part that you take?

Mr. WINSOR. Sometimes, and sometimes not.

Mr. UNTERMYER. And does that distribution extend beyond Boston?

Mr. WINSOR. Sometimes.

Mr. UNTERMYER. When it is a large issue?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Have you a list from which you select the participants whom you invite to participate?

Mr. WINSOR. No; not at all.

Mr. UNTERMYER. You make up a list for each transaction?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Does that consist mainly of corporations?

Mr. WINSOR. Oh, no.

Mr. UNTERMYER. Or are there many individuals?

Mr. WINSOR. No; they are chiefly banking houses.

Mr. UNTERMYER. Banking houses in other cities or in Boston?

Mr. WINSOR. In Boston.

Mr. UNTERMYER. In Boston?

Mr. WINSOR. Principally.

Mr. UNTERMYER. You give participations to a certain number of the Boston bankers?

Mr. WINSOR. Yes.

Mr. UNTERMYER. Were you interested with Messrs. Morgan in certain bond issues of the Chicago, Burlington & Quincy road in 1906, 1908, and 1909?

Mr. WINSOR. I do not remember it.

Mr. UNTERMYER. General mortgage 4 per cent bonds? Do you not remember that?

Mr. WINSOR. No, sir.

Mr. UNTERMYER. Your statement shows it.

Mr. WINSOR. Very likely.

Mr. UNTERMYER. Do you give participations, Mr. Winsor, to bank officers?

Mr. WINSOR. Not as a rule.

Mr. UNTERMYER. Do you occasionally give participations to officers of banks in which you place your securities, or where you give the banks participation?

Mr. WINSOR. Distinctly not, as a rule.

Mr. UNTERMYER. How would you describe the exceptions, as a rule?

Mr. WINSOR. I should think they were so few as to not need a description.

Mr. UNTERMYER. You do not consider that proper, do you?

Mr. WINSOR. I think it would depend entirely on circumstances.

Mr. UNTERMYER. Under what circumstances would you consider it proper to give participation to the officers of a bank which was also participating, or to which you were selling that security?

Mr. WINSOR. If that participation were given to influence, or did influence, that officer, it would be improper.

Mr. UNTERMYER. How could you tell whether it influenced him or not?

Mr. WINSOR. Well, I know some honest men.

Mr. UNTERMYER. You select the honest men who are officers of corporations, do you, and give them participation, and give none to the others?

Mr. WINSOR. No. There are lots of honest men we do not give participations to, and we do not give any participation to others if we can help it.

Mr. UNTERMYER. Why do you distinguish between one class of honest bank officers and another class of honest bank officers in giving participations in corporations that are buying that same security?

Mr. WINSOR. We do not, Mr. Untermyer.

Mr. UNTERMYER. You say there are some cases in which you give it?

Mr. WINSOR. There have been some cases, but there is no class.

Mr. UNTERMYER. I asked you about your idea of the propriety of that.

Mr. WINSOR. I say it is proper if it is not given for the purpose of influencing, and does not influence, the men.

Mr. UNTERMYER. And you say the only way in which you are able to ascertain whether it does not influence them is by the character of the men; is that right?

Mr. WINSOR. I should think that had a bearing on the situation.

Mr. UNTERMYER. Do you not think it would be safer not to allow it to be done at all, where you are selling that same security to the corporation?

Mr. WINSOR. No, sir; I do not think so.

Mr. UNTERMYER. You think it is entirely safe?

Mr. WINSOR. As far as we are concerned; yes, sir.

Mr. UNTERMYER. Why do you differentiate between yourselves and other people?

Mr. WINSOR. I do not know the other people.

Mr. UNTERMYER. You know that bank officers are given participations frequently, do you not, in issues——

Mr. WINSOR. I have no doubt of it.

Mr. UNTERMYER. In which their banks are participating?

Mr. WINSOR. I have no doubt of it.

Mr. UNTERMYER. As a general rule, do you champion the propriety of that course?

Mr. WINSOR. It is distinctly undesirable, as a general rule.

Mr. UNTERMYER. If it is distinctly undesirable, do you not think it ought to be prohibited?

Mr. WINSOR. I doubt it.

Mr. UNTERMYER. What harm would ensue from prohibiting it?

Mr. WINSOR. That is a difficult question. I can not answer it.

Mr. UNTERMYER. Can you see any?

Mr. WINSOR. I think harm might come; but, Mr. Untermyer, I can not answer on the spur of the moment a definite question of that kind, although some harm might arise.

Mr. UNTERMYER. But you do not think of it at the moment?

Mr. WINSOR. I do not think of any.

Mr. UNTERMYER. I mean harm from prohibiting?

Mr. WINSOR. Yes; I understand.

Mr. UNTERMYER. And do you see any harm in a banking house selling securities to a banking institution in which it is largely interested, and in which it has representation on the board?

Mr. WINSOR. No.

Mr. UNTERMYER. Do you think it ought to be permitted to deal as freely with such a bank as though the bank were entirely independent of any representation or control?

Mr. WINSOR. Surely.

Mr. UNTERMYER. Do you feel that it would not influence, or might not be likely to influence, the purchase of securities of your banking house where the bank was under the control of the banking house?

Mr. WINSOR. There is no such case.

Mr. UNTERMYER. I say if there were such a case, would you consider it desirable or proper?

Mr. WINSOR. I should think that it would be very unwise to prohibit it.

Mr. UNTERMYER. Why?

Mr. WINSOR. Because it might prevent very valuable people from serving on the board of a bank.

Mr. UNTERMYER. Taking the proposition broadly, Mr. Winsor, what should you say as to the wisdom of having a bank entirely independent of any representation in dealing with a banking house that is seeking to sell securities to that bank?

Mr. WINSOR. I should say that it was very detrimental to the proper interests of the institution.

Mr. UNTERMYER. Do you think it is better that the banking house should deal with the banks in which it is interested and represented?

Mr. WINSOR. Surely.

Mr. UNTERMYER. To what extent should you carry that? Suppose the representation was a very important one?

Mr. WINSOR. I do not think it makes any difference.

Mr. UNTERMYER. You do not?

Mr. WINSOR. No.

Mr. UNTERMYER. I think that is all, Mr. Winsor. Thank you.

Witness excused.

TESTIMONY OF GARDINER M. LANE.

The witness was sworn by the chairman.

Mr. UNTERMYER. Mr. Lane, you are a member of the banking firm of Lee, Higginson & Co., are you not?

Mr. LANE. I am.

Mr. UNTERMYER. You reside where?

Mr. LANE. In Boston, Mass.

Mr. UNTERMYER. Who are the members of that firm?

Mr. LANE. I will give them in order: Maj. Henry L. Higginson, myself, Mr. James J. Storrow, Mr. George C. Lee, Mr. N. P. Hallowell, Mr. Levick, Mr. Shaw, Mr. Shelton, Mr. Schweppe, and Mr. F. L. Higginson, jr.

Mr. UNTERMYER. How long has the banking house been in existence?

Mr. LANE. Over 50 years, I think.

Mr. UNTERMYER. Will you be good enough to state the extent of your directorships in banks and trust companies?

Mr. LANE. My own?

Mr. UNTERMYER. Yes.

Mr. LANE. I am a director in the Old Colony Trust Co.

Mr. UNTERMYER. That is the only banking institution in which you are a director?

Mr. LANE. The only banking institution in which I am a director.

Mr. UNTERMYER. And your partners are directors in what Boston institutions?

Mr. LANE. My partner, Maj. Higginson, is a director in the Shawmut Bank, and Mr. Levick is a director in the First National Bank. My partners, Mr. Lee and Mr. F. L. Higginson, jr., are directors in the Commonwealth Trust Co., of Boston. Mr. Hallowell is a director in the Bank of Commerce, I think it is.

Mr. UNTERMYER. In Boston?

Mr. LANE. In Boston. These are all in Boston.

Mr. UNTERMYER. Are any of the members of your firm directors in any financial institutions outside of Boston?

Mr. LANE. Not that I can recollect.

Mr. UNTERMYER. What is the extent of the stockholdings of the various members of your firm in Boston banks?

Mr. LANE. In the Old Colony Trust Co. the firm itself and the partners of the firm hold 2,606 shares. In the First National Bank they hold 2,775 shares. In the National Shawmut Bank they hold 1,000 shares. In the Commonwealth Trust Co. they hold 570 shares. These figures are approximate, but I believe they are practically correct.

Mr. UNTERMYER. How much did you say you all own together in the Old Colony Trust Co.?

Mr. LANE. I think it is 2,606 shares.

Mr. UNTERMYER. You heard Mr. Winsor's testimony?

Mr. LANE. I heard some of it; not all of it.

Mr. UNTERMYER. Did you hear his testimony with respect to the resources of the Boston banks?

Mr. LANE. Yes.

Mr. UNTERMYER. Is it substantially as you understand it?

Mr. LANE. I have no doubt it is; I have never paid any particular attention to those amounts.

Mr. UNTERMYER. Do you know how many national banks there are in Boston?

Mr. LANE. No.

Mr. UNTERMYER. What is that?

Mr. LANE. I have never counted them.

Mr. UNTERMYER. Do you know how they compare in number with the national banks that were there in 1896?

Mr. LANE. No; I have never counted to see.

Mr. UNTERMYER. You know that there are very many less?

Mr. LANE. I know that there have been a number of consolidations. Whether there are many less or not I could not tell.

Mr. UNTERMYER. Could you not say, as between 50 national banks in 1896 and 14 now, whether there has been any reduction?

Mr. LANE. I should say there had probably been some reduction; but you are giving me figures now that are not my figures, and I am not prepared to say.

Mr. UNTERMYER. But being in Boston and being in the financial world, do you not know that there are vastly less banks than there were then?

Mr. LANE. I think there are fewer banks than there were then.

Mr. UNTERMYER. Your firm has been interested, has it not, on joint account with J. P. Morgan & Co. and the First National Bank, in recent years in a great many public issues of railway and industrial corporations?

Mr. LANE. We have had occasional interests.

Mr. UNTERMYER. Have they taken interests in flotations of securities that have originated with you, and you in issues originating with them?

Mr. LANE. I should say it was very seldom that they had taken interests in our flotations.

Mr. UNTERMYER. Generally you went in joint account with them in their flotations?

Mr. LANE. We may have had interests. I will not say joint accounts.

Mr. UNTERMYER. Were they not joint accounts?

Mr. LANE. It is very seldom we have been in joint account with them.

Mr. UNTERMYER. Where you take an issue together at the outset?

Mr. LANE. That is on joint account.

Mr. UNTERMYER. That is joint account?

Mr. LANE. Yes.

Mr. UNTERMYER. Have you not taken a number of such issues with them at the beginning?

Mr. LANE. Very few, I should say. I am speaking from memory.

Mr. UNTERMYER. The Atchison, Topeka & Santa Fe issue?

Mr. LANE. We were not in joint account.

Mr. UNTERMYER. You were interested as a participant there?

Mr. LANE. We have had some underwriting.

Mr. UNTERMYER. In the Chicago, Burlington & Quincy, were you not interested with them in joint account, and in the First National Bank of New York?

Mr. LANE. No; my recollection is that we were not.

Mr. UNTERMYER. What was your interest there?

Mr. LANE. I think that we had an interest, but not in joint account.

Mr. UNTERMYER. You mean as a participant under them in their syndicate?

Mr. LANE. Yes.

Mr. UNTERMYER. Not on the same basis?

Mr. LANE. That would be my recollection of it. I do not remember that particular case very well.

Mr. UNTERMYER. Where you advertise securities jointly for sale, are those not cases in which you are in joint account?

Mr. LANE. Not necessarily.

Mr. UNTERMYER. As a rule is that so?

Mr. LANE. Sometimes. I could not say as a rule that it was or was not.

Mr. UNTERMYER. You do not remember any such occasion, do you?

Mr. LANE. Any such occasion as what?

Mr. UNTERMYER. As your advertising jointly with them securities in which you were interested with them in joint account?

Mr. LANE. I do remember one instance.

Mr. UNTERMYER. Which is that?

Mr. LANE. The Kansas City Terminal Railway.

Mr. UNTERMYER. How recently is that?

Mr. LANE. It is within a month or two. Also there have been previous issues in that same company in preceding years.

Mr. UNTERMYER. In joint account?

Mr. LANE. In joint account.

Mr. UNTERMYER. Are they participants with you in your syndicates that originate with you?

Mr. LANE. Occasionally, but not as an invariable rule at all.

Mr. UNTERMYER. Are they not offered participations in large issues?

Mr. LANE. Sometimes, but not at all as an invariable case.

Mr. UNTERMYER. And the First National in like manner?

Mr. LANE. No; very seldom.

Mr. UNTERMYER. Does this advertisement of the Kansas City Terminal Railway represent the method in which securities are issued publicly in joint account, where they are held in joint account?

Mr. LANE. It may be. They might be issued in that way and they might not. Every case has to be considered by itself, and every case differs from another.

Mr. UNTERMYER. Have you not had issues in joint account with J. P. Morgan & Co. in the New Haven road?

Mr. LANE. We have had a few, yes.

Mr. UNTERMYER. Let us see how many. Have you had at least four such issues?

Mr. LANE. I would have to look at each issue, Mr. Untermyer, to answer that question.

Mr. UNTERMYER. Just look at this paper.

Mr. LANE. I see the first issue is New Haven 4 per cent bonds due 1955, $15,000,000, issued by J. P. Morgan & Co., and according to this paper we had a participation of $1,000,000. It was not joint account. Sundry underlying bonds of subsidiary companies; the total is not given. We had a participation, not joint account.

Mr. UNTERMYER. That appears there on this paper?

Mr. LANE. That appears upon the paper.

Mr. UNTERMYER. The one with a star is joint account?

Mr. LANE. None of these is joint account.

Mr. UNTERMYER. We will speak of the next one on which you see that star.

Mr. LANE. Four per cent notes. We had no interest in that. according to this.

Mr. UNTERMYER. Look at this one.

Mr. LANE. I beg your pardon. I do not think I understand the statement.

Mr. UNTERMYER. Those mean joint accounts [indicating]?

Mr. LANE. That is your statement of joint account.

Mr. UNTERMYER. I want to know whether or not that was a joint account.

Mr. LANE. Is this ten millions of notes that you say were issued in joint account? Is that the point?

Mr. UNTERMYER. Yes.

Mr. LANE. That is right.

Mr. UNTERMYER. Yes.

Mr. LANE. I will have to look at my records to tell you.

Mr. UNTERMYER. That is January 21, 1911.

Mr. LANE. That was a joint account.

Mr. UNTERMYER. It so appears on the paper.

Mr. LANE. We bought the notes, and we took J. P. Morgan & Co. into participation with us.

Mr. UNTERMYER. Did your firm make an issue of Jones & Laughlin Steel Co. bonds?

Mr. LANE. I think we sold some of those bonds many years ago.

Mr. UNTERMYER. Did you not take an issue?

Mr. LANE. I can not remember that we ever took that issue; no.

Mr. UNTERMYER. Suppose we look and see.

Mr. LANE. We had a participation of 100,000 underwriting through the First Trust & Savings Bank, Chicago. We were not in joint account.

Mr. UNTERMYER. That was a competitor of the United States Steel Corporation, was it?

Mr. LANE. Yes; it is.

Mr. UNTERMYER. In April, 1909, were you concerned with an issue of Louisville & Nashville bonds?

Mr. LANE. Yes.

Mr. UNTERMYER. Did you buy those bonds in joint account with Kissell, Kinnicutt & Co., and Moffett & White; an $8,000,000 issue?

Mr. LANE. Yes; a syndicate composed of those three firms bought the bonds.

Mr. UNTERMYER. From whom?

Mr. LANE. Through J. P. Morgan & Co.

Mr. UNTERMYER. Turn now to the Maine Central Railroad issues, if you please. Did you buy two issues of bonds there?

Mr. LANE. One in March, 1910, of $5,000,000, I think it was.

Mr. UNTERMYER. Was the Maine Central then controlled by the New Haven road under a lease?

Mr. LANE. My recollection is that it had not yet come under the control of that road, but I can not be certain as to that.

Mr. UNTERMYER. Well, the control had not taken its present form?

Mr. LANE. It had not taken its present form, according to my recollection.

Mr. UNTERMYER. But there was a control of the stock held by the New Haven road at that time?

Mr. LANE. You are asking me questions that I can not answer.

Mr. UNTERMYER. Do you not know anything about the affairs of the Maine Central?

Mr. LANE. I know something about them, but I do not know what the New Haven held of the stock of the Maine Central or the Boston & Maine.

Mr. UNTERMYER. But do you not know that in March, 1910, it held a control of the Maine Central?

Mr. LANE. Who held it?

Mr. UNTERMYER. The New York, New Haven & Hartford held a control of the Maine Central?

Mr. LANE. No; I understand it did not. That is my understanding, but I am not a director in those properties and I have no knowledge.

Mr. UNTERMYER. Did not the Boston & Maine own 51 per cent of the Maine Central?

Mr. LANE. I believe it did. As to the exact amount, I can not answer.

Mr. UNTERMYER. It was a control, was it not?

Mr. LANE. It was said to be. I can not answer.

Mr. UNTERMYER. And did not the New Haven, on the other hand, hold the control of the Boston & Maine?

Mr. LANE. That I can not answer. It held a block of the stock, but how much I do not know.

Mr. UNTERMYER. Do you not know that in 1910 and prior thereto for a long time the New Haven road had the management and control both of the Boston & Maine and the Maine Central?

Mr. LANE. I know it had, but not for a long time.

Mr. UNTERMYER. For how many years before March, 1910?

Mr. LANE. I can not tell you, but it may have been a couple of years, or something like that, I should think.

Mr. UNTERMYER. Well, that is long enough for our purposes.

Mr. LANE. However, I want to say again that you are asking me about a corporation in which I am not a director, and when I answer I answer merely on information and hearsay.

Mr. UNTERMYER. But when you participate in a joint transaction of $8,000,000 of bonds of a corporation, Mr. Lane, is it not fair to assume that you know something about the relations of that corporation to the other corporation?

Mr. LANE. Yes, something; but not actual figures.

Mr. UNTERMYER. Is it not fair to assume that you know whether in March, 1910, the New Haven Co., through the Boston & Maine, controlled the Maine Central when you took those bonds?

Mr. LANE. No; it is not.

Mr. UNTERMYER. Is it not fair?

Mr. LANE. It is not fair. I knew the New Haven had considerable interest at that time in the Boston & Maine, but whether it had control or not is an entirely different question.

Mr. UNTERMYER. Through whom did you get those bonds?

Mr. LANE. I got those notes—they were not bonds—I bought them for myself, according to my recollection.

Mr. UNTERMYER. Did you invite participation?

Mr. LANE. We did. My firm did.

Mr. UNTERMYER. Did J. P. Morgan & Co. participate in the syndicate?

Mr. LANE. They did.

Mr. UNTERMYER. Do you know to what extent?

Mr. LANE. I do; yes.

Mr. UNTERMYER. You know that they were the fiscal agents in the management of the New Haven road at that time?

Mr. LANE. Were they?

Mr. UNTERMYER. Did you not know that they were the fiscal agents of the New Haven road?

Mr. LANE. I do not know when that took effect.

Mr. UNTERMYER. Did you not know that they had been for many years before 1910?

Mr. LANE. No. They were not, as I understand it.

Mr. UNTERMYER. When did they become fiscal agents?

Mr. LANE. I have seen reference to this. You have that information, I think, Mr. Untermyer.

Mr. UNTERMYER. What makes you think so?

Mr. LANE. Because I have read in the papers of the filing of the letter of agreement between J. P. Morgan & Co. and the New York, New Haven & Hartford Railroad Co.

Mr. UNTERMYER. Is it your recollection that in March, 1910, they were and had been for some time prior thereto the fiscal agents for the New Haven Railroad—I mean Morgan & Co.?

Mr. LANE. I should think they had been for some time before then, but I would like to know the date of that letter.

Mr. UNTERMYER. Well, they were the fiscal agents?

Mr. LANE. They were? I call attention to the fact that that letter, as I have read it, did not particularly cover short-time securities.

Mr. UNTERMYER. You also bought another issue of Maine Central securities last year, did you not?

Mr. LANE. We bought notes; yes.

Mr. UNTERMYER. How many?

Mr. LANE. 3,700,000.

Mr. UNTERMYER. Through whom?

Mr. LANE. J. P. Morgan & Co.

Mr. UNTERMYER. Did you form a syndicate to sell those?

Mr. LANE. No; we sold them over the counter as soon as we bought them.

Mr. UNTERMYER. When you say "over the counter" you mean through your bond department?

Mr. LANE. That is what I mean.

Mr. UNTERMYER. Have you bond salesmen?

Mr. LANE. We have.

Mr. UNTERMYER. Who travel through New England?

Mr. LANE. Over the whole country, pretty much.

Mr. UNTERMYER. And that is what you mean by saying "over the counter"?

Mr. LANE. Yes.

Mr. UNTERMYER. You did not mean that they were bought by people coming into your office?

Mr. LANE. Partly, probably; and partly through our salesmen, and other ways we have of selling, which are many.

Mr. UNTERMYER. I want to inquire of you concerning the purchase of securities of the New York, New Haven & Hartford. Have you made purchases during the last few years of the securities of the New York, New Haven & Hartford Co: for instance, in January, 1911, $10,000,000 of bonds?

Mr. LANE. Yes.

Mr. UNTERMYER. You remember that one, do you not?

Mr. LANE. No bonds; no.

Mr. UNTERMYER. Notes, were they?

Mr. LANE. They were notes.

Mr. UNTERMYER. Through whom did you buy them?

Mr. LANE. J. P. Morgan & Co.

Mr. UNTERMYER. Did you also make a purchase of New Haven notes in January, 1907, of $7,000,000?

Mr. LANE. We did, with others. We bought those bonds.

Mr. UNTERMYER. With what others?

Mr. LANE. The First National Bank of Boston, and Hornblower & Weeks, Boston bankers.

Mr. UNTERMYER. Did you, in January, 1912, make another purchase of New Haven notes?

Mr. LANE. We did.

Mr. UNTERMYER. Of how much?

Mr. LANE. $10,000,000.

Mr. UNTERMYER. Through whom?

Mr. LANE. J. P. Morgan & Co.

Mr. UNTERMYER. And in November, 1912, did you make another purchase of New Haven notes?

Mr. LANE. We did.

Mr. UNTERMYER. Of how many?

Mr. LANE. Seven and one-half million.

Mr. UNTERMYER. Through whom?

Mr. LANE. J. P. Morgan & Co.

Mr. UNTERMYER. In the cases in which you made, through J. P. Morgan & Co., these purchases of notes or bonds of the New Haven Railroad or the Maine Central, do you know at what price J. P. Morgan & Co. acquired the notes or bonds, or whether they acquired them?

Mr. LANE. I do not know.

Mr. UNTERMYER. Or do you know whether they were selling them for the company?

Mr. LANE. You will have to ask me in each particular case. I am afraid I can not make a general answer to that.

Mr. UNTERMYER. Do you know whether in any one of those cases they themselves at first bought the notes and then resold them to you; and, if so, what was the difference between the price at which they took them from the road and the price at which they resold them?

Mr. LANE. I beg your pardon, but it seems to me that that is a question I ought not to be asked to answer. That is a question which concerns the business of my firm——

Mr. UNTERMYER. No; it does not.

Mr. LANE. The private business—excuse me—of——

Mr. UNTERMYER. No——

Mr. LANE. I beg your pardon; may I finish?

Mr. UNTERMYER. Yes.

Mr. LANE. I do not think there is anything we should be asked to disclose.

Mr. UNTERMYER. Now, let us see. Whether Messrs. J. P. Morgan & Co. made a profit out of the New Haven road on the sale of these bonds to you, how does that concern your business? I am not asking you what profit you made; I am asking you if you know how they dealt with those bonds in connection with the New Haven road.

Mr. LANE. They have dealt with the New Haven road, I assume——

Mr. UNTERMYER. I am not asking for any assumptions. They are not important or valuable to us. If you know the facts, I would like to have the facts.

Mr. LANE. I do not know and never knew what the New Haven Railroad paid Messrs. J. P. Morgan & Co. as commission on sales made to the road by them until I saw the copy of this letter brought out by this committee.

Mr. UNTERMYER. Do you know whether these particular issues of bonds or any of them were bought by J. P. Morgan & Co. outright from the New Haven road, or whether they were handled on a commission basis?

Mr. LANE. That you would have to ask them.

Mr. UNTERMYER. Do you know?

Mr. LANE. No; I do not. I have never inquired as to that.

Mr. UNTERMYER. You have done a great deal of business in joint account with Kissell, Kinnicutt & Co., have you not?

Mr. LANE. We have done some.

Mr. UNTERMYER. You have done a great deal, have you not?

Mr. LANE. No; not a great deal.

Mr. UNTERMYER. The New York, Westchester & Boston Railroad——

Mr. LANE. That was not in joint account.

Mr. UNTERMYER. It was not? Did you take an underwriting through them?

Mr. LANE. We had a small underwriting; a small participation.

Mr. UNTERMYER. A million dollars?

Mr. LANE. I think likely. You have it before you.

Mr. UNTERMYER. Well, it was a million dollars?

Mr. LANE. I will look and see, if you want me to. I can not carry all these transactions in my head. I wish I could.

Mr. UNTERMYER. We are not scolding you at all.

Mr. LANE (referring to memorandum). We had a participation of a million dollars.

Mr. UNTERMYER. You call that small, do you?

Mr. LANE. I do not call it large.

Mr. UNTERMYER. How large was the issue?

Mr. LANE. I do not recollect. A good many millions.

Mr. UNTERMYER. Now take the National Tube Co. Did you take an issue of bonds in the National Tube Co. in joint account with Kissell, Kinnicutt & Co. in April, 1912?

Mr. LANE. I think not.

Mr. UNTERMYER. Did you and they jointly take a participation of $3,000,000?

Mr. LANE. We did.

Mr. UNTERMYER. Under J. P. Morgan & Co.?

Mr. LANE. We underwrote $3,000,000 of that issue.

Mr. UNTERMYER. What was the issue?

Mr. LANE. The National Tube Co.——

Mr. UNTERMYER. How much was the issue?

Mr. LANE. I do not know.

Mr. UNTERMYER. Do you not remember?

Mr. LANE. No; I do not remember.

Mr. UNTERMYER. That was only April, 1912.

Mr. LANE. That may be. My memory may not be as good as yours—probably is not as good as yours—but I am telling you the truth, and I do not remember.

Mr. UNTERMYER. Did you make a public issue?

Mr. LANE. We did not issue them; we simply underwrote.

Mr. UNTERMYER. You simply underwrote a million dollars in that issue?

Mr. LANE. Yes.

Mr. UNTERMYER. And what the amount of the issue was you do not know?

Mr. LANE. No, sir.

Mr. UNTERMYER. The National Tube Co. is a subsidiary of the United States Steel Corporation, is it not?

Mr. LANE. It is.

Mr. UNTERMYER. That participation was tendered you by whom?

Mr. LANE. My recollection in that is that Kissel, Kinnicutt & Co. asked us to take that with them jointly.

Mr. UNTERMYER. And it came to them through whom?

Mr. LANE. That you must ask them.

Mr. UNTERMYER. Do you not know?

Mr. LANE. I assume it did, but you told me you would not take anything I assumed.

Mr. UNTERMYER. Do you not know?

Mr. LANE. I do not know as a fact how that came.

Mr. UNTERMYER. You knew who were issuing the securities, did you not?

Mr. LANE. I presume I did; yes.

Mr. UNTERMYER. And it was J. P. Morgan & Co. and the First National and the City Bank?

Mr. LANE. That may be. I have not got it before me now.

Mr. UNTERMYER. Will you not look and see? I think you will find you have it before you.

Mr. LANE (after examining papers). Yes.

Mr. UNTERMYER. Is that right?

Mr. LANE. Yes; that is right.

Mr. UNTERMYER. Have you participated in a number of issues of securities of steel companies that were subsidiaries of the United States Steel Corporation, in practically the same way?

Mr. LANE. Yes, some of them. A few.

Mr. UNTERMYER. They are all within the last few years, are they not?

Mr. LANE. Yes; two or three; three or four.

Mr. UNTERMYER. What were they?

Mr. LANE. I think one is the Lorain Steel Co.

Mr. UNTERMYER. And the Illinois Steel Co.?

Mr. LANE. The Illinois Steel Co., and the Indiana.

Mr. UNTERMYER. And the Union Steel Co.?

Mr. LANE. I do not remember that.

Mr. UNTERMYER. Just look and see if you did not participate in the Union Steel? That is a subsidiary of the United States Steel Corporation, is it not?

Mr. LANE. I am not certain as to that.

Mr. UNTERMYER. You do not know whether the Union Steel Co. is a subsidiary of the United States Steel Corporation?

Mr. LANE. No, sir.

Mr. UNTERMYER. Are you not a director of the United States Steel Corporation?

Mr. LANE. Yes.

Mr. UNTERMYER. You are; and you do not know the names of its subsidiary companies?

Mr. LANE. Not all of them.

Mr. UNTERMYER. The Union Steel Co. is a very large company?

Mr. LANE. I take your word for it.

Mr. UNTERMYER. I ask you.

Mr. LANE. I have said that I——

Mr. UNTERMYER. As a director of the United States Steel Corporation I hope you will not take my word as to the property of that company.

Mr. LANE. I understood you to say that it was a very large company.

Mr. UNTERMYER. I do not know whether it is or not.

Mr. LANE. I do not know how large it is.

Mr. UNTERMYER. Do you know from whom it was acquired?

Mr. LANE. No.

Mr. UNTERMYER. Were you not one of the original directors of the United States Steel Corporation at its organization?

Mr. LANE. I was not. I have been a director of the United States Steel Corporation for a short time only.

Mr. UNTERMYER. Let us see whether you were interested as a participant in the Union Steel Co.

Mr. LANE. We had a participation of $50,000 underwriting through the Guaranty Trust Co. of New York.

Mr. UNTERMYER. Yes; that was when?

Mr. LANE. That was in 1909.

Mr. UNTERMYER. Did you make an issue of Western Electric Co. securities?

Mr. LANE. We did.

Mr. UNTERMYER. Jointly or alone?

Mr. LANE. We made it alone.

Mr. UNTERMYER. What was the amount of that issue?

Mr. LANE. $8,750,000.

Mr. UNTERMYER. That was when?

Mr. LANE. January, 1910.

Mr. UNTERMYER. Did you make another issue for them of bonds the same year?

Mr. LANE. In November, 1910.

Mr. UNTERMYER. How much was that?

Mr. LANE. $6,250,000.

Mr. UNTERMYER. Is that a controlled company or is it an independent company?

Mr. LANE. I believe it is controlled by the American Telephone & Telegraph Co.

Mr. UNTERMYER. Is it a competitor of the General Electric Co.?

Mr. LANE. No; not so far as I understand.

Mr. UNTERMYER. Or of the Westinghouse Co.?

Mr. LANE. Not so far as I understand.

Mr. UNTERMYER. Is it in the same line of business?

Mr. LANE. I think not. It may be that the three companies may do the same business in competition, but not so far as I know.

Mr. UNTERMYER. I want to ask you about the Virginia Railway. Your firm made an issue of securities there, did they not, of that company?

Mr. LANE. They did.

Mr. UNTERMYER. How large an issue?

Mr. LANE. $25,000,000.

Mr. UNTERMYER. $25,000,000 of bonds. And when was it made?

Mr. LANE. March, 1912.

Mr. UNTERMYER. Were they first-mortgage bonds?

Mr. LANE. They were first mortgage 5 per cent bonds.

Mr. UNTERMYER. Was that issue made jointly with any other banking house?

Mr. LANE. It was made jointly with Kissel, Kinnicutt & Co., and, I think, the City Bank.

Mr. UNTERMYER. And the National City Bank?

Mr. LANE. Yes. When I say jointly I mean to say that it was advertised jointly by the three, but it was not a joint transaction.

Mr. UNTERMYER. I see that in the statement furnished you have omitted the City Bank. Should that be included?

Mr. LANE. We bought the bonds from the City Bank.

Mr. UNTERMYER. Oh.

Mr. LANE. And they joined in advertising them.

Mr. UNTERMYER. But when they advertised them they had no interest in them?

Mr. LANE. They had an interest simply as underwriters.

Mr. UNTERMYER. I do not see them named among the underwriters here.

Mr. LANE. The National City Bank is the first of all on the list.

Mr. UNTERMYER. Oh, yes; I see. The Guaranty Trust Co. was also an underwriter?

Mr. LANE. Yes.

Mr. UNTERMYER. And the Bankers' Trust Co.?

Mr. LANE. Yes.

Mr. UNTERMYER. And the Chase Bank?

Mr. LANE. Yes, it was. May I explain what our underwritings are?

Mr. UNTERMYER. Very well.

Mr. LANE. We are dealers in bonds primarily, and we give out underwriting for two purposes, and I may say that both purposes are almost one and the same. It is with us merely a method of insurance. If we buy a large issue of bonds, we do not wish to carry the whole issue ourselves. We therefore divide the risk perhaps with many

institutions and private banks, perhaps with only a few, each case depending upon itself. The underwriters take a real and absolute risk. If the issue is not a success, they are obliged to take their proportion of the bonds and pay for them. If the issue is a success, they make a small profit.

Mr. UNTERMYER. That is what all underwriting is, is it not?

Mr. LANE. May I go on one step further and say that we also give our underwritings to bankers and banks who will sell and can sell, who have a distributing power for the goods that we purchase? That is another form of insurance also, because there we insure a certain number of sales.

Mr. UNTERMYER. They are not called upon to sell if you are unable to distribute the issue yourself?

Mr. LANE. They may be called upon to sell. It may be understood at the very beginning that they are to sell.

Mr. UNTERMYER. But ordinarily, underwriting is insurance to you against your being required to take the bonds?

Mr. LANE. It is both. In some cases it is against our being forced to take the bonds if the issue is not successful and also underwriting to insure sales.

Mr. UNTERMYER. But underwriting as described by you is no different from underwriting as generally understood, is it?

Mr. LANE. Each firm has its own way of handling their business, and I can not speak of the way they do theirs; I can only speak of the way we handle ours.

Mr. UNTERMYER. You know how other people handle issues, do you not?

Mr. LANE. I know that many houses handle it substantially and practically as we do.

Mr. UNTERMYER. And is it not your understanding that the general acceptation of underwriting is about as you have described it?

Mr. LANE. It is about that. It is insurance; nothing but insurance.

Mr. UNTERMYER. This Virginian Railway runs from where to where?

Mr. LANE. It runs from Norfolk to the coal fields in western Virginia.

Mr. UNTERMYER. And taps also the Ohio coal fields over the bridge.

Mr. LANE. It may tap them.

Mr. UNTERMYER. It is from the bituminous fields of West Virginia and Ohio to tidewater?

Mr. LANE. The real business of that is West Virginia coal. That is really the substantial business.

Mr. UNTERMYER. And with what roads does it compete, or with what roads is it a potential competitor?

Mr. LANE. I should say the Norfolk & Western is the principal road, and perhaps the Baltimore & Ohio.

Mr. UNTERMYER. Any others?

Mr. LANE. Those are the ones that happen to occur to me as being real, potential competitors.

Mr. UNTERMYER. And the Chesapeake & Ohio?

Mr. LANE. Yes.

Mr. UNTERMYER. Does it compete with the new Clinchfield line?

Mr. LANE. I do not know whether it does to any extent or not.

Mr. UNTERMYER. Do you know who presented the proposition for the sale of those bonds?

Mr. LANE. Presented it to whom?

Mr. UNTERMYER. The original proposition of the railway company?

Mr. LANE. I do not.

Mr. UNTERMYER. The Norfolk & Western is controlled by what road?

Mr. LANE. I do not know that it is controlled by any.

Mr. UNTERMYER. Do you not know the general acceptation or general understanding?

Mr. LANE. The general understanding is that the Pennsylvania has a considerable interest in the Norfolk & Western, but whether it has control or not I have no means of knowing.

Mr. UNTERMYER. The Virginian Railway is a very recent railroad venture, is it not?

Mr. LANE. Quite so.

Mr. UNTERMYER. By the late H. H. Rogers?

Mr. LANE. He began it.

Mr. UNTERMYER. He began it. Did he complete it?

Mr. LANE. I think he died before it was completed.

Mr. UNTERMYER. Has there been any competition between the Virginian Railway and the Norfolk & Western, so far as you know, since the sale of these bonds?

Mr. LANE. There has been absolutely no change in their relations

Mr. UNTERMYER. Has there been any competition since then, if you know? Are you a director in the Virginian?

Mr. LANE. I am not.

Mr. UNTERMYER. Or the Norfolk & Western?

Mr. LANE. I am not.

Mr. UNTERMYER. Do you not know whether there has been any competition since March, 1912?

Mr. LANE. I know of no change that has occurred, no change in the relations that existed prior to the purchase of those bonds?

Mr. UNTERMYER. Do you know whether there has been any or not?

Mr. LANE. I know I have ridden over the Virginian Railway, and I have seen the Norfolk & Western running alongside it, and my presumption is that both roads have been out for the business.

Mr. UNTERMYER. So that it is your idea, when you see two roads running the same way, that they are competing?

Mr. LANE. Maybe, if they reach the same terminal point.

Mr. UNTERMYER. Do you know how many roads run between the anthracite coal district and tidewater?

Mr. LANE. I have never counted them.

Mr. UNTERMYER. There are eight.

Mr. LANE. That is very likely.

Mr. UNTERMYER. You know they are under the control of one interest—the Reading interest—and they run side by side, too; they carry coal?

Mr. LANE. I am not an expert on those railroads.

Mr. UNTERMYER. What I want to find out is why you should say that the Virginian and the Norfolk & Western are competitors because their rails run side by side.

Mr. LANE. I believe that they are competing railroads, because they run in the same general direction, and, so far as I know, they are entirely independent companies. Each is operated for the benefit of its stockholders.

Mr. UNTERMYER. Do you know anything about it?

Mr. LANE. I know something about it by general information.

Mr. UNTERMYER. You recognize what I mean by potential competition and actual competition?

Mr. LANE. I should say there was both.

Mr. UNTERMYER. I am trying to find out what you know about it.

Mr. LANE. Yes.

Mr UNTERMYER. You say you are not a director of either road?

Mr. LANE. I am not.

Mr. UNTERMYER. Have you made any inquiry; and if so, from whom?

Mr. LANE. I have been over the road, and I have talked with officials of the road.

Mr. UNTERMYER. You have been over the road how often?

Mr. LANE. I have been over it on an inspection tour, with considerable care.

Mr. UNTERMYER. Once?

Mr. LANE. Once.

Mr. UNTERMYER. With whom have you talked?

Mr. LANE. With officials of the road.

Mr. UNTERMYER. Whom?

Mr. LANE. The president.

Mr. UNTERMYER. The president of the Virginian Railway?

Mr. LANE. Yes.

Mr. UNTERMYER. Mr. Broughton?

Mr. LANE. I beg your pardon; it was not the president. It was the vice president and operating man.

Mr. UNTERMYER. Who was that?

Mr. LANE. I can not recall his name at the moment.

Mr. UNTERMYER. When was that?

Mr. LANE. That was about the time we bought these bonds; March.

Mr. UNTERMYER. Have you given us the extent of your information as to whether these roads actually compete now? Have you given us the fullest extent?

Mr. LANE. The full extent? I do not know what you mean by that.

Mr. UNTERMYER. Have you given us all the information you have as to competitive conditions of those two roads?

Mr. LANE. I have told you——

Mr. UNTERMYER. Have you given us all that you have? If you have not, we will take whatever else you may know on the subject.

Mr. LANE. I have been over the road.

Mr. UNTERMYER. You have told us so.

Mr. LANE. I have talked with the officials.

Mr. UNTERMYER. You mean with the vice president?

Mr. LANE. The vice president and other officials also.

Mr. UNTERMYER. Which others?

Mr. LANE. The operating men who were in the train at the time.

Mr. UNTERMYER. How long was this tour of inspection?

Mr. LANE. It lasted several days.

Mr. UNTERMYER. Did you ask him whether there was competition?

Mr. LANE. Yes; of course I asked them.

Mr. UNTERMYER. That was before you bought the bonds, was it not?

Mr. LANE. It was either just before or just after we bought the bonds; I can not tell.

Mr. UNTERMYER. You do not mean to say that you waited until after you bought the bonds before you inspected the road?

Mr. LANE. Yes.

Mr. UNTERMYER. It was just after you bought the bonds?

Mr. LANE. Just after we bought the bonds.

Mr. UNTERMYER. Immediately after?

Mr. LANE. I should say so; yes. I should like to say that we had full reports on the property before we went over it, and the purpose of going over the road was in order that every bond man, or nearly every bond man, in our organization might see the property and know what the property was, and understand the value of the bonds, the value of the goods that he was selling, so that when he went out to sell those bonds he could go to a purchaser and give him a very complete and full account of the property and bonds.

Mr. UNTERMYER. Do you know enough of the history of the Virginian Railway to recall the fight they had with the Norfolk & Western in getting that road completed?

Mr. LANE. I know nothing about the old history of the Virginian Railway.

Mr. UNTERMYER. Do you know enough about it to know about the difficulty they had in getting across the bridge across the Ohio River, so as to tap the Ohio fields?

Mr. LANE. I read about it in the papers at the time, but I was not interested.

Mr. UNTERMYER. You were going to buy the bonds, and you did not get interested after reading about it in the newspapers?

Mr. LANE. No; it had no bearing on the value of the bonds.

Mr. UNTERMYER. Do you know when the Norfolk & Western and the Chesapeake & Ohio finally permitted the Virginian Railway to cross the Ohio on their bridge?

Mr. LANE. I do not.

Mr. UNTERMYER. Do you know whether they are going over there now?

Mr. LANE. I do not know. I know this——

Mr. UNTERMYER. I am sure you know a great many things, but do you know that particular thing?

Mr. LANE. I do.

Mr. UNTERMYER. Did you read that in the papers?

Mr. LANE. Yes.

Mr. UNTERMYER. Tell us what it is that you do know.

Mr. LANE. I will not volunteer any information, Mr. Untermyer. If you have any questions to ask I will answer them to the best of my ability.

Mr. UNTERMYER. Will you read the last question?

The question was repeated by the stenographer, as follows:

Mr. UNTERMYER. And do you know whether they are going over there now?

Mr. LANE. I do not know. I know this——

Mr. UNTERMYER. I am sure you know a great many things, but do you know that particular thing?

Mr. LANE. I do.

Mr. UNTERMYER. Can you tell us whether or not at or about the time these bonds were issued, any arrangements for stock interests in the Virginia road were made with anybody?

Mr. LANE. Not as far as I know.

Mr. UNTERMYER. Do you know anything about it?

Mr. LANE. No, I do not. Do I know? I know nothing about it one way or the other.

Mr. UNTERMYER. Do you know whether any interest connected with the Norfolk & Western Railway, or bankers connected with it, acquired any part of that stock?

Mr. LANE. I do not know.

Mr. UNTERMYER. In the statement you have furnished you have said with respect to certain cases like the Portland Railway, Light & Power Co., and the Union Bag & Paper Co., and others, that you bought jointly with this, that, or the other house, Drexel's and the City Bank?

Mr. LANE. Yes.

Mr. UNTERMYER. In this case are we to understand that they participated with you on the same terms with you?

Mr. LANE. Where it was a joint purchase it means the same terms.

Mr. UNTERMYER. In the other cases in which you gave participations here, then, the participants were what you call underwriters or syndicates?

Mr. LANE. Yes.

Mr. UNTERMYER. And they participated on different terms?

Mr. LANE. They may and may not. It depends on the terms of the underwriting syndicate.

Mr. UNTERMYER. Where you buy securities in the form of a syndicate, the underwriters in that syndicate do not participate on the same terms?

Mr. LANE. That has been known to happen.

Mr. UNTERMYER. But that is not the rule?

Mr. LANE. The banker always gets and is entitled to a commission. He is entitled to a small commission; a moderate commission.

Mr. UNTERMYER. What is your view as to the advisability of allowing cumulative voting in financial distributions?

Mr. LANE. My view is that it would be a most unfortunate thing if it were allowed.

Mr. UNTERMYER. Why?

Mr. LANE. Because, in the first place, I believe in the rule of the majority, providing it does not injure the minority.

Mr. UNTERMYER. But if the rule of the majority be absolute, how are you going to protect the minority if it is to have no representation?

Mr. LANE. I think all of the companies which I have known or with which I have been connected have always given attention to the minority.

Mr. UNTERMYER. You mean voluntarily?

Mr. LANE. Voluntarily and willingly, and I think that the fact that the directors of all large corporations are men not only of ability, but of high character and honor, assures the minority protection.

Mr. UNTERMYER. So that covering the whole country, this vast country and all its great enterprises, you desire to have the committee to understand that all the men in all the boards of directors of all these companies are men of high and unimpeachable honor?

Mr. LANE. I have great faith in the people of this country, and I have faith that of all the concerns that I know the boards of directors are men of honor and would not disregard the just and proper wishes of the stockholders.

Mr. UNTERMYER. Is that also your view and your idea, taking that optimistic view, that all men are of high and unimpeachable honor, whether in or out of the boards of directors?

Mr. LANE. I do not. I know of some that are not; and there may be some men occasionally, or some man in a directorate who is not a man of honor, but he does not stay there very long, if he is not.

Mr. UNTERMYER. After he is found out? You mean he does not stay very long after he is found out?

Mr. LANE. If he is known to be a dishonorable man, yes.

Mr. UNTERMYER. Then, on that theory, you think that the minority interest in a corporation should have no legal right or representation?

Mr. LANE. I think it might result in doing more harm than good.

Mr. UNTERMYER. How?

Mr. LANE. I can conceive of some one perfectly easily injuring, we will say, a bank, or any kind of corporation.

Mr. UNTERMYER. Can you also conceive of the possibility of a man who owns 51 per cent injuring the bank just as readily as a man owning 49 per cent injuring the same bank?

Mr. LANE. I of course can conceive of anyone going wrong, Mr. Untermyer.

Mr. UNTERMYER. It is easier for a man with 51 per cent in a bank to injure the bank than it is for a man with 49 per cent, even if he had a minority representation, is it not?

Mr. LANE. I can not conceive of a case where the control of a bank would rest with a dishonest man. The immediate result of that would be that the deposits would be withdrawn from the bank, and the bank would practically have to go out of business.

Mr. UNTERMYER. You have never heard of a case where a dishonest man had that control of banks for many years, have you?

Mr. LANE. Not where the banks have been potential and influential banks.

Mr. UNTERMYER. You have not any such instance in mind?

Mr. LANE. I have not any such instance in mind.

Mr. UNTERMYER. Such as the Walsh banks in Chicago. You do not remember those, do you?

Mr. LANE. I remember them now that you mention them.

Mr. UNTERMYER. Or the Globe bank in your own city?

Mr. LANE. That was a small bank.

Mr. UNTERMYER. For its time?

Mr. LANE. I should say it was not a large bank.

Mr. UNTERMYER. Have you given us now all the reasons that occur to you why minority representation should not be permitted in financial corporations?

Mr. LANE. I should have to think of that; that is rather a sweeping question, Mr. Untermyer.

Mr UNTERMYER. But you have given us all the reasons that now occur to you?

Mr. LANE. I should want to think of that and put my ideas in writing. I think that a law like that would be aiming to correct what

you think is a possible evil, and it might do a great deal more harm than it would do good.

Mr. UNTERMYER. But you can not give us any reason?

Mr. LANE. Yes; I have given you reasons already.

Mr. UNTERMYER. You have given us all that occur to you?

Mr. LANE. I have given you all that occur to me at this moment, but I might think of many more 10 minutes from now.

Mr. UNTERMYER. We are much obliged to you, Mr. Lane. That is all.

Mr. LANE. Thank you.

Witness excused.

Mr. UNTERMYER. Before Mr. Hine takes the stand I would like to have marked in evidence these data from the National City Bank, the Illinois Trust & Savings Bank of Chicago, the First National Bank of Chicago, and Harvey Fisk & Sons.

The four sets of documents referred to were marked, respectively, "Exhibits 230, 231, 232, and 233, January 24, 1913," and will be found printed at the end of this day's proceedings.

TESTIMONY OF FRANCIS L. HINE.

The witness was sworn by the chairman.

Mr. UNTERMYER. Mr. Hine, where do you live?

Mr. HINE. In New York City.

Mr. UNTERMYER. Are you president of the First National Bank of New York?

Mr. HINE. I am.

Mr. UNTERMYER. Are you also president of the First Security Co.?

Mr. HINE. I am not.

Mr. UNTERMYER. Who is the president of that?

Mr. HINE. Mr. George F. Baker.

Mr. UNTERMYER. He is the chairman of the board of directors of the First National Bank of New York?

Mr. HINE. Yes.

Mr. UNTERMYER. Will you be good enough to state the names of the financial institutions in New York City of which you are a director?

Mr. HINE. Aside from the First National?

Mr. UNTERMYER. Yes.

Mr. HINE. The Chase National Bank, the Bank of Commerce, the Liberty National, the Bankers' Trust, the Astor Trust, and the Brooklyn Trust.

Mr. UNTERMYER. You are not in the Guaranty Trust?

Mr. HINE. No.

Mr. UNTERMYER. In how many other corporations are you a director?

Mr. HINE. I think in about 35 others.

Mr. UNTERMYER. Mostly interstate corporations?

Mr. HINES. Yes.

Mr. UNTERMYER. Are they mainly industrial, or do they include railroads?

Mr. HINE. Mainly industrial. They include railroads, however.

Mr. UNTERMYER. Are you a member of the executive committees of any of those financial institutions in New York that you have designated?

Mr. HINE. I am.

Mr. UNTERMYER. In which of these institutions are you a member of the executive committee, and in each instance, please, state the number constituting the executive committee, if you remember. Take first the Chase Bank.

Mr. HINE. There is no executive committee.

Mr. UNTERMYER. There are only nine directors?

Mr. HINE. Yes.

Mr. UNTERMYER. The First National Bank; I assume you are a member of the executive committee?

Mr. HINE. I am.

Mr. UNTERMYER. How many members are there of that?

Mr. HINE. Three, aside from the chairman, who is a member ex officio.

Mr. UNTERMYER. Those three are who?

Mr. HINE. Mr. Morgan, Mr. Hepburn, and myself, and Mr. Baker ex officio.

Mr. UNTERMYER. I believe that is an inactive committee?

Mr. HINE. Yes.

Mr. UNTERMYER. Is there an executive committee in the First Security Co.

Mr. HINE. No.

Mr. UNTERMYER. Is the personnel of the board of directors of the First Security Co. identical with that of the First National Bank?

Mr. HINE. It is.

Mr. UNTERMYER. And the trustees of the stock of the First Security Co. are those designated in the agreement that is in eivdence?

Mr. HINE. Yes.

Mr. UNTERMYER. There has been no change in that?

Mr. HINE. No change.

Mr. UNTERMYER. In the Bank of Commerce, are you a member of the executive committee?

Mr. HINE. Pardon me. I think there has been one change in the trustees. Mr. Norton was substituted for Mr. Lamont.

Mr. UNTERMYER. Did Mr. Lamont go out of the board?

Mr. HINE. He did not go out of the board. He ceased to be a trustee because he ceased to be an officer.

Mr. UNTERMYER. When he ceased to be an officer of the First National Bank he ceased to be a trustee of the First Security Co.?

Mr. HINE. Yes.

Mr. UNTERMYER. Then, the trustees of the First Security Co. are made up from time to time by changing the officers of the First National Bank?

Mr. HINE. They are.

Mr. UNTERMYER. As to the Bank of Commerce, are you a member of the executive committee?

Mr. HINE. I am.

Mr. UNTERMYER. Do you remember the number constituting that committee?

Mr. HINE. I think there are nine.

Mr. UNTERMYER. Are you on the executive committee of the Liberty Bank?

Mr. HINE. I am not.

Mr. UNTERMYER. Or the Bankers' Trust?

Mr. HINE. Yes, sir; the Bankers' Trust.

Mr. UNTERMYER. And the Astor Trust?

Mr. HINE. No.

Mr. UNTERMYER. Or the Brooklyn Trust?

Mr. HINE. The Brooklyn Trust; yes.

Mr. UNTERMYER. Do you remember the number of persons constituting the executive committees of the Bankers' and the Brooklyn Trust?

Mr. HINE. I think 5 in the Brooklyn Trust and 10 in the Bankers' Trust. That is my recollection, but I am not sure.

Mr. UNTERMYER. You have been asked for certain data since the last meeting. Have you brought it with you?

Mr. HINE. Our counsel, Senator Spooner, received a letter from you which he presented to us.

Mr. UNTERMYER. And have you that data with you?

Mr. HINE. As I remember, you asked for a list of the stocks held by the First Security Co.

Mr. UNTERMYER. Of the securities held by the First Security Co. at the time it was taken over, and as now held, together with their market values then and now. Have you that?

Mr. HINE. I do not remember that you asked for that information—market values then and now. In any event, we made no estimates of the market values. I have with me the list of securities which was presented to you by Mr. Baker.

Mr. UNTERMYER. Which I returned?

Mr. HINE. Yes.

Mr. UNTERMYER. I do not think it is necessary for the committee. I do not think the committee cares to have any public statement of the details of those securities, but we would like to know the market values of these securities at the time they were taken over.

Mr. HINE. It would be impossible to state the market values for the reason that many of them have no general markets.

Mr. UNTERMYER. But most of them were railroad securities, were they not?

Mr. HINE. No; most of them were not.

Mr. UNTERMYER. Well, 28,000 shares of the stock of the Chase Bank was among them, was it not?

Mr. HINE. No; it was not at the time they were turned over.

Mr. UNTERMYER. At the time the First National was turned over?

Mr. HINE. At the time the First National sold its shares.

Mr. UNTERMYER. Well, how soon after that——

Mr. HINE. The First National sold any Chase National Bank to the Security Co.——

Mr. UNTERMYER. But the First Security Co. acquired about 28,000 shares of the Chase National Bank at the time of its organization, did it not?

Mr. HINE. Not at the time of the organization.

Mr. UNTERMYER. How soon after?

Mr. HINE. I can not state.

Mr. UNTERMYER. A day?
Mr. HINE. I can not state.
Mr. UNTERMYER. I do not care about 24 hours, but about the time?
Mr. HINE. Well, within three years.
Mr. UNTERMYER. Well, within three days?
Mr. HINE. No.
Mr. UNTERMYER. There were 28,000 shares acquired, anyway?
Mr. HINE. There were.
Mr. UNTERMYER. They were worth how much a share?
Mr. HINE. At the time they were acquired?
Mr. UNTERMYER. Yes.
Mr. HINE. I am unable to state.
Mr. UNTERMYER. Were they not worth $500 a share?
Mr. HINE. I am unable to state.
Mr. UNTERMYER. At what price were they sold to Mr. Wiggin?
Mr. HINE. That I prefer not to state.
Mr. UNTERMYER. Was it not $700 a share?
Mr. HINE. I prefer not to state.
Mr. UNTERMYER. Assuming their value at $500 a share when they were turned over, that would be upwards of $7,000,000, would it not?
Mr. HINE. You have a sharp pencil there.
Mr. UNTERMYER. Yes, and you have a good memory. I assumed that you knew how to figure.
Mr. HINE. Thank you.
Mr. UNTERMYER. Is it not a fact that the value of the securities turned over to the First Security Co., including these shares of the Chase Bank stock, was upwards of $50,000,000?
Mr. HINE. I am not prepared to admit that that is information we could give to the committee. I unequivocally state it was not.
Mr. UNTERMYER. Then please state approximately what it was.
Mr. HINE. I am unable to state even approximately what it was.
Mr. UNTERMYER. Was it $40,000,000?
Mr. HINE. I am unable to state approximately what it was.
Mr. UNTERMYER. Do you not see the materiality of that for the purposes of the committee, in this respect: The First National turned over for $10,000,000 these securities; that is, it declared a dividend of $10,000,000 which the stockholders turned back in return for all the stock of the First Security Co., did they not?
Mr. HINE. If the committee will permit me the privilege, I will make a statement as briefly and as fully as I can, which I think will cover the point which you are aiming at.
Mr. UNTERMYER. Please do so.
Mr. HINE. Perhaps the committee would also allow me the privilege of going back for a few years.
Mr. UNTERMYER. You want to complete to-night and so do we, and there are a great many questions to be asked you.
Mr. HINE. This will take a very short time.
Mr. UNTERMYER. If you will be good enough to make your explanation in your own way as to the securities that were turned over in return for this $10,000,000, then I think that will answer every purpose.
Mr. HINE. As bearing, however, upon this transaction, and that the committee may have the fullest information, if they will kindly allow me just a moment——

Mr. UNTERMYER. Go right on, then.

Mr. HINE. I will preface my statement in regard to this——

Mr. UNTERMYER. Perhaps that will take less time.

Mr. HINE. As Mr. Baker stated to you, when the First National Bank was organized, and for many years after that, it dealt almost exclusively in Government bonds.

Mr. UNTERMYER. For how long?

Mr. HINE. For several years after that.

Mr. UNTERMYER. Until what time.?

Mr. HINE. Exclusively. I will not state the time, but it was for quite a period.

Mr. UNTERMYER. Until 1870 or 1880?

Mr. HINE. I would say perhaps that.

Mr. UNTERMYER. But you see we are going back beyond the time when you were born, almost.

Mr. HINE. You accorded me this privilege, for one moment——

Mr. UNTERMYER. Go on, if it is not going to take too long.

Mr. HINE. I think it might interest the committee to know that in November, 1864, by resolution of the board of directors, the investments of the bank were limited to purchases in United States Government bonds and to loans upon United States Government bonds as collateral security, aside from the bills receivagle which it accepted from its correspondents. After that, it organized and participated to a very large extent in all the Government war issues and all subsequent issues. There has not been an issue of United States Government bonds from that time to this in which the First National Bank was not very largely interested by way of a proposition to buy—not one. While supporting this Government to an extent to which no national bank in this country has ever supported it, it also profited largely thereby. It profited quite largely.

The CHAIRMAN. While I am sure that this is interesting, it is really not germane to the question propounded by the counsel for the committee, and as I understand, not germane to the privilege granted you to explain. I will state the rule, and you are a man who will understand the value of words absolutely. The rule is this: You can answer a question yes or no, or that you do not know or do not remember: and you have a right to make an explanation of any question, providing the explanation is germane. If you decline to answer a question or desire to confer with counsel before you do so, you have that privilege. We have adopted and have to enforce that regulation as to all, and of course it must apply to you. I do not want to terminate your statement, but the report of the Comptroller of the Currency will show all these figures in reference to bonds, and so forth, I think, and the committee is familiar with that, and has access to the documents upon that point. With all due respect, we suggest that you confine yourself as far as possible to the question propounded.

Mr. HINE. I assumed, Mr. Chairman, that I was within the limits you had accorded me; but I was right at the point. In 1901, when the capital of the bank was enlarged, Mr. Baker, who had lost two of his associates, two out of the four parties who had owned between 80 and 90 per cent of the bank, and who desired to get new blood into the bank, considered that it was wise for the bank to increase its capital. By a unanimous vote of the board of directors, by the approval and assent of every shareholder, the board sold to Mr.

Baker 40,000 shares of the stock of the First National Bank, at $300 a share, which was a higher price than either Mr. Fannestock or I considered it worth, I may say. By that $8,000,000 were added to the surplus of the bank.

Mr. UNTERMYER. Are you ready to answer questions now, Mr. Hine?

Mr. HINE. I thought that I was answering your question. I am coming up to the security company.

Mr. UNTERMYER. No; I think you had better answer questions.

Mr. HINE. I will answer the question if you will permit me.

Mr. Baker used this stock with no profit for himself. He did, however, secure an enlisting of new interests in the bank, such as Mr. James J. Hill, Mr. D. Willis James, Judge Moore, and others.

Mr. UNTERMYER. Mr. Daniel G. Reid?

Mr. HINE. Not so far as I remember.

Mr. UNTERMYER. Mr. Reid not interested in the First National Bank?

Mr. HINE. I am speaking of this transaction.

Mr. UNTERMYER. Did he not become interested at the time Judge Moore did, in 1901?

Mr. HINE. I think he did acquire some of the stock.

Mr. UNTERMYER. Yes; and he has been interested ever since, has he not?

Mr. HINE. I think he is still a stockholder, sir. And if you will allow me——

Mr. UNTERMYER. Oh, well——

Mr. HINE. Mr. Baker sold that stock in such a way that with the proceeds he acquired the Chase National Bank stock and other stocks, which he in turn, at the time the security company was organized, sold to the security company.

Mr. UNTERMYER. At what price?

Mr. HINE. For $6,315,000.

Mr. UNTERMYER. That is what the security company paid for the Chase stock, is it?

Mr. HINE. That is what the security company paid Mr. Baker for the shares that he sold to it.

Mr. UNTERMYER. And is it not a fact that the security company realized on the sale of about one-half of that stock here recently, over $10,000,000?

Mr. HINE. If you will allow me just a moment to complete that.

Mr. UNTERMYER. If you are not going to answer any questions, Mr. Hine, we might as well stop.

Mr. HINE. I want to complete this.

Mr. UNTERMYER. No; Mr. Chairman, we will be here all night.

Mr. HINE. I wished just simply to explain the profits you are trying to get at.

Mr. UNTERMYER. Just answer the question.

The CHAIRMAN. Answer that you do not know or that you can not remember, if you can not state.

Mr. UNTERMYER. Please answer the question.

The CHAIRMAN. Let the question be read.

Mr. UNTERMYER. I will put the question. Is it or not the fact that 15,000 shares of the twenty-eight thousand and odd shares which

Mr. Baker turned over to the First National Bank for $6,315,000 were sold a few days ago for over $10,000,000?

Mr. HINE. I do not know that the 15,000 shares were the 15,000 shares that he turned over.

Mr. UNTERMYER. Do you know that he turned over 28,000 shares?

Mr. HINE. I know that he did not, at that time.

Mr. UNTERMYER. Did he turn over this stock at different times?

Mr. HINE. The First Security acquired additional stock.

Mr. UNTERMYER. How much did Mr. Baker turn over? You say it was a majority?

Mr. HINE. I can not say.

Mr. UNTERMYER. It was a majority, was it not? Did you not say that?

Mr. HINE. I did not.

Mr. UNTERMYER. I thought you said that he turned over a majority.

Mr. HINE. No; I said they owned a majority.

Mr. UNTERMYER. You do not know how much of this stock was turned over for this $6,315,000?

Mr. HINE. I do not.

Mr. UNTERMYER. Did this $6,315,000, then, include other stocks besides the Chase National Bank stock?

Mr. HINE. Yes.

Mr. UNTERMYER. Other bank stocks?

Mr. HINE. Yes.

Mr. UNTERMYER. What other bank stocks?

Mr. HINE. At this moment I can not state. They were miscellaneous bank stocks.

Mr. UNTERMYER. Are they bank stocks that are still owned by the security company?

Mr. HINE. Some are and some are not. Nearly all of them have been sold.

Mr. UNTERMYER. Coming back now to the line of questions I was asking you, can you tell us the present value of the securities owned by the First Security Co.?

Mr. HINE. I am unable to say.

Mr. UNTERMYER. Do they ever make up a balance sheet?

Mr. HINE. We have a balance sheet.

Mr. UNTERMYER. Every year?

Mr. HINE. Yes.

Mr. UNTERMYER. When was your last yearly balance?

Mr. HINE. The 1st of January—the 2d of January.

Mr. UNTERMYER. Of this year?

Mr. HINE. Yes.

Mr. UNTERMYER. What did it show in the way of assets?

Mr. HINE. We had capital, $10,000,000; and surplus, $2,800,000.

Mr. UNTERMYER. How were the securities valued?

Mr. HINE. For our own satisfaction we set an arbitrary value.

Mr. UNTERMYER. It is a nominal value, is it not?

Mr. HINE. I would not say nominal.

Mr. UNTERMYER. Is it not in substance a nominal value?

Mr. HINE. I would not say that.

Mr. UNTERMYER. One of your large holdings is in the anthracite coal stocks, is it not?

Mr. HINE. Yes.

Mr. UNTERMYER. Your largest holding?

Mr. HINE. Yes.

Mr. UNTERMYER. Are not those stocks valued in the First Security's statement at less than 40 per cent of the present market value?

Mr. HINE. I am unable to say.

Mr. UNTERMYER. Are they valued at as much as 25 per cent of the present market value?

Mr. HINE. That might be correct, if they were. These high-priced stocks, you can hardly estimate the amount.

Mr. UNTERMYER. You think it might be correct to value the stocks of roads like the Reading and the Lehigh Valley and the other anthracite stocks at 25 per cent of what they are selling for in the market?

Mr. HINE. As there is no Reading held by the Security Co., I am unable to make a statement.

Mr. UNTERMYER. How about Lehigh Valley? You hold a lot of that, do you not?

Mr. HINE. Lehigh Valley; yes.

Mr. UNTERMYER. And you think it would be proper and accurate to value that stock at 25 per cent of what it is selling for in the market?

Mr. HINE. I do not think it would be accurate; it might be proper.

Mr. UNTERMYER. It might be proper?

Mr. HINE. Yes.

Mr. UNTERMYER. Is it not the fact, or is it the fact, that in your last balance sheet, in valuing the stocks of the various corporations held by the First Security Co., they have been valued at less than 25 per cent of their market value?

Mr. HINE. I could not state that.

Mr. UNTERMYER. You do not know whether they have or not?

Mr. HINE. I do not know; no, sir.

Mr. UNTERMYER. Did you have anything to do with making up the balance sheet?

Mr. HINE. I saw the balance sheet.

Mr. UNTERMYER. Did you revise it?

Mr. HINE. I did not.

Mr. UNTERMYER. Were you not concerned in fixing the values?

Mr. HINE. Not especially. We know there is a liberal margin.

Mr. UNTERMYER. Who did fix them?

Mr. HINE. I am unable to say.

Mr. UNTERMYER. What position do you hold in the security company?

Mr. HINE. I am vice president of the security company.

Mr. UNTERMYER. And acting president, are you not?

Mr. HINE. No; not acting president.

Mr. UNTERMYER. Is Mr. Baker active in the management?

Mr. HINE. Mr. Baker is president of the security company.

Mr. UNTERMYER. Is he active in the management?

Mr. HINE. No one is specially active in the security company.

Mr. UNTERMYER. No one is active. Do you buy and sell securities?

Mr. HINE. We do not, to any great extent.

Mr. UNTERMYER. Do you sell them?

Mr. HINE. We do not buy and sell actively.

Mr. UNTERMYER. Do you sell?

Mr. HINE. We sometimes sell and sometimes buy.

Mr. UNTERMYER. Yes; and who does that?

Mr. HINE. By order of one of the officers.

Mr. UNTERMYER. Now, tell me whether it is a fact, Mr. Hine, without going into details, and without requiring that we should analyze these assets, that these First Security assets are worth $40,000,000 or over, according to the market value and the fair intrinsic value?

Mr. HINE. If you will excuse me a moment, I would like to consult my counsel.

Mr. UNTERMYER. Yes; certainly, you may consult counsel.

Mr. HINE (after consulting counsel). I can not state their exact value. We have assumed that they are worth not less than $35,000,000.

Mr. UNTERMYER. That is a very conservative estimate?

Mr. HINE. I think it is.

Mr. UNTERMYER. And it would be more likely to be $50,000,000 than $35,000,000 in actual value?

Mr. HINE. No.

Mr. UNTERMYER. Were those the securities that were turned over by the First National Bank for $10,000,000, or substantially the same?

Mr. HINE. I have already stated that Mr. Baker turned over the Security Co. for this sum, which, in justice to him, I should say he presented to the bank without any moral or legal obligation to do so.

Mr. UNTERMYER. That is not touching the question at all.

The question was read by the stenographer as follows:

Mr. UNTERMYER. Were those the securities that were turned over by the First National Bank for $10,000,000, or substantially the same?

Mr. HINE. They are not the same.

Mr. UNTERMYER. But in value, are they the same?

Mr. HINE. I would not venture an opinion upon that without investigation.

Mr. UNTERMYER. In your estimate of a minimum of $35,000,000 of value, at what price do you include the Chase Bank stock?

Mr. HINE. We turned over——

Mr. UNTERMYER. At what price do you include the Chase Bank stock in this $35,000,000?

Mr. HINE. I can not say.

Mr. UNTERMYER. Do you include it at $300 a share?

Mr. HINE. I am unable to state the figures.

Mr. UNTERMYER. What was the minimum value of the securities as turned over, including the Chase Bank stock?

Mr. HINE. The Chase Bank stock—the bank had nothing to do with it.

Mr. UNTERMYER. I understand that. I say including the Chase Bank stock.

Mr. HINE. I am unable to say.

Mr. UNTERMYER. Was it included in the $35,000,000?

Mr. HINE. I am unable to state. The bank turned over the securities at exactly what they stood at on the books of the bank.

Mr. UNTERMYER. They stood at a nominal figure on the books of the bank?

Mr. HINE. Not nominal; they stood at just what they cost—at cost.

Mr. UNTERMYER. At what they cost many years before?

Mr. HINE. A few of them.

Mr. UNTERMYER. They had risen very largely in value?

Mr. HINE. Yes.

Mr. UNTERMYER. What was the book value of the securities that were turned over by the First National Bank and the First Security Co.?

Mr. HINE. I am unable to state.

Mr. UNTERMYER. You can not tell us that?

Mr. HINE. I can not at the moment; no, sir.

Mr. UNTERMYER. And did they consist entirely of stocks?

Mr. HINE. Entirely.

Mr. UNTERMYER. Do you never revalue those securities in the First Security Co.?

Mr. HINE. We make different estimates as to their value.

Mr. UNTERMYER. But you do not put those on your books, do you?

Mr. HINE. No.

Mr. UNTERMYER. What is the purpose of keeping those securities at that comparatively nominal value?

Mr. HINE. A business purpose.

Mr. UNTERMYER. What is the business purpose?

Mr. HINE. There is no particular purpose. We know that they are there.

Mr. UNTERMYER. Is it for the purpose of taxation?

Mr. HINE. No; that does not enter into it.

Mr. UNTERMYER. Then what business purpose can there be?

Mr. HINE. Business purposes that are satisfactory to us.

Mr. UNTERMYER. Are there no business purposes that you can disclose, underlying that method of doing business?

Mr. HINE. There are none that I have to disclose, because there are none. I have stated business purposes that are satisfactory to us.

Mr. UNTERMYER. Why should securities that are worth $40,000,000 or $50,000,000 be continuously valued from year to year at $10,000,000?

Mr. HINE. For business purposes that are satisfactory to us.

Mr. UNTERMYER. That is all you care to say about it?

Mr. HINE. Yes.

Mr. UNTERMYER. Do you remember what proportion of the resources of the First National Bank is invested and what proportion is liquid?

Mr. HINE. Do you mean the amount of our bond investment?

Mr. UNTERMYER. Yes.

Mr. HINE. It is a little short of $44,000,000.

Mr. UNTERMYER. How much are your deposits?

Mr. HINE. Our deposits are about $100,000,000.

Mr. UNTERMYER. And you have to keep 25 per cent of that as reserve?

Mr. HINE. Yes.

Mr. UNTERMYER. And that leaves $75,000,000 of investable or loanable deposits?

Mr. HINE. Yes.

Mr. UNTERMYER. And of that $75,000,000 you say about $34,000,000 is invested in bonds?

Mr. HINE. No; I do not.

Mr. UNTERMYER. What?

Mr. HINE. I do not say that.

Mr. UNTERMYER. That includes also a part of your capital?

Mr. HINE. Part of our capital or surplus is invested in bonds, and about $11,000,000 in deposits.

Mr. UNTERMYER. You are the president of the New York Clearing House Association, are you not?

Mr. HINE. I am.

Mr. UNTERMYER. And you are the chairman of the clearing-house committee?

Mr. HINE. No; I am not.

Mr. UNTERMYER. Who is?

Mr. HINE. Mr. Frew.

Mr. UNTERMYER. It has not changed since Mr. Frew testified?

Mr. HINE. No; there has not been another election.

Mr. UNTERMYER. That is a good reason. The New York Clearing House Association is managed by the clearing-house committee?

Mr. HINE. By the clearing-house committee.

Mr. UNTERMYER. The First National Bank is a very important issuing house for securities, is it not?

Mr. HINE. I would not say that.

Mr. UNTERMYER. Is it not, together with J. P. Morgan & Co. and the National City Bank; are they not, perhaps, the three together, the largest issuing houses in the country? They make the most issues and the largest amount of issues?

Mr. HINE. J. P. Morgan & Co. is surely the largest.

Mr. UNTERMYER. And the First National Bank makes very frequent and large issues of securities, does it not?

Mr. HINE. In conjunction with them.

Mr. UNTERMYER. Does it not make any issues alone?

Mr. HINE. Very rarely.

Mr. UNTERMYER. And in conjunction recently with the City Bank?

Mr. HINE. Yes.

Mr. UNTERMYER. This custom of joint issues by Messrs. Morgan and your bank and the City Bank is of how recent a growth; about three years, is it not?

Mr. HINE. I think it is longer than that.

Mr. UNTERMYER. How much longer?

Mr. HINE. Perhaps four years; four or five years, I would say.

Mr. UNTERMYER. Prior to that, what was the custom with respect to making public issues of securities? Did Messrs. Morgan make them alone?

Mr. HINE. I do not know that I can describe any particular custom.

Mr. UNTERMYER. Messrs. Morgan made their issues mainly alone before that, did they not?

Mr. HINE. I think they did. I am unable to say.

Mr. UNTERMYER. Did your bank make its issues alone before that, or did you begin at that time to make issues?

Mr. HINE. I think we had made issues conjointly with Messrs. Morgan prior to that.

Mr. UNTERMYER. Prior to four years ago?

Mr. HINE. Yes.

Mr. UNTERMYER. But it became more frequent and customary after that?

Mr. HINE. Yes.

Mr. UNTERMYER. Now it is done almost continuously?

Mr. HINE. Not in recent years.

Mr. UNTERMYER. Have you made any issues in recent years in which they have not participated in the public issue?

Mr. HINE. We have made only one issue that I recollect of any importance in the last few years.

Mr. UNTERMYER. In which you have participated?

Mr. HINE. No. I say we have made only one issue of importance. We have participated in almost all the issues of J. P. Morgan & Co.

Mr. UNTERMYER. But have you not joined with them in many?

Mr. HINE. Yes.

Mr. UNTERMYER. In recent years?

Mr. HINE. Yes.

Mr. UNTERMYER. And the City Bank likewise?

Mr. HINE. Yes.

Mr. UNTERMYER. In these joint purchases of securities for issue by Messrs. Morgan and yourselves and the City Bank, do you have them underwritten?

Mr. HINE. They are underwritten.

Mr. UNTERMYER. And are they underwritten for joint account?

Mr. HINE. At times.

Mr. UNTERMYER. For joint account?

Mr. HINE. Not for joint account.

Mr. UNTERMYER. Do you not each have a fixed proportion of the profits?

Mr. HINE. Each has a proportion of the profits.

Mr. UNTERMYER. Yes.

Mr. HINE. In accordance with the interest taken.

Mr. UNTERMYER. Is the underwriting done by one of the houses or by each one separately?

Mr. HINE. In many cases there is no underwriting.

Mr. UNTERMYER. I am speaking of the cases in which there is an underwriting. We will take, for instance, the case of the New York Subway.

Mr. HINE. Yes.

Mr. UNTERMYER. There is an underwriting there, is there not?

Mr. HINE. Yes.

Mr. UNTERMYER. You are large participants, are you not, with Messrs. Morgan?

Mr. HINE. Yes.

Mr. UNTERMYER. It is a joint venture, is it not, between the City Bank and Messrs. Morgan and your bank?

Mr. HINE. I would not call it a "venture."

Mr. UNTERMYER. What is the interest of the bank?

Mr. HINE. I prefer not to state the interest of the bank.

Mr. UNTERMYER. Are these three concerns partners in that—equal partners?

Mr. HINE. We are not equal partners.

Mr. UNTERMYER. Where is the underwriting done?

Mr. HINE. The issues that Messrs. J. P. Morgan & Co. bring out——

Mr. UNTERMYER. No, no; where is the underwriting of this particular issue done?

Mr. HINE. At the house of J. P. Morgan & Co.

Mr. UNTERMYER. That is what I want to know.

Mr. HINE. Yes.

Mr. UNTERMYER. The entire $170,000,000 is underwritten through J. P. Morgan & Co.?

Mr. HINE. Practically.

Mr. UNTERMYER. And anybody you want to participate, or any corporation, you hand the underwriting over to them, and it is done through them; is that right?

Mr. HINE. Yes.

Mr. UNTERMYER. Is that the way in which these issues have been generally underwritten where they have been in joint account between you and Messrs. Morgan, or you and Messrs. Morgan and the City Bank, where there has been underwriting?

Mr. HINE. In cases of underwriting I would say that is the general course.

Mr. UNTERMYER. In taking small issues I suppose you do not underwrite them at all, but just take them?

Mr. HINE. It would depend upon who originates the business, I would say. If the City Bank originated the business, they would look after the underwriting; if we originated it, we would look after it; and if J. P. Morgan & Co. originated it, they would look after it.

Mr. UNTERMYER. But in comparatively small issues do you make the issues without underwriting?

Mr. HINE. As a rule.

Mr. UNTERMYER. An issue of $10,000,000 or $20,000,000 would be of a character that the three concerns would do without any participation?

Mr. HINE. Yes.

Mr. UNTERMYER. You have done some of those within the last few weeks, have you not?

Mr. HINE. Yes.

Mr. UNTERMYER. Where there is underwriting do the corporations in which you are interested or represented on the board participate in the underwriting?

Mr. HINE. They do not. The banking corporations, do you mean?

Mr. UNTERMYER. Yes.

Mr. HINE. Yes; oftentimes they do.

Mr. UNTERMYER. What?

Mr. HINE. Yes.

Mr. UNTERMYER. The Chase Bank and these other companies participate in the underwriting?

Mr. HINE. Often they do.

Mr. UNTERMYER. And where you and Messrs. Morgan and the City Bank go in joint account and buy securities and sell them directly without underwriting, do these banks participate as purchasers of those securities?

Mr. HINE. Occasionally they do.

Mr. UNTERMYER. Generally they do, do they not?

Mr. HINE. I would not say that.

Mr. UNTERMYER. What will you say about it?

Mr. HINE. I say sometimes they do.

Mr. UNTERMYER. Some of them do at all times?

Mr. HINE. I would not say that.

Mr. UNTERMYER. Will you give us any instance in which some one or more of the corporations with which you are identified have not acquired part of the bonds?

Mr. HINE. I am not prepared to give an instance where they have or have not.

Mr. UNTERMYER. You can give many instances where they have, can you not?

Mr. HINE. I have stated that they sometimes do.

Mr. UNTERMYER. For instance, in this underwriting of the subways is there any financial corporation with which you are identified, or with which J. P. Morgan & Co. are identified, or with which the National City Bank is identified, that is not a participant?

Mr. HINE. I was abroad at the time that underwriting was placed, and I am not familiar with the names of the participants.

Mr. UNTERMYER. Since you have come back have you not put yourself in touch with the businesses of the banks of which you are a director and in which you serve on the executive committees?

Mr. HINE. I have come in touch with those businesses; yes.

Mr. UNTERMYER. You have put yourself in touch with their business and what has been done?

Mr. HINE. To some extent.

Mr. UNTERMYER. Have you not ascertained to what extent those concerns are underwriters in these subways?

Mr. HINE. Not all of them.

Mr. UNTERMYER. You have as to some?

Mr. HINE. Yes.

Mr. UNTERMYER. And have you found any in which they were not participants?

Mr. HINE. I have.

Mr. UNTERMYER. Where? Name it.

Mr. HINE. The Brooklyn Trust Co.

Mr. UNTERMYER. They were overlooked, were they, because you were away? Was that it?

Mr. HINE. The issue did not seem attractive to them, I assume. They have never stated to me the reason.

Mr. UNTERMYER. And whether it was for that reason or whether it was because you were away and they were overlooked, you do not know?

Mr. HINE. Yes; I do know. They have stated to me——

Mr. UNTERMYER. You have named the Brooklyn Trust Co. as being out of the underwriters. Can you name anybody else among those I have mentioned?

Mr. HINE. I do not know whether some were out or not; whether all participated or not.

Mr. UNTERMYER. Have you found anybody who was out?

Mr. HINE. I have not been around with a probe such as you swing.

Mr. UNTERMYER. Being on the executive committee you would be informed, or you would inform yourself, of the commitments of your company, would you not?

Mr. HINE. Not all the commitments.

Mr. UNTERMYER. These would be large commitments, would they not, on an underwriting of this size?

Mr. HINE. No.

Mr. UNTERMYER. Did you make any complaint about the Brooklyn Trust Co. not being included as a participant?

Mr. HINE. I did not.

Mr. UNTERMYER. Did you try to get them in?

Mr. HINE. I did not.

Mr. UNTERMYER. Did you get them a participation?

Mr. HINE. I did not.

Mr. SPOONER. He stated it was not attractive to them.

Mr. UNTERMYER. Well, they may have changed their minds. It was attractive to you, was it not—to your bank?

Mr. HINE. Yes.

Mr. UNTERMYER. Do you know of any financial corporation with which J. P. Morgan & Co. or the National City Bank are affiliated that is not interested in that underwriting?

Mr. HINE. I am unable to say.

Mr. UNTERMYER. Do you know of any officers of any of these banks that are not interested in the underwriting, except those that were in Europe?

Mr. HINE. I know some who are.

Mr. UNTERMYER. Do you know whether they are or not?

Mr. HINE. I know some are not.

Mr. UNTERMYER. And whether others are or are not interested; you do not know?

Mr. HINE. I do not.

Mr. UNTERMYER. Do the officers of your bank take participations in issues or underwritings in which the bank itself becomes interested?

Mr. HINE. The officers of our bank have taken participations.

Mr. UNTERMYER. And they do take them?

Mr. HINE. They do; yes.

Mr. UNTERMYER. Do you know whether it is a custom among the officers of banks and trust companies of the city of New York to get participations with banking houses in underwritings and issues in which their banks are interested?

Mr. HINE. I do not.

Mr. UNTERMYER. Do you know whether it is done in other banks with which you are connected?

Mr. HINE. I do not.

Mr. UNTERMYER. Is it a custom in your bank?

Mr. HINE. I do not think it is a custom. I say the officers have participated.

Mr. UNTERMYER. That they do from time to time participate?

Mr. HINE. Yes.

Mr. UNTERMYER. In other words, it is not a custom that has been discouraged or has been stopped?

Mr. HINE. It is not.

Mr. UNTERMYER. And you do not think it is one that ought to be stopped?

Mr. HINE. Being American citizens as well as bank officers, we believe we are entitled to our rights under the Constitution and the laws.

Mr. UNTERMYER. I see. So you think it would interfere with your rights under the Constitution and laws of the United States if, being president of a bank that was being asked to guarantee or insure the sale of bonds, you were not allowed to underwrite in that syndicate? You think that would interfere with your liberties as a citizen?

Mr. HINE. I am not prepared to argue any hypothetical questions. I will give you an opinion on the situation as it is.

Mr. UNTERMYER. Let us see——

Mr. HINE. If you ask me in regard to my own opinion I am willing to state it.

Mr. UNTERMYER. I am not asking you personal questions, as you know. I am speaking of all the officers of the bank. Suppose your bank is invited to underwrite securities of, we will say, the Subway Co. You understand that that is a sort of insurance that the people who have charge of the issue will sell those bonds, or if they do not sell them your bank has got to take them? That is the contract, is it not? That is the underwriting contract?

Mr. HINE. That is the underwriting contract—pardon me; please state that again.

Mr. UNTERMYER. Is not the underwriting contract to the effect that your bank agrees to take a given amount, being in participation in the underwriting of bonds of that issue, provided the bankers do not sell them elsewhere or otherwise?

Mr. HINE. That is it.

Mr. UNTERMYER. That is the contract. If the bonds are sold by the bankers, then the underwriters get a commission for their risk?

Mr. HINE. That is right.

Mr. UNTERMYER. If the bonds are not sold, then the underwriters have to take them. Is that true?

Mr. HINE. That is true.

Mr. UNTERMYER. That contract is the contract that the officers make with the issuing house when they become underwriters, is it not?

Mr. HINE. If they make such contract.

Mr. UNTERMYER. I mean when the officers do underwrite, it is the same contract? Do you not realize that if those bonds that are thus underwritten are sold to the bank of which you are an officer, it relieves the underwriters to that extent?

Mr. HINE. To that extent; yes.

Mr. UNTERMYER. It relieves you to that extent, if you are an underwriter, does it not?

Mr. HINE. That is correct——

Mr. UNTERMYER. Well, does it not release you to that extent.

Mr. HINE. I wish to correct, if I may. The only underwriting that the officers of our bank have participated in has been a portion of the underwriting which the bank has accepted.

Mr. UNTERMYER. Yes. When the bank takes an amount of underwriting the officers take part of it, do they?

Mr. HINE. They have at times.

Mr. UNTERMYER. When it comes to the question of selling those bonds to relieve the underwriter, do you realize or do you not realize that the liability of the officer to take those bonds is very materially

affected by whether your banks and other banks buy the bonds, and take that obligation off their hands?

Mr. HINE. It is manifest that the release of the liability is equally distributed among all underwriters and those who participate. That is obvious.

Mr. UNTERMYER. Now, then, you being liable on that undertaking if the bank does not sell the bonds, you are released from that liability if the bank does sell the bonds, are you not?

Mr. HINE. Individuals are released to the extent that the bank is released; to the same extent, no greater extent.

Mr. UNTERMYER. But if the banks buy the bonds, and they are distributed to the banks whose officers are also underwriting, the officers underwriting are also released, are they not?

Mr. HINE. I can not make any other statement than I have already made in relation to that.

Mr. UNTERMYER. You see nothing wrong in that respect, do you?

Mr. HINE. I do not. If we did we certainly would not indulge in it, you may be sure of that.

Mr. UNTERMYER. But you do not see anything wrong since it has been exploited or explained, do you?

Mr. HINE. I think our consciences are just as acute as those of other gentlemen, in relation to ethical matters.

Mr. UNTERMYER. Do you not think it would relieve the officers from the double relation to their bank——

Mr. HINE. I have already stated——

Mr. UNTERMYER (continuing). In determining whether they would buy securities of that kind or would not buy, if they were not interested in having the bank buy the bonds so as to release their liability?

Mr. HINE. I certainly do not, in our case.

Mr. UNTERMYER. You think that these men are all so constituted that they would not be subconsciously or unconsciously affected by the fact that the purchase by the bank would relieve them personally to that extent?

Mr. HINE. I can answer for the First National. I can not answer for any other.

Mr. UNTERMYER. Answering for the First National Bank, you are sure it would make no difference?

Mr. HINE. I am sure. I think anybody would agree who knows Mr. George F. Baker.

Mr. UNTERMYER. We are talking about the advisability of recommending legislation, not for Mr. George F. Baker or for Mr. John Smith, but to regulate all banking institutions. And do I understand from you that you would continue to subject the officers of banks to that inconsistent position?

Mr. HINE. I would continue to permit each bank to follow its own custom, as it does now, under the control and supervision of the Comptroller of the Currency.

Mr. UNTERMYER. Well, what has the Comptroller of the Currency got to do with the question of whether you shall underwrite a security?

Mr. HINE. He has nothing.

Mr. UNTERMYER. Then what control has he over the subject?

Mr. HINE. He has no control, but he has supervision.

Mr. UNTERMYER. He has no supervision of your underwritings, has he?

Mr. HINE. Ours is an open book. He or his representatives see every transaction.

Mr. UNTERMYER. Do they see your individual transactions with the underwriter, or only those as a bank?

Mr. HINE. Our individual participations; not those of the bank.

Mr. UNTERMYER. They appear on the books of the bank?

Mr. HINE. They do.

Mr. UNTERMYER. Even where you get your commission from underwriting.

Mr. HINE. They see every transaction. It is on our books.

Mr. UNTERMYER. You know there are certain institutions in which that is not permitted, do you not?

Mr. HINE. I do not.

Mr. UNTERMYER. Did you read the testimony of Mr. Reynolds of the Continental and Commercial Bank?

Mr. HINE. Yes.

Mr. UNTERMYER. You were present and heard it?

Mr. HINE. I was present.

Mr. UNTERMYER. When you buy an issue of bonds, how do you distribute it? Have you got a list of corporations and banks you invite?

Mr. HINE. I have not.

Mr. UNTERMYER. How do you do about distributing it?

Mr. HINE. They oftentimes distribute themselves; we have not any to distribute.

Mr. UNTERMYER. What you mean is that you have nothing to do with it except to take your profit?

Mr. HINE. I mean they very often sell, when we join in issuing bonds. Sometimes they are disposed of quickly and sometimes not so quickly.

Mr. UNTERMYER. If not disposed of then, do you distribute them among the people who buy bonds from you?

Mr. HINE. We do not distribute them.

Mr. UNTERMYER. Do you sell them?

Mr. HINE. Sometimes we sell them and sometimes we do not.

Mr. UNTERMYER. Have you a bond department?

Mr. HINE. We have.

Mr. UNTERMYER. Do you send bond salesmen on the road?

Mr. HINE. We do not.

Mr. UNTERMYER. You do not. Do you sell these bonds to other banks?

Mr. HINE. In the open market.

Mr. UNTERMYER. To banks?

Mr. HINE. Very seldom. They are sold in the open market when sold at all.

Mr. UNTERMYER. You mean by public advertisement?

Mr. HINE. No.

Mr. UNTERMYER. You mean in open market on the exchange?

Mr. HINE. It might be on the stock exchange; usually to bond brokers.

Mr. UNTERMYER. Then you sell them to bond brokers and through bond brokers?

Mr. HINE. Yes.

Mr. UNTERMYER. Through whom do the other banks with which you are affiliated get interest in those bonds?

Mr. HINE. In which bonds?

Mr. UNTERMYER. Through whom do the other banks with which you are affiliated get interest in the bonds in which you are interested?

Mr. HINE. Sometimes they get them through us and sometimes they do not.

Mr. UNTERMYER. That is what I am trying to find out. Then you do sometimes sell them to other banks with which you are affiliated?

Mr. HINE. Other banks with which we are affiliated and sometimes through a syndicate.

Mr. UNTERMYER. And when you have no syndicate, then they buy from you?

Mr. HINE. Very rarely of us.

Mr. UNTERMYER. Where would they buy them?

Mr. HINE. In the open market.

Mr. UNTERMYER. You mean through bond brokers.

Mr. HINE. Through bond brokers; yes.

Mr. UNTERMYER. Paying a profit, an intermediate profit, when they could get them from you?

Mr. HINE. If they could get them cheaper through us they would not do it.

Mr. UNTERMYER. Would they not pay more to a bond broker than if they got them directly from you?

Mr. HINE. Possibly so and possibly not.

Mr. UNTERMYER. Does the bond broker sell for fun, or does he get a profit?

Mr. HINE. Presumably he gets a profit.

Mr. UNTERMYER. Then the bonds cost them more than if they bought through you?

Mr. HINE. They would not buy them from one party and pay a higher price than they could get them for elsewhere. If they could buy them cheaper from us they would buy from us, and if they could buy them cheaper from a bond broker, they would buy from him, naturally.

Mr. UNTERMYER. It has been testified here that the clearing house has one chief examiner and twelve examiners under him. Is that right?

Mr. HINE. I think that is true.

Mr. UNTERMYER. Is that because of the insufficiency of the public examination?

Mr. HINE. It is supplemental to the public examination.

Mr. UNTERMYER. Is it supplemental to it because of the insufficiency of the public examination?

Mr. HINE. I would not say that.

Mr. UNTERMYER. Well, why is it resorted to, then?

Mr. HINE. As an additional precaution.

Mr. UNTERMYER. If the State and national examinations were made more thorough by the addition of further examiners, it would render your examiners unnecessary, would it not?

Mr. HINE. I could not say as to that.

Mr. UNTERMYER. Do you not think it would be a much better system to have the authorities of the State and Nation conduct

these examinations than to have them in the hands of the clearing-house committee and its examiners?

Mr. HINE. We are very much pleased with the examinations of our present force in the clearing house. The Government forces work on the fee plan, and our people work on the salary plan.

Mr. UNTERMYER. In your judgment would it not be fairer to have the departments of the State and Nation conduct those examinations?

Mr. HINE. I think it is for the interest of all concerned to exercise every possible precaution.

Mr. UNTERMYER. Do you not see that there is no responsibility—official responsibility—on the part of your examiners as to secrecy or otherwise, and that there is the constant possibility that the clearing-house committee may find out all about people's affairs?

Mr. HINE. We only know how the system has worked, and it has worked very satisfactorily wherever it has been adopted.

Mr. UNTERMYER. Would you approve of the substitution of thorough and complete responsibility of official examinations instead of examinations through your own private agency?

Mr. HINE. I do approve of the situation as it is.

Mr. UNTERMYER. And you would not like to see it changed?

Mr. HINE. We are prepared for whatever may come.

Mr. UNTERMYER. I am glad of that.

Mr. HINE. That change or otherwise.

Mr. UNTERMYER. That is cheering. Reconciled, also?

Mr. HINE. Reconciled.

Mr. UNTERMYER. Is there any reason, in your judgment, for keeping secret the assets of the bank?

Mr. HINE. What assets of the bank?

Mr. UNTERMYER. All or any of its assets.

Mr. HINE. I think there is a very strong business reason; yes.

Mr. UNTERMYER. Why should not depositors and stockholders know what your assets are?

Mr. HINE. Why should they?

Mr. UNTERMYER. Is that your answer?

Mr. HINE. We make our statement to the Comptroller of the Currency five times a year. We are examined twice a year thoroughly by the Government's representatives. Those statements are published far and wide. Our depositors have every opportunity to judge for themselves as to the safety of the institution.

Mr. UNTERMYER. If you are examined so thoroughly by public departments, I will ask you again why you maintain 13 examiners to examine yourselves again?

Mr. HINE. As an additional precaution.

Mr. UNTERMYER. Why should not a man who was about to deposit or who does deposit in your bank have something more than a mere statement, "Assets, so much"? Why should he not know whether they are genuine, and what they are worth, and what they consist of?

Mr. HINE. Our depositors seem to be perfectly satisfied with the statement we make.

Mr. UNTERMYER. Why should they not know?

Mr. HINE. I am not prepared to answer any question like that.

Mr. UNTERMYER. Why should they not know?

Mr. HINE. They are perfectly satisfied.

Mr. UNTERMYER. If they are not satisfied, what is their remedy; to go somewhere else?

Mr. HINE. I am unable to respond.

Mr. UNTERMYER. You keep your list of stockholders secret, do you not?

Mr. HINE. It is all on record in the City Hall in New York.

Mr. UNTERMYER. You know it is not available?

Mr. HINE. I know it is available.

Mr. UNTERMYER. Do you?

Mr. HINE. To any stockholder.

Mr. UNTERMYER. But not to anybody else?

Mr. HINE. No.

Mr. UNTERMYER. You feel that there is no inconsistency in your serving as a director and a member of the executive committee of potentially competing banks that are competing for the same business, or ought to be?

Mr. HINE. I have discovered none.

Mr. UNTERMYER. Your connection with these various banks gives you an opportunity, does it not, to find out the borrowers in all those banks?

Mr. HINE. No; it does not.

Mr. UNTERMYER. It does not?

Mr. HINE. No; it does not.

Mr. UNTERMYER. As a member of the executive committee of a bank you understand that you get an opportunity, and that it is your duty, to know the borrowers in those banks and what their security is?

Mr. HINE. The management of those banks is lodged with officers in whom we have confidence, and we accept their reports and their statements as correct.

Mr. UNTERMYER. And do you mean to say that as a member of the executive committees of these various banks you do not inquire into who are the borrowers and what are their securities?

Mr. HINE. Of current borrowers? A list is placed before us. We do see——

Mr. UNTERMYER. You see at every meeting, do you not?

Mr. HINE. We see at every meeting the names of current borrowers.

Mr. UNTERMYER. And you also have a statement of loans?

Mr. HINE. Yes.

Mr. UNTERMYER. And the data of that is available to you?

Mr. HINE. We see the current loans.

Mr. UNTERMYER. And apart from current loans you understand that you have a right to investigate the existing loans, do you not?

Mr. HINE. Probably we do.

Mr. UNTERMYER. Every loan in the bank?

Mr. HINE. Probably we do.

Mr. UNTERMYER. Do you not know it is your duty to investigate it?

Mr. HINE. You say do I know it is my duty?

Mr. UNTERMYER. Yes.

Mr. HINE. I do not know that.

Mr. UNTERMYER. Do you not know you are liable if you do not do so?

Mr. HINE. I do not.

Mr. UNTERMYER. Are you not familiar with the fate of the directors of the Trust Co. of the Republic, who did not know the loans that were in their institutions?

Mr. HINE. You are speaking of national banks?

Mr. UNTERMYER. But you are familiar with what happened to them?

Mr. HINE. Not entirely; no.

Mr. UNTERMYER. Do you not know that they were held liable for some hundreds of thousands of dollars because they did not use due diligence in finding out who were their borrowers and what was the collateral?

Mr. HINE. No. Will you please quote the clause in the national bank law which supports that intimation?

Mr. UNTERMYER. As I understand you, your conception of your duty as a director of national banks and of trust companies and a member of executive committees is, that you are under no legal obligation to find out who is borrowing money of the institution, or on what collateral. Is that right?

Mr. HINE. I will thank you to state the clause in the national banking law which supports your contention.

Mr. UNTERMYER. Will you please repeat the question?

The stenographer read the question as follows:

Mr. UNTERMYER. As I understand you, your conception of your duty as a director of national banks and of trust companies and a member of executive committees, is that you are under no legal obligation to find out who is borrowing money of the institution, or on what collateral. Is that right?

Mr. HINE. Does that question say national banks?

The stenographer repeated the first part of the sentence, including the words "national banks."

Mr. HINES. I do not know that it is my duty.

Mr. UNTERMYER. Your present idea is that you have no such duty?

Mr. HINE. No such legal duty.

Mr. UNTERMYER. And you think you have no such moral duty, to find out to whom your bank is lending its money, and on what collateral?

Mr. HINE. I think it is a business duty.

Mr. UNTERMYER. Do you perform it?

Mr. HINE. In a general way.

Mr. UNTERMYER. Having performed it in a general way, you have then the facility of knowing the borrowers in all these institutions with which you are connected, and their collateral?

Mr. HINE. I have.

Mr. UNTERMYER. Even where they are potentially competing institutions?

Mr. HINE. Yes.

Mr. UNTERMYER. You have been concerned in a number of consolidations of banks and trust companies?

Mr. HINE. What do you mean by "concerned"?

Mr. UNTERMYER. Interested; financially interested.

Mr. HINE. I have been interested in a few banks that have absorbed others.

Mr. UNTERMYER. You have observed, have you not, with interest, the trend in the last three or four years to concentration and consolidation of financial institutions both in New York and other cities?

Mr. HINE. There have been some consolidations.

Mr. UNTERMYER. Have you not observed the trend of concentration?

Mr. HINE. I have observed that there have been consolidations.

Mr. UNTERMYER. That is not the question. The question is whether you have observed the rapid trend toward concentration of credits in New York City in the last three years.

Mr. HINE. I have observed otherwise, there being 16 more institutions in New York City than there were in 1900. I think the trend is the other way.

Mr. UNTERMYER. There are 16 more now than there were in 1900?

Mr. HINE. There are.

Mr. UNTERMYER. Which are they?

Mr. HINE. I am unable to state; I can give you the number, however.

Mr. UNTERMYER. Where did you get that information?

Mr. HINE. From official sources.

Mr. UNTERMYER. From what source?

Mr. HINE. From the clearing house.

Mr. UNTERMYER. Let me see the data you have on that subject. Have you got it with you?

Mr. HINE. I have.

Mr. UNTERMYER. Bring it out.

Mr. HINE. Right there. [Producing document.]

Mr. UNTERMYER. Will you let me see it?

Mr. HINE. Do you wish the figures?

Mr. UNTERMYER. Yes; certainly.

Mr. HINE. I would like it to go on the record, too, if you please. [Handing papers to counsel.]

Mr. UNTERMYER. Wait a minute, about the record. You said they were official.

Mr. HINE. They are official.

Mr. UNTERMYER. We would like the official figures.

Mr. HINE. They are copied from official figures.

Mr. UNTERMYER. From what are they copied? If you will send us the figures from which they are copied—that is, the official data—the committee will be glad to include it in the record.

Mr. HINE. I will do that.

Mr. UNTERMYER. You have not got December, 1912, there. Have you not any list of the institutions in New York in December, 1912, with you?

Mr. HINE. No; I have not.

Mr. UNTERMYER. Do you not know that prior to the admission of the trust companies into the clearing house there were less banks, less members of the clearing house, in 1910 than there were in 1853, when the clearing house was formed—one less?

Mr. HINE. No; I did not know that.

Mr. UNTERMYER. Do you not know that there were 53?

Mr. HINE. That was a little before my time.

Mr. UNTERMYER. No; that there were 53 banks in the clearing house in 1910 as against 54, when it was organized?

Mr. HINE. I did not know that. I know there are 50 per cent more members in the New York Clearing House than there are in London, Berlin, and Paris put together.

Mr. UNTERMYER. We are not talking about London, Berlin, and Paris; but the ones in London, Berlin, and Paris are not owned by the same people or controlled by the same people or with the same interests interlocking, are they?

Mr. HINE. I am not advised as to that.

Mr. UNTERMYER. You know nothing about that?

Mr. HINE. No, sir.

Mr. UNTERMYER. That is the point the committee is inquiring about.

Mr. HINE. I thought it was the number of institutions you were referring to.

Mr. UNTERMYER. No. As to the interlocking of these institutions and the interests that are common in all of them; you do not know anything about the regulations abroad on that subject?

Mr. HINE. I do not. I think there are none.

Mr. UNTERMYER. You say you do not know anything about it?

Mr. HINE. No; I do not. I know there is no banking law in England, however.

Mr. UNTERMYER. Do you know whether there are any interlocking directors in England, Germany, and France?

Mr. HINE. I do not.

Mr. UNTERMYER. Do you know whether in any of those countries any officers or directors are permitted to deal with the banks?

Mr. HINE. I do not.

Mr. UNTERMYER. Do you know whether or not they are permitted to sell the bank's stock or speculate in it?

Mr. HINE. I do not.

Mr. UNTERMYER. Are you conducting the security company practically as part of the bank?

Mr. HINE. We are not.

Mr. UNTERMYER. You are conducting it through the same officers?

Mr. HINE. We are.

Mr. UNTERMYER. In the same office?

Mr. HINE. Yes.

Mr. UNTERMYER. With the same clerks?

Mr. HINE. Yes; we are conducting it for the stockholders of the bank.

Mr. UNTERMYER. You draw a distinction between conducting the security company for the bank and conducting it for the stockholders, do you?

Mr. HINE. I certainly do.

Mr. UNTERMYER. You are conducting the bank for the stockholders of the bank too, are you not?

Mr. HINE. We are.

Mr. UNTEMYER. Does the bank have transactions with the security company?

Mr. HINE. Very few.

Mr. UNTEMYER. I say, does it have transactions?

Mr. HINE. It does.

Mr. UNTERMYER. Does the security company buy and sell securities?

Mr. HINE. Not to any great extent; in a very small way.

Mr. UNTERMYER. What is its principal business?

Mr. HINE. Its principal business is to hold securities which were sold to it by the First National and by Mr. George F. Baker, and to receive the income and distribute it among its shareholders. That is its principal occupation.

Mr. UNTERMYER. It has paid dividends of 12 per cent?

Mr. HINE. Yes.

Mr. UNTERMYER. And put aside how much reserve every year?

Mr. HINE. I would not attempt to say. I think we paid 17 per cent this year.

Mr. UNTERMYER. You paid 17 per cent, and you have accumulated a 20 per cent reserve in four years, have you not?

Mr. HINE. Something like that.

Mr. UNTERMYER. Or 25 per cent?

Mr. HINE. Something like that.

Mr. UNTERMYER. And you have undervalued your securities at that, have you not?

Mr. HINE. I have stated.

Mr. UNTERMYER. You have undervalued them in the way you have stated?

Mr. HINE. I have made the statement.

Mr. UNTERMYER. What would be the real profits of the Security Co. if you were to value your securities according to market prices?

Mr. HINE. That is an imaginary proposition that I would not pass on.

Mr. UNTERMYER. I know that; but imagine your valuing them at the real market price, would the profits of the Security Co. be about 100 per cent a year?

Mr. HINE. I am not given to flights of imagination.

Mr. UNTERMYER. Do you not think you would be able to imagine the difference between what you valued your own securities at and what they were selling at, without flights of the imagination?

Mr. HINE. I would not attempt to imagine anything so absurd.

Mr. UNTERMYER. I suppose you would not be in favor of any amendment of the law that would prevent the unrestricted consolidation of banks?

Mr. HINE. I am in favor of less law rather than more.

Mr. UNTERMYER. And no law rather than less?

Mr. HINE. The same sort of law that obtains in the great banking centers of the world outside of New York.

Mr. UNTERMYER. Do you know anything about the law outside of New York, in other bank centers?

Mr. HINE. I know there is no law.

Mr. UNTERMYER. They are independent of all law?

Mr. HINE. I know that there is no banking law in England.

Mr. UNTERMYER. Who told you so? Where did you get that idea?

Mr. HINE. Do you dispute it?

Mr. UNTERMYER. I do, and I want to know where you got the idea?

Mr. HINE. I have made the statement, and I will verify it later if you do not accept it.

Mr. UNTERMYER. Do you not know that the banks operate under a charter? Do you not know that?

Mr. HINE. I stated that there is no general banking law in England.

Mr. UNTERMYER. Do you not know that every bank has a charter?

Mr. HINE. I assume that.

Mr. UNTERMYER. And that that charter is granted by act of Parliament?

Mr. HINE. Yes.

Mr. UNTERMYER. Do you not think that is a law?

Mr. HINE. That is not a banking law.

Mr. UNTERMYER. I see. It is a law for that bank?

Mr. HINE. It is a charter for that bank.

Mr. UNTERMYER. Does the First Security Co. participate in the business of the bank, such as issuing securities and business of that kind?

Mr. HINE. It has no participation in the business of the bank.

Mr. UNTERMYER. Does it participate in its issues?

Mr. HINE. It does not.

Mr. UNTERMYER. Does it buy any of its securities?

Mr. HINE. It does not.

Mr. UNTERMYER. Does it underwrite any of the issues in which the bank is interested?

Mr. HINE. It does not.

Mr. UNTERMYER. Is the bank interested in any of the business of the security company?

Mr. HINE. It is not.

Mr. UNTERMYER. Recently your bank made an issue, jointly with J. P. Morgan & Co. and the National City Bank, of Chicago & Western Indiana Railway bonds, of ten millions, did it not?

Mr. HINE. Notes.

Mr. UNTERMYER. Ten millions of notes, yes. Why was it necessary that three great banking houses should join in an issue of that kind.

Mr. HINE. I do not know that I can state any reason.

Mr. UNTERMYER. Was it not because they had been jointly interested in previous issues of the same company?

Mr. HINE. I do not know that it was.

Mr. UNTERMYER. Had they not been jointly interested in previous issues?

Mr. HINE. I think they had.

Mr. UNTERMYER. Is it or is it not the custom when banking houses are interested or become interested in one kind of issues of a company, that they retain that interest in other issues?

Mr. HINE. Often it is so.

Mr. UNTERMYER. That is part of the banking ethics, is it not?

Mr. HINE. Yes, I would say it is; on satisfactory terms.

Mr. UNTERMYER. Is it another rule of banking ethics that bankers shall not interfere with one another's customers?

Mr. HINE. The same ethics obtain in banking that obtain in the legal profession and in the medical profession, as to infringing upon the preserves of others.

Mr. UNTERMYER. Well, what are the ethics in the banking profession as to trespassing upon the preserves of others?

Mr. HINE. If you will tell me what the ethics are in the legal world I will answer your question.

Mr. UNTERMYER. No; I would rather have you tell me the ethics in the world with which you are acquainted.

Mr. HINE. I can not state the matter any better than you have. It is the custom—I am not dealing in ethics.

Mr. UNTERMYER. What is the custom among bankers and banking houses as to anyone interfering with another's customers in business?

Mr. HINE. I do not know whether there is any custom. I think it is considered unprofessional.

Mr. UNTERMYER. Unbusinesslike?

Mr. HINE. And not in good form according to the highest principles of business practice?

Mr. UNTERMYER. It is not in accordance with banking ethics to interfere with or take customers away from firms; to take customers who have been doing business with some other banking house?

Mr. HINE. I think that is ordinarily considered high-minded practice—not to do so.

Mr. UNTERMYER. Suppose you illustrate.

Mr. HINE. I am unable to illustrate.

Mr. UNTERMYER. Illustrating that proposition, supposing the Union Pacific officials should come to the First National Bank and want you to make an issue for them, what would be your attitude?

Mr. HINE. I am unable to say.

Mr. UNTERMYER. Applying banking ethics, what would be your probable attitude?

Mr. HINE. It is an imaginary situation that I do not care to go into.

Mr. UNTERMYER. I think you ought to go into it. I shall ask you to go into it. In such a case what would you say? Would you say that this company is a customer of Kuhn, Loeb & Co., they are its bankers, and therefore you would not interfere?

Mr. HINE. If they had been doing business and were customers of Kuhn, Loeb & Co. for a series of years, we would not consider it high-minded practice to accept that business unless they stated distinctly that they preferred to do business with us instead of Kuhn, Loeb & Co. Under the latter circumstances we would be willing to accept it.

Mr. UNTERMYER. If they came to you it would be because they preferred to do business with you?

Mr. HINE. Not necessarily.

Mr. UNTERMYER. What other reason could there be?

Mr. HINE. I do not know. I am stating to you what we would do.

Mr. UNTERMYER. But what other reason could there possibly be for their coming to you?

Mr. HINE. I am not able to state.

Mr. UNTERMYER. Are there any conditions under which you would take the business of the Union Pacific?

Mr. HINE. There might be.

Mr. UNTERMYER. Under what possible conditions would you feel yourself or your bank justified, in conformity with banking ethics, in taking the business of the Union Pacific?

Mr. HINE. I have already indicated.

Mr. UNTERMYER. Well, under what conditions? Please tell me.

Mr. HINE. Under the conditions that they wished to discontinue with the parties with whom they had formerly dealt, or had been formerly connected with, and would like to connect with us.

Mr. UNTERMYER. If they wanted to discontinue with Kuhn, Loeb & Co., and said so, would you take that business without the consent of Kuhn, Loeb & Co.?

Mr. HINE. We would ask nobody's consent.

Mr. UNTERMYER. You would take it?

Mr. HINE. We seek no one's consent to accept business.

Mr. UNTERMYER. And you would take it from Morgan, too?

Mr. HINE. We would act according to our own judgment.

Mr. UNTERMYER. Have you ever done so?

Mr. HINE. I am unable to say whether we have ever had the opportunity.

Mr. UNTERMYER. Have you ever done it?

Mr. HINE. We could not have done it if we had not had the opportunity.

Mr. UNTERMYER. Have you ever had the opportunity of taking any business from Kuhn, Loeb & Co.?

Mr. HINE. I do not remember.

Mr. UNTERMYER. Or from Kidder, Peabody & Co.?

Mr. HINE. I do not remember.

Mr. UNTERMYER. Or from the National City Bank?

Mr. HINE. I do not remember.

Mr. UNTERMYER. In all the history of the dealings of the First National Bank have you ever known of a change of customers from one of those institutions to another?

Mr. HINE. I do not remember at the moment.

Mr. UNTERMYER. Have you prepared any list of the various issues of securities made by you, your house, or your bank, that are now among the assets of the various banks and trust companies of which you are a director?

Mr. HINE. I think not.

Mr. UNTERMYER. Are you familiar with the methods of railroad reorganization?

Mr. HINE. I am not.

Mr. UNTERMYER. You have never served on such committees?

Mr. HINE. No.

Mr. UNTERMYER. Mr. Hine, did you see the letter that was written by Mr. Baker after he left the stand, in response to questions that were put to him, to name any single industry, railroad or otherwise, with $10,000,000 or over, that had been issued by any banking house except one of a number of designated banking houses?

Mr. HINE. I think I did.

Mr. UNTERMYER. You saw the letter?

Mr. HINE. I think I did.

Mr. UNTERMYER. And you saw the name of the Studebaker Co. was given?

Mr. HINE. Yes.

Mr. UNTERMYER. It was the only one he named. Do you remember that issue?

Mr. HINE. No; I do not.

Mr. UNTERMYER. It was an issue of preferred stock, was it not?

Mr. HINE. I think so.

Mr. UNTERMYER. $13,500,000?

Mr. HINE. I think so.

Mr. UNTERMYER. Do you not know that Messrs. J. P. Morgan & Co. had a large interest in that company when that issue was made?

Mr. HINE. No; I do not.

Mr. UNTERMYER. And that the bulk of the proceeds of that issue went to pay them?

Mr. HINE. I do not.

Mr. UNTERMYER. Do you know anything about what their interest was in the Studebaker issue?

Mr. HINE. I do not.

Mr. UNTERMYER. Did you read Mr. Schiff's testimony before this committee?

Mr. HINE. I heard his testimony.

Mr. UNTERMYER. You were present?

Mr. HINE. Yes.

Mr. UNTERMYER. And you heard him, did you not, make the statement that he was in favor of individuals being able to combine to monopolize any interest so long as they did not do it through a holding company?

Mr. HINE. I heard his testimony. I do not remember his saying that.

Mr. UNTERMYER. Are you of the opinion that the law should be so changed that individuals can get together and monopolize an industry so long as they do not do it through a holding company?

Mr. HINE. I think individuals should have the right to acquire all that they can lawfully acquire and pay for.

Mr. UNTERMYER. We are not talking about acquiring what they can, and nobody is questioning the right of individuals to acquire what they can, lawfully. The question we are putting is of an entirely different character. Are you of the opinion that this committee should recommend any legislation, or that it would be proper to permit individuals to combine together to acquire a monopoly of any industry, so long as they do not do it through a holding company?

Mr. HINE. I have already stated that I think we are afflicted with too many laws rather than too few.

Mr. UNTERMYER. I understand; but you do not answer my question. Do you think that three or four or half a dozen individuals should be permitted lawfully to get a monopoly of industry by buying up all competitors, so long as they do not do it through a holding company?

Mr. HINE. It is a question I am unable to answer.

Mr. UNTERMYER. You have not any views on the subject?

Mr. HINE. I am not prepared to answer.

Mr. UNTERMYER. Are you also opposed to minority representations in banking institutions?

Mr. HINE. What do you mean by "minority representations"?

Mr. UNTERMYER. A representation of the minority in proportion to their holdings in the company, and cumulative voting?

Mr. HINE. I have never met a minority such as you describe.

Mr. UNTERMYER. You have never met a minority?

Mr. HINE. No.

Mr. UNTERMYER. What do you mean by that? Do you mean that 51 per cent is the whole thing and there is no such thing as a minority?

Mr. HINE. I mean that there has been absolute unanimity among the stockholders of all the institutions in which I am interested.

Mr. UNTERMYER. That is not the point.

Mr. HINE. When there is unanimity there can be no minority, can there?

Mr. UNTERMYER. Suppose there are nine directors to be elected in a corporation: you understand?

Mr. HINE. Yes.

Mr. UNTERMYER. Are you in favor of one-ninth of the stock having the right to elect one director—each one-ninth?

Mr. HINE. I am in favor of nine-ninths electing every director.

Mr. UNTERMYER. Yes, but suppose that 51 per cent of them elect them all, and the rest of the stock has no say; are you in favor of that system continuing?

Mr. HINE. I said before——

Mr. UNTERMYER. Are you in favor of that system continuing?

Mr. HINE. I am not prepared to express an opinion. I think it is a fantastic proposition.

Mr. UNTERMYER. You think it is fantastic?

Mr. HINE. I have never known of such a thing.

Mr. UNTERMYER. You have never known of a bare majority controlling a corporation?

Mr. HINE. I have never known such a thing.

Mr. UNTERMYER. You have never known of a bare majority controlling a corporation?

Mr. HINE. I never heard of anything but absolute unanimity. When there is unanimity, there can not be a minority, can there? That is plain.

Mr. UNTERMYER. How long have you been in Wall Street?

Mr. HINE. Seventeen years.

Mr. UNTERMYER. That is all.

Witness excused.

The CHAIRMAN. The committee will take a recess subject to call.

At 5.10 o'clock p. m. the subcommittee adjourned.

EXHIBIT No. 227, JANUARY 24, 1913.

List of all securities of more than $100,000 in value held by the National City Bank of New York, N. Y., on July 23, 1912.

Bonds.	Par value.	Book value.
Assn. Simmons Hward. fives, 1917	$129,000.00	$123,276.87
Atchison, Topeka & Santa Fe convertible fours, 1960	1,355,000.00	1,318,062.12
Armour & Co.'s four-and-a-halfs, 1939	332,000.00	300,683.58
Bolivia Railway Co.	511,500.00	358,405.04
Booth Fisheries sixes, 1926	1,803,000.00	1,739,895.00
Do	725,000.00	701,437.50
Baltimore & Ohio four-and-a-halfs, 1913	190,000.00	190,000.00
Butler Bros. fives, 1912-20	120,000.00	114,000.00
Chesapeake & Ohio general funding and improvement fives, 1929	482,000.00	388,086.99
Chicago, Burlington & Quincy (Illinois division) three-and-a-halfs, 1949	152,000.00	126,928.73
Chicago City & Connecting Ry collateral trustee fives	322,000.00	289,312.25
Chicago City Railway syndicate sixes	950,000.00	856,080.00
Chicago & North Western general three-and-a-halfs, 1987	207,000.00	167,484.29
Consolidated Coal 1st and ref. fives, 1950	720,000.00	650,250.00
Consolidated Gas of New York fives 1912	4,400,000.00	4,479,680.55
Clinchfield Syndicate (5 per cent)	.....	252,890.63
Cumberland Corporation	355,000.00	248,747.07
Cumberland Corporation fives, 1915	350,000.00	332,236.11
Chicago Elevated fives, 1914	150,000.00	148,125.00
Do	2,046,000.00	1,863,022.30
Chesapeake & Ohio four-and-a-half, 1914	1,129,000.00	1,111,956.87
Chicago, Milwaukee & Puget Sound first fours, 1949	410,000.00	381,496.22
Chicago & North Western general fours, 1987	213,000.00	186,222.15
Central New England Ry. Co. first fours, 1961	119,000.00	106,204.59
City of Budapest treasury bills, 1913	400,000.00	382,000.00
Chicago City and connecting railways collateral trust fives, 1927	200,000.00	174,000.00
Distillers second fives, 1927	493,000.00	385,051.46
Do	488,000.00	328,158.01

List of all securities of more than $100,000 in value held by the National City Bank of New York, N. Y., on July 23, 1912—Continued.

Bonds.	Par value.	Book value.
Detroit Terminal & Tunnel four-and-a-half, 1961	$760,000.00	$757,519.30
Do	764,000.00	762,029.12
Doniphan County, State of Kansas, refund four-and-a-half, 1915-30	333,000.00	332,935.23
Florida East Coast four-and-a-half, 1959	1,585,000.00	1,505,483.04
Hampshire Southern Ry. Co. first fives, 1934	275,000.00	242,007.78
Hocking Valley four-and-a-half, 1913	252,000.00	253,963.12
Illinois Central refund fours, 1955	236,000.00	227,009.30
Illinois Central R. R. Co. four-and-a-half, 1914	856,000.00	855,543.13
Kansas City, Fort Scott & Memphis refund fours, 1936	387,000.00	311,529.22
Kansas City Southern fives, 1950	315,000.00	301,361.54
Lackawanna Steel convertible fives, 1950	345,000.00	280,887.50
Metropolitan Street Railway consolidated fives, 1913	350,000.00	328,838.88
Monongahela Valley first fives, 1942	150,000.00	139,750.00
National Enamel and Stamp Co. fives, 1929	208,000.00	193,146.67
New York Central One Year four-and-a-halfs, 1913	500,000.00	499,000.00
New York Central & Hudson River four-and-a-halfs, 1915	1,535,000.00	1,546,229.93
Omaha Water Works four-and-a-halfs, 1941	657,000.00	660,845.50
Old Dominion Devel. Co. sixes, 1911	150,000.00	145,500.00
Oreg. Wash. R. R. & Nav. fours, 1961	319,500.00	289,232.43
Pacific Light & Power refunding fives, 1951	250,000.00	214,166.67
Piedmont Syndicate	560,000.00	560,000.00
Pennsylvania General Fr. Equipment fours, 1913-22	447,000.00	442,992.35
Rep. Iron & Steel fives, 1940	580,000.00	543,330.16
St. Louis & San Francisco R. R. N. O. T. & M. fives, 1940	250,000.00	238,195.11
St. Louis & San Francisco R. R. N. O. T. & M., fives, 1940	200,000.00	183,272.45
Seaboard Air Line refunding fours, 1959	2,055,000.00	2,157,187.50
Seaboard Air Line adjusted fives, 1949	232,000.00	192,753.34
Seaboard Air Line fours, 1950	266,000.00	238,489.92
Southern Pacific San Francisco Terminal first fours, 1950	235,500.00	207,113.40
State of California fives, "Fire Protection"	99,000.00	105,026.00
Sulzberger & Sons Co., 6 per cent debentures, 1916	100,000.00	100,000.00
Toledo Traction Co. extension sixes, 1913	222,000.00	219,510.49
United States of Mexico four and one-halfs, 1913	200,000.00	197,750.00
Union Bag & Paper fives "unstamped"	190,000.00	161,411.15
United Ry. Investment Co. first fives, 1926	190,000.00	156,191.92
United Light & Railways first and refunding fives, 1932	345,000.00	293,025.00
Virginian Ry. Co. first fives, 1962	514,300.00	508,476.27
Do	129,000.00	127,063.86
Washington Railway & Electric Co. fours, 1951	150,000.00	126,000.00
Wabash Pittsburgh Terminal first fours, 1954	290,000.00	119,801.09
New York City fours, 1959	256,000.00	255,419.25
New York City fours, 1936	109,000.00	108,104.16
New York State fours, 1961	160,000.00	165,238.07
New York City fours, 1957	321,000.00	320,474.40
New York City fours, 1956	157,080.00	155,334.72
New York City four and one-fourths, 1962	3,818,000.00	3,903,710.81

Exhibit No. 228.

Members of the New York Clearing House Association and Their Numbers.

NONMEMBER BANKS AND TRUST COMPANIES, AND NUMBERS OF THEIR CLEARING AGENTS, AS AUTHORIZED BY THE CLEARING HOUSE COMMITTEE.

Clearing house members and their numbers.

1. Bank of New York, National Building Association.
2. Bank of the Manhattan Co.
3. Merchants' National Bank.
4. Mechanics and Metals National Bank.
5. Bank of America.
8. National City Bank.
12. Chemical National Bank.
13. Merchants' Exchange National Bank.
15. National Butchers and Drovers' Bank.
17. Greenwich Bank.
21. American Exchange National Bank.
23. National Bank of Commerce.
28. Pacific Bank.
30. Chatham and Phenix National Bank.
31. Peoples' Bank.
33. Hanover National Bank.
36. Citizens' Central National Bank.
40. National Nassau Bank.
42. Market and Fulton National Bank.
44. Metropolitan Bank.
45. Corn Exchange Bank.
53. Importers and Traders' National Bank.
54. National Park Bank.
59. East River National Bank.
61. Fourth National Bank.
63. Second National Bank.
65. First National Bank.

67. Irving National Exchange Bank.
70. Bowery Bank.
71. New York County National Bank.
72. German-American Bank.
74. Chase National Bank.
75. United States Assistant Treasurer at New York.
76. Fifth Avenue Bank.
77. German Exchange Bank.
78. Germania Bank.
113. Peoples Trust Co., Brooklyn.
114. New York Trust Co.
115. Franklin Trust Co., Brooklyn.
116. Lincoln Trust Co.
117. Metropolitan Trust Co.
118. Nassau National Bank, Brooklyn.
119. Broadway Trust Co.

NONMEMBERS AND NUMBERS OF THEIR CLEARING AGENTS, NEW YORK CITY.

Boroughs of Manhattan and the Bronx.

Aetna National Bank	67
Bank of Montreal, agency	8
Bank of Washington Heights	61
Battery Park National Bank	54
Canadian Bank of Commerce, agency	21
Century Bank	30
Colonial Bank	17
Columbia Bank	8
Fidelity Bank	8
Mount Morris Bank	54
Mutual Bank	54
New Netherland Bank	61
Twenty-third Ward Bank (Bronx)	33
Yorkville Bank	54

Borough of Brooklyn.

Broadway Bank	4
First National Bank, Brooklyn	91
Manufacturers' National Bank	65
Mechanics' Bank	54
National City Bank	4
North Side Bank	54

NEW JERSEY.

First National Bank, Jersey City	21
Hudson County National Bank, Jersey City	13
Third National Bank, Jersey City	27
First National Bank, Hoboken	21
Second National Bank, Hoboken	54

TRUST COMPANIES.

Hamilton Trust Co., Brooklyn	2
Mechanics' Trust Co., Bayonne, N. J	33

Revised to June 4, 1912.

EXHIBIT 229, JANUARY 24, 1913.

KIDDER-PEABODY.

1. A list of the various interstate corporations that have been organized by your firm or any of the members thereof or that you or any of you have participated in organizing or the securities of which you have promoted, purchased, sold, or underwritten from 1907 to the present time.

NOTE.—The answer to this question is limited to cases where Kidder, Peabody & Co. have promoted, purchased, sold, or underwritten a new issue of securities, and does not include cases where they have dealt in securities which have already been issued, in the ordinary course of their business as brokers.

Answer:

American Telephone & Telegraph Co.
Amalgamated Copper Co.
American Coal Products Co.
Armour & Co.
Ayer Mills Co.
Atchison, Topeka & Santa Fe Railway.
Atlanta, Birmingham & Atlantic R. R. Co.
American Felt Co.
American Cotton Oil Co.
Boston & Maine R. R.
Boston & Albany R. R.
Boston & Lowell R. R.
Baldwin Locomotive Works.
Chesapeake & Ohio R. R.
Cumberland Corporation.
Chicago, Burlington & Quincy R. R.
Chicago, Milwaukee & Puget Sound R. R.

Answer—Continued.

Chicago & Northwestern R. R.
Chicago & Great Western R. R.
Chicago, Milwaukee & St. Paul R. R.
Cincinnati, Hamilton & Dayton R. R.
Chicago, Rock Island & Pacific R. R.
Delaware & Hudson R. R.
Eastern Leather Co.
Fitchburg R. R. Co.
Fiberoid Co.
Great Northern Railway.
Illinois Central R. R.
Illinois Steel Co.
Inspiration Consolidated Copper Co.
Kansas City, Mexico & Orient R. R.
Keystone Coal & Coke Co.
Lake Shore R. R.
Miami Copper Co.
Michigan Central R. R.
Missouri Pacific R. R.
Missouri Pacific, St. Louis, Iron Mountain & Southern Ry. Co.
Milwaukee, Sparta & Northwestern R. R.
Michigan State Tel. Co.
New York, Chicago & St. Louis.
New York Central & Hudson River R. R.
New York, New Haven & Hartford R R.
New England Coal & Coke Co.
New York Telephone Co.
New England Telephone & Telegraph Co
Northwestern Tel. Co.
New London Northern R. R. Co
New York, Westchester & Boston Ry.
New York, New Haven & Hartford-Harlem & Port Chester.
New York, New Haven & Hartford-Boston & New York Air Line.
Oregon-Washington R. R. & Navigation Co.
Pacific Telephone & Telegraph Co.
Pawtuxet Valley R. R.
Portland & Ogdensburg R. R.
Pittsburg, Shawmut & Northern R. R.
Philadelphia, Baltimore & Washington.
Reading Co.
Roxford Knitting Co.
Republic Iron & Steel Co.
Southern Pacific Ry.
Southern Bell Telephone & Telegraph Co.
Southern Railway Co.
St. Croix Paper Co.
Southwestern Telephone & Telegraph Co.
Silesia Worsted Mills.
St. Louis & San Francisco R. R.
Simmons Hardware Co.
United Fruit Co.
United States Rubber Co.
United States Smelting, Refining & Mining Co.
Utah Co.
United States Worsted Co.
United Dry Goods Co., preferred.
Western Telephone & Telegraph Co
Wabash R. R.

2. The present relations of your firm or of any of its members to all such corporations as directors, bankers, or otherwise.

Answer:

American Telephone & Telegraph Co., Robert Winsor, director.
American Coal Products Co., C. S. Sargent, jr., director.
Boston & Albany R. R., F. G. Webster, director.
Fitchburg R. R., Robert Winsor, director.
New England Coal & Coke Co., Robert Winsor, director.
United States Worsted Co., Robert Winsor, director.

3. The names of all interstate corporations for which you now act or have acted within the past five years as bankers, fiscal agents, or as depositary of the funds of such corporations or any of them, together with a statement showing the amounts of such deposits, if any, at stated periods for the past five years; also a list of the banks and trust companies, if any, with which your firm has in turn deposited the moneys of these corporations for which, if any, you have acted as depositary or banker.

NOTE.—In answering this question, Kidder, Peabody & Co. have included the names of all corporations which in their judgment by any possibility could be claimed to be interstate corporations, although it is doubtful whether one of the corporations named is an interstate corporation.

Answer:

Fore River Shipbuilding Co.

Amount of deposits:	
Dec. 31, 1908	$211,672
Dec. 31, 1909	138,393
Dec. 31, 1910	27,375
Dec. 31, 1911	122,375
Nov. 30, 1912	72,087

New England Cotton Yarn Co.

Amount of deposits:	
Dec. 31, 1908	$504,513
Dec. 31, 1909	366,301
Dec. 31, 1910	326,268
Dec. 31, 1911	790,388
Nov. 30, 1912	14,240

Cochrane Manufacturing Co.

Amount of deposits:	
Dec. 31, 1908	$2,298
Dec. 31, 1909	3,645
Dec. 31, 1910	212
Dec. 31, 1911	216
Nov. 30, 1912	215

Union Mills Co.

Amount of deposits:	
Dec. 31, 1908	$91,597
Dec. 31, 1909	5,557
Dec. 31, 1910	12,152
Dec. 31, 1911	151,202
Nov. 30, 1912	50,612

Royal Gem Mills Co. (department of Union Mills).

Amount of deposits:	
Dec. 31, 1908	$103,302
Dec. 31, 1909	14,964
Dec. 31, 1910	103,362
Dec. 31, 1911	259,816
Nov. 30, 1912	163,287

New England Telegraph & Telephone Co.

Amount of deposits:	
Dec. 31, 1910	$106,797
Dec. 31, 1911	24,790

Receiver of the Pittsburg, Shaumut & Northern Railroad Co.

Nov. 10, 1910	[1] $250,000

American Coal Products Co.

From one million to two million dollars.[1]

[1] Nothing now.

The moneys above mentioned have been deposited in the following banks and trust companies.

First National Bank, New York.
Bank of New York, National Bank of America.
Mechanics & Metals National Bank.
Bankers Trust Co.
Union Trust Co.
National Bank of Commerce.
National Shawmut Bank.
Second National Bank.
Beacon Trust Co.
New England Trust Co.
Old Colony Trust Co.
Merchants National Bank.
Boston Safe Deposit & Trust Co.
Commonwealth Trust Co.
National Bank of Commerce, New York.

4. A list of stock holdings of your firm and of the individual members thereof or that are held for the benefit of your firm or of any of its members in banks and trust companies as of January 1, 1912, and as of November 1, 1912.

NOTE.—The list of Kidder, Peabody & Co.'s holdings in the following answer includes stocks standing in the names of the individual partners but held for the benefit of the partnership.

Answer.

Kidder, Peabody & Co.'s holdings of bank and trust company stocks January 1, 1912.

58 Commonwealth Trust Co.
250 Fitchburg Trust Co.
370 National Bank of Commerce.
4,301 National Shawmut Bank.
2,908 Old Colony Trust Co.
129 Southbridge National Bank.
170 Union Trust Co., Springfield.
2,612 Worcester Trust Co.
485 Mechanics & Metals National Bank, N. Y.

Kidder, Peabody & Co.'s holdings of bank and trust company stocks November 1, 1912.

250 Fitchburg Trust.
2,788 Merchants National Bank, Boston (since sold).
370 National Bank of Commerce.
5,792 National Shawmut Bank.
3,587 Old Colony Trust Co.
129 Southbridge National Bank.
170 Union Trust Co., Springfield.
2,612 Worcester Trust Co.
485 Mechanics & Metals National Bank, N. Y.
114 Bank of New York.

William Endicott, jr.

50 shares National Bank of Commerce.
10 shares Bay State Trust Co.
100 shares New England Trust Co.
As trustee for his benefit, January 1, 1912–November 1, 1912:
225 shares Boston Safe Deposit & Trust Co.
21 shares National Bank of Commerce.
100 shares National Bank of Commerce.

F. W. Remick, January, 1912–November, 1912.

75 shares New England Trust Co.
50 shares Boston Safe Deposit & Trust Co.

Robert Winsor, January 1, 1912, and November 1, 1912.

10 shares Bank of New York, N. B. A.
10 shares Commonwealth Trust Co., Boston.
50 shares Federal Trust Co., Boston.
35 shares New England Trust Co., Boston.
10 shares Second National Bank of Boston.

F. G. Webster.

200 shares Worcester Safe Deposit & Trust Co.
117 shares Neponset National Bank of Canton, Mass.
125 shares Boston Safe Deposit & Trust Co.
100 shares New England Trust Co.

C. S. Sargent, jr., January, 1912–November, 1912.

25 shares Mechanics & Metals National Bank, New York.

5. A separate statement of interests acquired by your firm or any of the members thereof since 1905 in various banks and trust companies.

Answer:

Kidder, Peabody & Co.'s holdings of bank and trust company stocks acquired since January 1, 1905.

2,193 National Shawmut Bank.
1,920.72 Old Colony Trust Co.
1,422 Worcester Trust Co.
2,788 Merchants National Bank (since sold).
58 Commonwealth Trust Co.
250 Fitchburg Trust Co.
370 National Bank of Commerce.
129 Southbridge National Bank.
485 Mechanics & Metals National Bank, New York.
114 Bank of New York.

William Endciott, jr. (since 1905).

10 shares Bay State Trust Co.
As trustee:
100 shares Boston Safe Deposit & Trust Co.
100 shares National Bank of Commerce.

F. W. Remick.

75 shares New England Trust Co.
33 shares Boston Safe Deposit & Trust Co.

Robert Winsor (since 1905).

10 shares Bank of New York, N. B. A.
10 shares Commonwealth Trust Co., Boston.
50 shares Federal Trust Co., Boston.

F. G. Webster.

25 shares Boston Safe Deposit & Trust Co.
5 shares Neponset National Bank.

C. S. Sargent, jr.

25 shares Mechanics & Metals National Bank, New York.

6. A statement of sales of bonds made by your firm to life insurance companies since January 1, 1907.

NOTE.—It is assumed that this inquiry relates solely to bonds of interstate corporations.

Answer:

American Telephone & Telegraph Co., convertible fours	$50,000
American Telephone & Telegraph Co. 5 per cent notes	225,000
Boston & Maine Railroad fives	25,000
Boston & Maine sixes	25,000
Boston & New York Air Line fours	575,000
Boston & Albany (registered) three-and-a-halfs, 1952	33,000
Boston & Albany fours, 1934	50,000
Boston & Lowell (registered) three-and-a-halfs, 1923	50,000
Chicago & North Western three-and-a-halfs	50,000

Chicago & North Western fours	$50,000
Illinois Central fours	100,000
Missouri Pacific 6 per cent notes	100,000
Maine Central fours, 1913	50,000
Milwaukee, Sparta & Northwestern fours	302,000
New York Telephone first four-and-a-halfs	175,000
New London Northern Railroad fours, 1940	50,000
New York, New Haven & Hartford (Harlem & Port Chester fours) May, 1954	1,500,000
New York, New Haven & Hartford fours, 1955	100,000
New Haven & Northampton fours. 1956	950,000
Oregon-Washington R. R. & Navigation fours	15,000
Pacific Telephone & Telegraph fives	200,000
Pennsylvania R. R. convertible three-and-a-halfs	100,000
Pittsburgh, Shawmut & Northern fives	25,000
Pennsylvania R. R. fives	275,000
Southern Pacific convertible fours	25,000
Southern Bell Telephone fives	100,000
St. Louis & San Francisco fives	10,000
St. Croix Paper fives, 1918	25,000
United States Rubber fives	25,000
Wabash 5 per cent notes	25,000
Western Telephone & Telegraph fives	175,000

7. A list of securities of interstate corporations, together with the names of the companies, the amounts of the issues that have been sold, underwritten, or dealt in by you from 1907 to the present time.

NOTE.—In answering this question the total amount of the particular issue of securities has been stated in many cases, although Kidder. Peabody & Co. had an interest in only a part of the issue.

Answer:

Amalgamated Copper Co.

April, 1911, $500,000 notes fives.

American Coal Products Co.

December, 1911:
$2,000,000 preferred stock.
$1,500,000 5 per cent notes, due December, 1911–1914, called when stock was issued.

American Cotton Oil Co.

March, 1911, $200,000 fives.

American Felt Co.

April, 1912, $1,166,500 preferred.

American Smelters Securities.

August, 1912, 2,000 shares preferred "A" stock.

American Telephone & Telegraph Co.

January, 1907, $25,000,000 5 per cent notes.
January. 1907, $70,000,000 convertible fours.
November 28, 1908, $50,000,000 convertible fours.
October, 1910–November, 1911, $25,000,000 collateral trust fours.

Armour & Co.

June 24, 1909, $150,000 real estate first-mortgage four-and-a-halfs.

Atchison, Topeka & Santa Fe Railway.

August, 1908, $500,000 Atchison Transcontinental fours.

Atlanta. Birmingham & Atlantic Railroad Co. and allied corporations.

June, 1911, $200,000 1-year 5 per cent receivers' certificates.
June, 1912, $200,000 5 per cent receivers' certificates.

Ayer Mills Co

February, 1909, $250,000 4½ per cent notes.
March, 1910, $400,000 4½ per cent notes.

Baldwin Locomotive Works.

$200,000 first fives.

Boston Rubber Shoe Co.

May, 1908, $260,000 5 per cent notes.

Boston & Albany Railroad.

March, 1910, $1,500,000 fours, 1934.
October, 1912, $1,000,000 four-and-a-halfs, 1937.

Boston & Lowell Railroad.

February, 1908, $150,000 6 per cent one-year notes, due 1909.

Boston & Maine Railroad.

January, 1907, $2,075,000 fours, 1926.
January, 1907, $750,000 fives, notes.
February and March, 1908, $750,000 sixes, notes.
September, 1908, $1,750,000 three-and-a-halfs, notes.
June, 1912, $1,000,000 fours, notes.

Buffalo & Susquehanna Railroad.

January, 1907, $250,000 5 per cent notes.

Central Pacific Railroad.

March, 1911, 500,000 francs fours.

Chesapeake & Ohio Railroad.

March, 1910, $300,000 convertible four-and-a-halfs.

Chicago, Burlington & Quincy Railroad.

February, 1909, $250,000 general fours, 1958.
February, 1911, $820,000 general fours, 1958.

Chicago Great Western Railroad.

August, 1909, $74,000 Chicago Great Western Railway first fours.

Chicago, Milwaukee & Puget Sound Railroad.

March, 1911, $1,500,000 first fours, 1949.

Chicago, Milwaukee & St. Paul Railroad.

December, 1909–January, 1910, $2,000,000. general fours, 1989.

Chicago & North Western Railroad.

January, 1909:
$1,230,000. general three-and-a-halfs.
$770,000, Manitowoc, Green Bay & Milwaukee & State Line three-and-a-halfs.
April, 1911, $1,038,000, general fours.

Chicago, Rock Island & Pacific Railway.

January, 1912, $500,000.debenture fours, 1932.

Cincinnati, Hamilton & Dayton Railroad.

March, 1910:
$120,000, first fours, 1959.
$250,000, first fours, 1959.

Cumberland Corporation.

Syndicate agreement dated June 1, 1906, and extended October 1, 1910, to July 1, 1911, K., P. & Co.'s interest, $140,000.
December 1, 1910, Clinchfield Syndicate formed to buy Cumberland Corporation's K., P. & Co.'s subscribers to Clinchfield Syndicate, $78,100.

Delaware & Hudson Railroad.

August, 1908, $200,000, first fours, 1943.
January, 1910, $685,000, first fours, 1943.

Eastern Leather Co.

May, 1912, $350,000, first fives.

Fiberloid Co.

February, 1912, 10,000 shares preferred.

Fitchburg Railroad Co.

May 14, 1908, $480,000, four-and-a-halfs, May, 1928.
February 1, 1908, $100,000, 6 per cent one-year coupon notes.

Great Northern Railway Co.

June, 1911, $500,000, first mortgage four-and-a-fourths.

Illinois Central Railroad.

November, 1908, $150,000, refunding fours, 1955.
November, 1911, $1,493,000, refunding fours, 1955.
July, 1912, $1,000,000, 4½ per cent notes, 1914.

Illinois Steel Co.

July, 1911, $100,000, four-and-a-halfs, 1940.
April, 1912, $50,000 four-and-a-halfs.

Inspiration Consolidated Copper Co.

January, 1912, $500,000, underwriting.

Kansas City, Mexico & Orient Railroad.

June, 1912, $1,000,000, receiver's certificates.

Keystone Coal & Coke Co.

January, 1911, $200,000 first sixes.

Lake Shore Railroad.

February, 1906, $1,500,000 fours, 1931.

Maine Central Railroad.

February, 1912, $1,000,000, 4 per cent notes, March, 1913.

Miami Copper Co.

October 28, 1909, $25,000, participation underwriting in 6 per cent convertible bonds.

Michigan Central R. R.

(See New York Central.)

Michigan State Tel. Co.

February, 1911, $250,000 fives.

Milwaukee, Sparta & Northwestern Railroad.

January, 1912, $2,250,000 first fours.

Missouri Pacific Railroad.

January, 1908, $375,000 Missouri Pacific 2-year sixes.
November, 1909, $200,000 Missouri Pacific convertible fives, 1959.
May, 1911, $1,500,000 Missouri Pacific 3-year notes, 1914.
November, 1911, $125,000 Missouri Pacific equipment certificates.

New England Coal & Coke Co.

August 1, 1907, to January 1, 1908, $1,500,000 New England Coal & Coke notes.
October 31, 1908, $750,000 New England Coal & Coke notes.
July 1, 1908, $1,500,000 New England Coal & Coke notes.

New England Telephone & Telegraph Co.

September 13, 1912, $1,000,000 New England Telephone & Telegraph 4-month notes.
October, 1912, $10,000,000 New England Telephone & Telegraph fives, 1932.

New London Northern Railroad Co.

March, 1910, $1,500,000 first mortgage 30-year fours.

New York Central & Hudson River Railroad.

March 1 to July 1, 1907:
$7,500,000 New York Central & Hudson River Railroad Co. 3-year 5 per cent notes.
$4,500,000 Lake Shore & Michigan Southern Railway Co. 3-year 5 per cent notes.
$3,000,000 Michigan Central Railroad Co. 3-year 5 per cent notes.
1911:
$300,000 New York Central equipment 3-year four-and-a-halfs.

New York, Chicago & St. Louis.

January, 1909, $100,000, 4 per cent debentures, 1931.
April, 1909, $100,000, 4 per cent debentures, 1931.

New York, New Haven & Hartford Railroad Co.

May 1, 1908:
$3,942,000 Harlem River & Port Chester first fours, May, 1954.
$1,802,000 Boston & New York Air Line first fours, August, 1955.
$160,000 Pawtuxet Valley first fours, April, 1925.
$3,208,000 New Haven & Northampton fours, June, 1956.
$2,000,000 3-year four-and-a-halfs and notes, $11,112,000, dated May 5, 1908, due May 5, 1911.
March 17, 1909, $5,000,000 1-year notes, dated March 18, 1909.
January 17, 1911, $4,000,000 4½ per cent coupon notes, due March 1, 1912.
November 20, 1912, $1,000,000 5 per cent 1-year notes.
October 1, 1907, $100,000 Harlem & Port Chester first fours, May, 1954.
October 1, 1907–January, 1908, $900,000 Boston & New York Air Line fours. August, 1955.

New York Telephone Co.

November, 1909, $12,500,000 first four-and-a-halfs.
March, 1910, $10,000,000 first four-and-a-halfs.
May 25, 1912, $10,000,000 first four-and-a-halfs.
September, 1912, $5,000,000 first four-and-a-halfs.

New York, Westchester & Boston Railway.

July, 1911, $200,000, first mortgage four-and-a-halfs.

Northwestern Telephone Co.

January, 1911, $1,000,000, year notes.

Oregon-Washington Railroad & Navigation Co.

May 25, 1911, $2,078,000, first fours, January, 1961.
November 6, 1911, $675,000, first fours.

Pacific Telephone & Telegraph Co.

March, 1909, $6,500,000, fives.

Pawtuxet Valley Railroad.

(See New Haven Railroad.)

Philadelphia, Baltimore & Washington.

March, 1911, $250,000, first fours.

Pittsburg, Shawmut & Northern Railroad.

October, 1910, $1,500,000, 5 per cent receiver's certificates.

Portland & Ogdensburg Railroad.

May, 1908, $455,000 first four-and-a-halfs, May 1, 1928.

Public Service Corporation of New Jersey.

November, 1909, $175,000, 6 per cent permanent certificates.

Reading Co.

February 6, 1911, $400,000, general mortgage fours.

Republic Iron & Steel Co.

February 7, 1910, $35,000, 10–30 year sinking fund fives.

Roxford Knitting Co.

August 2, 1911, $200,000, 5 per cent notes.

St. Croix Paper Co.

September 3, 1912, $805,000, paid on account participation St. Croix Paper five syndicate.

St. Louis, Iron Mountain & Southern Railway Co.

November, 1911, $125,000, equipment certificates.

St. Louis & San Francisco Railroad.

May, 1911, $200,000, 2-year 5 per cent notes.

Simmons Hardware Co.

November 1, 1911, $500,000, 5 per cent notes.

Southern Bell Telephone & Telegraph Co.

December, 1910, $5,000,000, first fives, 1941.

Southern Pacific Railway Co.

February, 1909, $250,000, convertible fours.
June, 1910, $500,000, San Francisco Terminal fours, 1950.

Southern Railway Co.

March, 1909, $250,000, general fours, Series A.

Southwestern Telephone & Telegraph Co

January, 1911, $2,500,000, one-year notes.

United Dry Goods Co.

June 1, 1909, 500 shares preferred.

United Fruit Co.

December, 1908, $100,000, debenture four-and-a-halfs, 1923.

United States Rubber Co.

December, 1908, $1,500,000, collateral trust sixes.
March, 1908, $1,000,000, 5 per cent notes.
February, 1910, $500,000, collateral trust sixes.

United States Smelting, Refining & Mining Co.

October, 1910, 10,000 shares common.

United States Worsted Co.

November, 1912:
$3,778,900 first preferred.
$718,700 second preferred.
$2,700,000 common.

Utah Co.

April, 1912, $305,000 6 per-cent five-year notes.

Wabash R. R.

April, 1907, $95,000, refunding fours.

Western Electric Co.

January, 1910, $175,000, first fives.

Western Telephone & Telegraph Co.

May, 1907, $6,000,000, two-year notes.
January, 1910, $10,000,000, two-year notes.
January, 1911, $3,500,000, one-year notes.

8. A statement of the railroad and industrial corporations engaged in interstate commerce that have been recognized by you or under your direction as bankers, members of syndicates, or syndicate managers, either alone or in conjunction with other banks or bankers, together with the respective dates of such reorganizations; copies of the plans and agreements pursuant to which they were consummated; copies of any voting-trust agreements incidental thereto, and also a list of the initial boards of directors of such reorganized companies.

Answer. January, 1912, in conjunction with the Guarantee Trust Co., New York, received deposits of Live Oak Development Co. and Inspiration Copper Co., giving in exchange cash or Inspiration Consolidated Copper Co. stock. Prospectus herewith

December, 1911, issued a circular to the holders of Parrot Silver & Copper Co., offering to exchange Parrot Silver & Copper Co. stock for Anaconda, as per circular inclosed.

PARROT SILVER & COPPER CO.,
42 BROADWAY,
New York, December 22, 1911.

To the Stockholders of the Parrot Silver & Copper Co.:

The plan of consolidation between your company and the Anaconda Copper Mining Co., by which all the physical assets of your company were conveyed to the Anaconda Co. in consideration of 90,000 shares of the full-paid capital stock of the Anaconda Co., has long since been fully carried out and completed.

Ever since its inception the transaction has met with the unqualified support and approval of the vast majority of the stockholders of the company.

Upon its completion the plan necessarily involved the dissolution of your company, in order that the unnecessary cost of maintaining a separate organization might be avoided. Subsequent to the conveyance to the Anaconda Co. proceedings were instituted by the holders of a small minority of the Parrot stock to have the cash value of of their holdings appraised, in accordance with the Montana statute, so that they might receive such value in cash. But when the matter was brought on for hearing it was voluntarily dismissed by the petitioning stockholders.

At the same time the owners of 1,210 shares of Parrot stock instituted an action in the United States Circuit Court, district of Montana, seeking to set aside the conveyance of the property of the Parrot Co. to the Anaconda Co. Since the institution of that suit every effort has been made by us to have the case tried and disposed of on the merits as speedily as possible; but vexatious delay has heretofore prevented our bringing the matter to final termination.

With the exception of these 1,210 shares, representing only about one-half of 1 per cent of the entire capital stock of 229,850 shares, it is believed that the stockholders of the company are entirely satisfied with the consolidation effected with the Anaconda Co. Numerous inquiries have been received from outstanding shareholders as to when the Anaconda stock and other capital assets of the Parrot Co. will be divided among the shareholders. Much to our regret this division has been prevented by the pendency of the litigation referred to. To avoid the further indefinite delay that may thus be caused we have succeeded in making an arrangement with the Amalgamated Copper Co., by which that company, as the owner of a large amount of Anaconda stock, has agreed to take over all of the stock of the Parrot Co. from the shareholders of that company, upon exactly the same basis as such shareholders would be entitled to receive if the Parrot Co. were now dissolved and its capital assets distributed among its shareholders.

The financial condition of your company is shown upon the accompanying statement as it existed on the 20th of December, 1911. It is not expected that this condition will change to any appreciable extent in the period during which the offer of exchange will remain open. As shown by the said statement, each stockholder of the Parrot Co. will be entitled to receive 0.3915597 share in capital stock of the Anaconda Copper Mining Co. and 25 cents in cash for each share of Parrot stock delivered.

Stockholders desiring to avail themselves of this privilege must do so, in accordance with the conditions imposed by the Amalgamated Copper Co., on or before January 15, 1912, by presenting their certificates, duly transferred in blank, at the offices of Kidder, Peabody & Co., at 115 Devonshire Street, Boston, Mass., or 56 Wall Street, New York City, who will give their receipts for the same, exchangeable for Anaconda stock and for the cash to which they may be entitled as aforesaid. To facilitate the exchange in the case of fractional shares, Kidder, Peabody & Co. will purchase or sell the receipts which they may issue for such shares.

By order of the board of trustees.

Respectfully, A. H. MELIN, *President.*

Parrot Silver & Copper Co.—Statement of condition December 20, 1911.

Securities owned: 90,000 shares of the capital stock of the Anaconda Copper Mining Co. of the par value of $25 each—cost value	$1,901,963.58
Cash in bank	58,026.06
Total assets	1,959,989.64
Accounts payable	563.56
Net assets	1,959,426.08

The authorized capital stock of the Parrot Silver & Copper Co. is 230,000 shares of the par value of $10 each, of which 229,850 shares are issued and outstanding. In a

distribution of the net assets of the company at this date stockholders would receive capital stock of the Anaconda Copper Mining Co. and cash in the ratio of 0.3915597 Anaconda share and 25 cents cash for each share of Parrot stock.

We have examined the books of the Parrot Silver & Copper Co. to December 20, 1911, and have verified the above statement which we hereby certify to be correct.

POGSON, PELOUBET & CO., *Auditors.*

DECEMBER 20, 1911.

ROCKLAND-ROCKPORT LIME CO.—INITIAL BOARD OF DIRECTORS.

Five chosen June 23, 1911: William T. White, president, Rockland, Me.; Robert Winsor, Boston; William T. Cobb, Rockland, Me.; Joseph Remick, Boston; H. A. Buffum, Rockland, Me.

Member July 1: John F. Hill, Augusta, Me.

Three chosen August 23, 1911: Alfred Winsor, Boston; Henry H. Skinner, Springfield, Mass.; James L. Richards, Boston.

To the holders of debenture bonds, preferred and common stock of the Rockland-Rockport Lime Co.:

The debenture bonds of the company amounting to $1,000,000 become due on April 1, 1911. The company is not in a position to pay them. In view of this situation the undersigned committee were requested some weeks ago to consider what action should be taken to preserve the property and to prepare a plan of reorganization for the stockholders.

The assets and liabilities of the company at their book valuation as of December 31, 1910, were as follows:

Financial statement December 31, 1910.

ASSETS.

Plant investment	$3,567,477.14
First mortgage bond sinking fund	1,199.52
Furniture and fixtures	4,990.65
Cash and bills receivable	241,890.56
Unexpired insurance	20,260.26
Lime insurance fund	24,618.64
Notes receivable	46,157.71
Stocks on hand, at cost	217,616.17
Wood lots	5,567.25
Lime Rock Railroad Co	1,261.86
	4,131,039.76

LIABILITIES.

Common capital stock	875,000.00
Preferred capital stock	825,000.00
First mortgage 5 per cent bonds	988,500.00
Five per cent debenture bonds	1,000,000.00
Interest accrued and unpaid	33,094.13
Accounts payable	113,689.31
Mortgage note account	80,000.00
Contingent reserve	3,500.00
Undivided profits	212,256.32
	4,131.039.76

While this statement shows a substantial surplus of assets at their book valuation over and above the company's liabilities, the committee are satisfied that at any forced sale of the property there would be nothing left for the stockholders, even if the debenture bondholders should be paid in full.

———, 1911.

To William T. Cobb, John F. Hill, Fred E. Richards, Herbert L. Shepherd, William T. White, Robert Winsor, committee of reorganization of the Rockland-Rockport Lime Co.; Kidder, Peabody & Co., agents, 115 Devonshire Street, Boston:

I, ——— ———, being the owner of ——— shares of the common stock of the Rockland-Rockport Lime Co., hereby assent to the plan of reorganization signed by the above committee and dated March 28, 1911, and hand you herewith certificates indorsed in blank for said ——— shares of common stock upon the understanding that when said plan of reorganization is effected I am to receive for each $100 par value of common stock deposited by me $20 par value of 7 per cent noncumulative preferred stock and $50 par value of common stock of the new corporation upon payment by me, within 30 days after notice from the reorganization committee that said plan has been effected, of $15 per share for each share of common stock of the present corporation held by me.

I hereby authorize the reorganization committee, or their successors or a majority of them, to transfer and vote on the stock so deposited and to do all other acts and exercise all rights in respect thereof which they may deem necessary or desirable to effect the aforesaid reorganization.

Name: ——— ———.
Address: ——— ———

The net earnings of the company for the past six years, including 1910, after paying interest on the first mortgage bonds and deducting bad debts, were $611,328.06, or an annual average of $101,888.01.

During the past year several experts have been employed in making a thorough investigation of the present methods of producing lime, and this committee has the assurance of these experts that by changes of methods and by the installation of new equipment savings can be made in the cost of manufacture which will result in an additional annual profit of approximately $60,000. On this assumption, with the past six years' earnings as a basis, the annual net earnings of the company, after all interest is paid, should be approximately $112,000.

In order to install the new equipment called for by the above recommendation, it will be necessary to provide additional cash capital.

The committee have formulated a plan of reorganization, of which a copy is inclosed herewith, which they unanimously recommend to the acceptance of the debenture bondholders and the holders of preferred and common stock. This plan, in the judgment of the committee, is fair to the various parties in interest. It also affords to the stockholders an opportunity to retain their property. In the judgment of the committee the property should show a substantial increase in earnings if the improvements which have been suggested are adopted.

A majority of the debenture bonds of the preferred stock and of the common stock have already assented to the plan herewith submitted by the committee.

The debenture bondholders and the stockholders who assent to the plan may sign the inclosed assent and deposit it, together with their debenture bonds or certificates of stock indorsed in blank, with Kidder, Peabody & Co., 115 Devonshire Street, Boston, as agents for the committee, up to and including the 12th day of April, 1911, and will receive Kidder, Peabody & Co.'s receipt therefor. No assents or deposits of debentures or stock will be received after April 12, except in the discretion of the committee.

The committee reserve the right to carry out the proposed plan of reorganization by such method as in their judgment may be necessary or desirable, making use of the deposited bonds and stock for that purpose.

Stockholders are requested to sign and forward to Kidder, Peabody & Co. as agents for the committee the inclosed proxies which, if formal action at a stockholders, meeting becomes necessary, will be voted in such manner as to carry into effect the proposed plan of reorganization.

WILLIAM T. COBB,
JOHN F. HILL,
FRED E. RICHARDS,
HERBERT L. SHEPHERD,
WILLIAM T. WHITE,
ROBERT WINSOR,
Reorganization Committee.

MARCH 28, 1911.

FORM OF PROXY.

Know all men by these presents:

That I, ——— ———, being a stockholder in the Rockland-Rockport Lime Co., do hereby constitute and appoint William T. Cobb, John F. Hill, Fred E. Richards, Herbert L. Shepherd, William T. White, and Robert Winsor, or any one of them, my attorney or attorneys in fact, with full power of substitution, to vote for me and in my behalf at any meeting of the stockholders of the Rockland-Rockport Lime Co. which may be called and held within three months from the date hereof.

Witness my hand this —— day of ———, 1911.

——— ———
——— ———.

To William T. Cobb, John F. Hill, Fred E. Richards, Herbert L. Shepherd, William T. White, Robert Winsor, committee of reorganization of the Rockland-Rockport Lime Co., Kidder, Peabody & Co., Agents, 115 Devonshire Street, Boston:

I, ——— ———, being the owner of ——— debenture bonds of the Rockland-Rockport Lime Co., hereby assent to the plan of reorganization signed by the above committee and dated March 28, 1911, and hand you herewith said bonds upon the understanding that when said plan of reorganization is effected I am to receive for each $1,000-bond deposited by me a new $1,000 debenture bond of the new corporation, carrying interest from April 1, 1911, and $100 in cash.

I hereby authorize the reorganization committee, or their successors or a majority of them, to do all acts and exercise all rights in respect of said bonds which they may deem necessary or desirable to effect the aforesaid reorganization.

Name, ——— ———,
Address, ——— ———.

To the debenture bondholders of the Rockland-Rockport Lime Co.:

Having placed a considerable number of the debenture bonds of the Rockland-Rockport Lime Co., we now offer to purchase on April 1, 1911, for $1000, each, the debenture bonds of any holder who does not wish to accept the terms offered in the inclosed plan of reorganization.

The April 1 coupon will be paid by the company.

Respectfully, yours,

KIDDER, PEABODY & CO.

BOSTON, *March 28, 1911.*

PLAN OF REORGANIZATION OF THE ROCKLAND-ROCKPORT LIME CO.

It is proposed to organize a new corporation under the laws of such State as the committee may deem expedient, and that the new corporation shall issue $1,000,000 5 per cent debenture bonds due February 1, 1920, $587,500 7 per cent noncumulative preferred stock, $850,000 common stock, for which it will receive the entire property and assets of the Rockland-Rockport Lime Co., subject to the indebtedness of that company other than its debenture bonds.

The holders of debenture bonds of the present Rockland-Rockport Lime Co. who assent to the plan will receive for each $1,000 bond now held by them, one $1,000 debenture bond of the new corporation and $100 in cash.

The preferred stockholders of the present Rockland-Rockport Lime Co. who assent to the plan will receive, in place of each $100 par value of preferred stock in the present company, $50 par value of 7 per cent noncumulative preferred stock and $50 par value of common stock of the new corporation upon payment of $20 per share for each share of preferred stock in the present corporation held by them.

The common stockholders of the present Rockland-Rockport Lime Co. who assent to the plan will receive, in place of each $100 par value of common stock in the present company, $20 par value of 7 per cent noncumulative preferred stock and $50 par value of common stock of the new corporation upon payment of $15 per share for each share of common stock in the present corporation held by them.

The amount of cash received from the payments by the preferred and common stock, if the holders all assent to the plan, will be $296,250, which will be used for carrying into effect the proposed plan of reorganization and to provide additional cash working capital for the new corporation.

The reorganization committee reserves the right to arrange for the issue of any of new preferred and common stock which is not taken by the present stockholders upon payment of the assessment above provided for.

No commissions are being paid in connection with the proposed reorganization, and the committee in charge is serving without compensation.

WILLIAM T. COBB,
JOHN F. HILL,
FRED E. RICHARDS,
HERBERT L. SHEPHERD,
WILLIAM T. WHITE,
ROBERT WINSOR,
Reorganization Committee.

MARCH 28, 1911.

INSPIRATION CONSOLIDATED COPPER CO.

Inspiration Consolidated Copper Co., incorporated under laws of State of Maine, 42 Broadway, New York City, N. Y.

Officers: William B. Thompson, president; William D. Thornton, vice president; Joseph W. Allen, secretary-treasurer.

Directors: John F. Alvord, Thomas F. Cole, Edmund C. Converse, William E. Corey, Charles A. Corliss, Philip L. Foster, Henry B. Hovland, Eugene Meyer, jr., William G. Rockefeller, John D. Ryan, Charles H. Sabin, William B. Thompson, William D. Thornton, Albert H. Wiggin.

Transfer agents: Guaranty Trust Co. of New York, N. Y.; Old Colony Trust Co., Boston.

Registrars: Bankers Trust Co., New York; National Shawmut Bank, Boston.

INSPIRATION COPPER CO., 25 BROAD STREET,
New York City, N. Y., January 6, 1912.

To the stockholders of Inspiration Copper Co.:

Inclosed we are sending you two offers, dated January 6, 1912, as follows:

Offer of Inspiration Consolidated Copper Co. giving you the privilege until and including January 29, 1912, of exchanging stock of your company for full-paid stock of that company on the basis of two shares of stock of your company for one share of stock of that company.

Offer of Guaranty Trust Co. of New York and Kidder, Peabody & Co. of Boston to purchase and pay $10 cash, until and including January 29, 1912, for each share of Inspiration Copper Co. stock.

Stockholders desiring to accept either offer must deposit their certificates of stock on or before January 29, 1912, duly indorsed, with said Guaranty Trust Co. or Kidder, Peabody & Co. as provided in said offers.

You will note that the offer of Inspiration Consolidated Copper Co. provides that all stockholders of that company of record at the close of business on February 1, 1912, will be offered the privilege of subscribing for its $6,000,000 of convertible bonds at par. As this privilege will probably be valuable the prompt exchange of shares is advisable.

The incorporation of Inspiration Consolidated Copper Co. and its making the above offer to exchange shares are the result of conferences between W. H. Aldridge and Henry Krumb, representing your company, and H. B. Hovland and M. E. McCarthy, representing Live Oak Development Co. These engineers have determined on what they consider a just and fair basis for the consolidation of the properties of these two companies, and their joint recommendation to the stockholders of the two companies is as follows:

"*To the shareholders of the Inspiration Copper Co. and Live Oak Development Co.:*

"The undersigned, committee of engineers, representing the Inspiration Copper Co. and the Live Oak Development Co., have made a study of the two properties and their respective values and hereby report as follows:

"After carefully going over the maps, assay sheets, and reports of the said properties, we find the Inspiration Co. ore reserves amount to 30,300,000 tons, assaying 1.95 per cent copper, and the Live Oak Co. 15,000,000 tons, assaying 2.11 per cent copper.

"We find the Inspiration Co. has approximately $1,400,000 in cash in the treasury and the Live Oak Co. has approximately $300,000 cash in its treasury.

"After due consideration was given to the respective tonnages of ore and the amount of money already spent by the respective companies in the development of their properties, as well as the additional amount which will be required for plant and preparatory mining work to place them on a producing basis, it was agreed that on the present issued capital stock one share of Live Oak is equivalent in value to four shares of Inspiration, and we recommend that the Inspiration and the Live Oak properties be consolidated on said basis. Such a consolidation will be of great mutual advantage and the terms are fair.

"Dated: December 20, 1911.

"W. H. ALDRIDGE,
"HENRY KRUMB.
"H. B. HOVLAND.
"M. E. MCCARTHY."

Inspiration Copper Co. has $10,000,000 capital stock, all common, divided into 1,000,000 shares, par $10, all of which are issued and outstanding.

Live Oak Development Co. has $937,500 capital stock, all common, divided into 93,750 shares, par $10, now issued and outstanding, and no further issue of the shares of this company is to be made.

Many of the large stockholders in your company have signified their intention of accepting the offer to exchange their shares for stock of Inspiration Consolidated Copper Co. Your board of directors, by resolution passed at a meeting held on January 5, 1912, recommended all stockholders to exchange their stock and have directed that this notice be sent to all stockholders of record.

H. F. J. KNOBLOCH,
Secretary.

LIVE OAK DEVELOPMENT CO.,
42 BROADWAY,
New York City, N. Y., January 6, 1912.

To the stockholders of Live Oak Development Co.:

Inclosed we are sending you two offers, dated January 6, 1912, as follows:

Offer of Inspiration Consolidated Copper Co. giving you the privilege until and including January 29, 1912, of exchanging stock of your company for full-paid stock of that company on the basis of one share of stock of your company for two shares of stock of that company.

Offer of Guaranty Trust Co. of New York and Kidder, Peabody & Co. of Boston, to purchase and pay $40 cash until and including January 29, 1912, for each share of Live Oak Development Co. stock.

Stockholders desiring to accept either offer must deposit their certificates of stock on or before January 29, 1912, duly indorsed, with said Guaranty Trust Co. or Kidder, Peabody & Co., as provided in said offers.

You will note that the offer of Inspiration Consolidated Copper Co. provides that all stockholders of that company of record at the close of business on February 1, 1912, will be offered the privilege of subscribing for its $6,000,000 of convertible bonds at par. As this privilege will probably be valuable, the prompt exchange of shares is advisable.

The incorporation of Inspiration Consolidated Copper Co. and its making the above offer to exchange shares are the result of conferences between H. B. Hovland and M. E. McCarthy, representing your company, and W. H. Aldridge and Henry Krumb, representing Inspiration Copper Co. These engineers have determined on what they consider a just and fair basis for the consolidation of the properties of these two companies and their joint recommendation to the stockholders of the two companies is as follows:

"*To the shareholders of the Inspiration Copper Co. and Live Oak Development Co.:*

"The undersigned, committee of engineers, representing the Inspiration Copper Co. and the Live Oak Development Co., have made a study of the two properties and their respective values and hereby report as follows:

"After carefully going over the maps, assay sheets, and reports of the said properties, we find the Inspiration Co. ore reserves amount to 30,300,000 tons assaying 1.95 per cent copper, and the Live Oak Co. 15,000,000 tons assaying 2.11 per cent copper.

"We find the Inspiration Co. has approximately $1,400,000 in cash in the treasury and the Live Oak Co. has approximately $300,000 cash in its treasury.

"After due consideration was given to the respective tonnages of ore and the amount of money already spent by the respective companies in the development of their

properties, as well as the additional amount which will be required for plant and preparatory mining work to place them on a producing basis, it was agreed that on the present issued capital stock one share of Live Oak is equivalent in value to four shares of Inspiration, and we recommend that the Inspiration and the Live Oak properties be consolidated on said basis. Such a consolidation will be of great mutual advantage, and the terms are fair.

"Dated December 20, 1911.

"W. H. ALDRIDGE,
"HENRY KRUMB.
"H. B. HOVLAND.
"M. E. MCCARTHY."

Live Oak Development Co. has $937,500 capital stock, all common, divided into 93,750 shares, par $10, now issued and outstanding, and no further issue of the shares of this company is to be made.

Inspiration Copper Co. has $10,000,000 capital stock, all common, divided into 1,000,000 shares, par $10, all of which are issued and outstanding.

Many of the large stockholders in your company have signified their intention of accepting the offer to exchange their shares for stock of Inspiration Consolidated Copper Co. Your board of directors, by resolution passed at a meeting held on January 6, 1912, recommended all stockholders to exchange their stock, and have directed that this notice be sent to all stockholders of record.

THE BOARD OF DIRECTORS,
By HARVEY P. SMITH, *Secretary.*

[Guaranty Trust Co. of New York, 28 Nassau street, New York City, N. Y.; Kidder, Peabody & Co., 115 Devonshire street, Boston, Mass.]

JANUARY 6, 1912.

To the stockholders of Inspiration Copper Co. and Live Oak Development Co.:

The undersigned, as agents for underwriters, hereby offer to purchase for cash until and including January 29, 1912, shares of Inspiration Copper Co., a Maine corporation, at $10 per share, and shares of Live Oak Development Co., an Arizona corporation, at $40 per share.

All certificates offered must be indorsed and witnessed so as to make a good delivery under the rules of the New York Stock Exchange or the Boston Stock Exchange, as the case may be, and must be accompanied by written instructions as to when payment is to be made and where checks are to be sent.

The New York law requires payment of a stock transfer tax of 2 cents on each $100 and fraction thereof, par value of the stock. Certificates deposited with Guaranty Trust Co. must be accompanied by money or the tax stamps to pay this tax.

GUARANTY TRUST CO. OF NEW YORK,
KIDDER, PEABODY & CO., *Agents.*

[Exchanging shares.]

JANUARY —, 1912.

To Guaranty Trust Co. of New York, 28 Nassau Street, New York, N. Y., or Kidder, Peabody & Co., 115 Devonshire Street, Boston, Mass.:

GENTLEMEN: Herewith I deliver to you certificates of stock of Inspiration Copper Co. for ——— shares as follows:

Number of certificates, ———; number of shares, ———.

Certificates of stock of Live Oak Development Co. for ——— shares as follows:

Number of certificates, ———; number of shares, ———.

All duly indorsed.

Also $——— to pay New York State transfer tax.

You will issue in exchange therefor certificates as follows:

One share of Inspiration Consolidated Copper Co. for every two shares of Inspiration Copper Co. herewith delivered; two shares of Inspiration Consolidated Copper Co. for each one share of Live Oak Development Co. herewith delivered.

All such certificates to be issued in the name of ——— ———, whose residence is ——— ———.

Very truly, yours,

(Name of sender) ——— ———,
(Address) ——— ———

[Depositing shares for cash.]

JANUARY —, 1912.

To Guaranty Trust Co. of New York, 28 Nassau Street, New York City, N. Y., or Kidder, Peabody & Co., 115 Devonshire Street, Boston, Mass.:

GENTLEMEN: Herewith I deliver to you certificates of stock of Inspiration Copper Co. for ——— shares, as follows:

Numbers of certificates, ———: number of shares, ———.

Certificates of stock of Live Oak Development Co. for ——— shares, as follows:

Numbers of certificates, ———, number of shares, ———.

All duly indorsed.

Also $———, to pay New York State transfer tax.

For above shares please forward me your check, payable to my order, for $———.

Very truly, yours,

(Name of sender) ——— ———.

(Address) ——— ———.

INSPIRATION CONSOLIDATED COPPER CO.,
42 Broadway, New York City, N. Y., January 6, 1912.

To the stockholders of Inspiration Copper Co. and Live Oak Development Co.:

Inspiration Consolidated Copper Co., incorporated under the laws of Maine, with an authorized capital of $30,000,000, all common stock, divided into 1,500,000 shares, par value $20 each, hereby offers the stockholders of Inspiration Copper Co., a Maine corporation, and Live Oak Development Co., an Arizona corporation, the privilege, until and including January 29, 1912, of exchanging their stock for full-paid stock of Inspiration Consolidated Copper Co. on the basis of two shares of Inspiration Copper Co. stock for one share of Inspiration Consolidated Copper Co stock, and one share of Live Oak Development Co. stock for two shares of Inspiration Consolidated Copper Co. stock.

Guaranty Trust Co. of New York, No. 28 Nassau Street, New York City, N. Y., and Kidder, Peabody & Co., No. 115 Devonshire Street, Boston, Mass., are authorized, until and including January 29, 1912, to receive certificates of stock of your companies offered for exchange on the foregoing basis, when such certificates are indorsed and witnessed so as to make a good delivery under the rules of the New York Stock Exchange or the Boston Stock Exchange, as the case may be, and must be accompanied by written instructions giving name and address of person to whom certificate is to be issued. Temporary stock certificates will be issued as soon as prepared.

No fraction of a share will be issued, but the depositary will pay $10 in cash for any odd share of Inspiration Copper Co. so deposited.

All stockholders of Inspiration Consolidated Copper Co. of record at the close of business on February 1, 1912, will be offered the privilege, to and including March 1, 1912, of subscribing for its $6,000,000 of convertivle bonds at par, pro rata to the number of shares held by such stockholders, respectively, or in less amounts, but only in multiples of $500, payable in four equal installments on March 1, 1912, September 1, 1912, March 1, 1913, and September 1, 1913. These bonds will be 10-year 6 per cent coupon bonds, convertible into stock of the company at $25 per share, redeemable by the company by lot at $110, with accrued interest on any interest day, and will be in denominations of $500 and $1,000 each.

All the stock required to effectuate the offer made by Guaranty Trust Co. of New York, and Kidder, Peabody & Co., to purchase stock of your companies and also said $6,000,000 bond issue, have been underwritten at par by responsible parties.

The company intends proceeding immediately to have erected a concentrating plant of not less than 7,500 tons daily capacity, to treat the Inspiration and Live Oak ores, and contemplates that not over 1,000,000 shares will be required to accomplish this and provide for the above exchange of shares and conversion of bonds.

The New York law requires payment of a stock transfer tax of 2 cents on each $100 and fraction thereof, par value of the stock. Certificates deposited with Guaranty Trust Co. of New York must be accompanied by money or the tax stamps to pay this tax.

By order of the board of directors of Inspiration Consolidated Copper Co.:

J. W. ALLEN, *Secretary.*

UNION MILLS INITIAL BOARD OF DIRECTORS.

New board, December 7, 1909: C. Minot Weld, president, Boston; Robert Winsor, Boston; William Endicott, jr., Boston: Frank W. Remick, Boston; J. H. Reaney, St. Johnsville, N. Y.

New England Cotton Yarn Co.: Robert Winsor, director.
Royal Gem Mills Co.: William Endicott, jr., president and director.

UNION MILLS CALL FOR SPECIAL STOCKHOLDERS' MEETING.

To the stockholders of Union Mills:

By direction of the president, a special meeting of the stockholders of Union Mills is hereby called, to be held at the office of the company, No. 396 Congress Street, Portland, Me., on Saturday, the 30th day of October, 1909, at 11 o'clock a. m., for the following purposes, namely:

1. To take such action as the stockholders may deem expedient with reference to approving an increase in the authorized capital stock of the company by authorizing 7,200 additional shares of preferred stock of the aggregate par value of $720,000, which preferred stock shall be entitled to the same preferences and priorities as the existing preferred stock, and by authorizing 12,200 additional shares of common stock of the aggregate par value of $1,220,000, so that the authorized capital stock of the company as thus increased shall consist of 10,000 shares of preferred capital stock of the aggregate par value of $1,000,000 and 15,000 shares of common capital stock of the aggregate par value of $1,500,000.

2. To take such action as the stockholders may deem expedient with reference to authorizing a purchase of all the property and assets of the Royal-Gem Mills Co., a corporation organized under the laws of the State of Maine, and to pay therefor the sum of $742,200, which sum is to be paid by the issuance of $150,000 par value of the 6 per cent preferred stock of this company and $592,200 par value of the common stock of this company; this company also to assume all the outstanding obligations and liabilities of said Royal-Gem Mills Co., other than its bonded indebtedness, which is to be discharged by said company forthwith.

3. To approve the action of the directors of the company in heretofore declaring an extra dividend from surplus profits to the common stockholders of the company equal to the amount of $205.65 per share, payable to holders of record at the close of business on October 29, 1909, of the existing 2,800 shares of common stock of this company, and to take such action as the stockholders may deem expedient with reference to authorizing the issuance of 5,758 additional shares of the common stock of the company and offering the same for subscription at par ratably to the common-stock holders of record at the close of business on said 29th day of October, 1909, said common-stock holders to be entitled to apply in payment of their subscriptions the extra dividend of $205.65 per share on the company's common capital stock.

4. To take such action as the stockholders may deem expedient with reference to authorizing the directors of the company to cause to be issued the balance of authorized preferred and common stock of the company at such times, in such amounts, and for such purposes as they deem desirable and for the best interests of the company; provided, that if said stock is sold for cash, the price shall not be less than $100 per share.

5. To take such action as the stockholders may deem expedient with reference to authorizing a lease to this company for the term of ninety-nine (99) years (with an option of purchase to this company) of all the property and assets of the New England Cotton Yarn Co., a corporation organized under the laws of the Commonwealth of Massachusetts, this company agreeing to pay as part of the rental therefor annual payments at the rate of 6 per cent per annum on the preferred stock and 7½ per cent per annum on the common stock of the New England Cotton Yarn Co., and said lease to contain such other terms and provisions as may be authorized or approved by the stockholders; also to take such action as the stockholders may deem expedient with reference to authorizing the execution of a mortgage or mortgages by this company on a part or all of its property to secure performance of said lease and any of the covenants of the lessee as therein provided.

6. To transact such other business as may come before the meeting.

Dated this 22d day of October, 1909.

JOSIAH H. DRUMMOND, *Clerk.*

NOTICE.—Stockholders who are not intending to be present in person at the above meeting are requested to forward to C. M. Brewer, treasurer, in care of Kidder, Peabody & Co., 115 Devonshire Street, Boston, the proxy hereto attached, duly signed and witnessed, which proxy, in the absence of instructions to the contrary, will be voted in favor of the proposed increase of capital stock of the company and the issuance thereof; the purchase of the property and assets of the Royal-Gem Mills Co., and in favor of the proposed lease by this company of the New England Cotton Yarn Co., all as mentioned in the above call.

Know all men by these presents that ——— ———, the undersigned, hereby constitute and appoint ——— ——— attorney, with full power of substitution, for —— and in —— name, place, and stead to vote as —— proxy at the special stockholders' meeting of the Union Mills to be held at the office of the company, No. 396 Congress Street, Portland, Me., on Saturday, October 30, 1909, or at any adjournment thereof, and there to vote, according to the number of shares of stock ——— should be entitled to vote if personally present, upon any and all propositions and questions which may be submitted for the action of the stockholders at such meeting, and especially the matters stated in the notice of said meeting dated October 22, 1909, hereby revoking all former proxies.

Witness —— hand this —— day of ———, 1909.

——— ———.

In the presence of ——— ———.

To the New England Cotton Yarn Co.:

The Union Mills hereby offers to lease all the property and assets of the New England Cotton Yarn Co. for the term of 99 years, and, in addition to all other charges and expenses, to pay therefor during said lease, dividends at the rate of 6 per cent per annum upon the preferred stock of the company and dividends at the rate of 7½ per cent per annum upon the common stock of the company, such lease to be in such form and to contain such provisions for the security of the parties as the respective boards of directors may agree upon, but, among other things, to contain provisions to the following effect:

First. In addition to other charges and expenses of the New England Cotton Yarn Co., the Union Mills shall pay annually the sum of $57,810 to be applied to the purchase or redemption of the outstanding mortgage bonds of the New England Cotton Yarn Co., and shall annually set aside the sum of $231,240, to be applied in renewal of the properties of your company or to the purchase or redemption of the bonds of your company.

Second. The New England Cotton Yarn Co. shall, from time to time, deliver its notes to the Union Mills solely for the purpose of providing for the payment of cotton purchased and to be manufactured in the mills of the New England Cotton Yarn Co., the New England Cotton Yarn Co. to be secured against liability in respect of such notes in such manner as may be provided in the lease.

Third. The Union Mills to execute no mortgage on its property during the term of the lease except so far as may be provided in the lease for the better security of the New England Cotton Yarn Co. and the holders of its mortgage bonds.

Fourth. The Union Mills to have the right to consolidate its property with that of the New England Cotton Yarn Co. at any time at its option by conveying all its property and assets to a Massachusetts corporation, in which event the New England Cotton Yarn Co. shall convey all its property and assets to the same Massachusetts corporation for a price in cash equal to par and accrued and unpaid dividends on the preferred and common stock of the New England Cotton Yarn Co., the preferred stockholders of the New England Cotton Yarn Co. in such event to have the right to exchange their stock, share for share, for first preferred stock of the new Massachusetts corporation, carrying dividends at the rate of 6 per cent per annum, and the common-stock holders of the New England Cotton Yarn Co. to have the right to exchange their stock, share for share, for second preferred stock of the new Massachusetts corporation, carrying dividends at the rate of 7½ per cent per annum, the issues of such first and second preferred stock to be limited to the amount of preferred and common stock of the New England Cotton Yarn Co. now outstanding and to be closed.

The Union Mills operates knitting mills at Hudson and Mechanicsville in the State of New York, and has recently acquired all the property of the Royal-Gem Mills Co., including its mills at Herkimer and St. Johnsville, N. Y. A majority of the stock of the Union Mills is owned by individuals who are largely interested in the securities of the New England Cotton Yarn Co.

Yours, very truly,

UNION MILLS,
By WILLIAM ENDICOTT, Jr., *President.*

NOVEMBER 1, 1909.

To the Stockholders of the New England Cotton Yarn Co.:

Your company has received an offer from the Union Mills to lease its entire property and assets for a period of 99 years on terms which will yield the preferred-stock holders of your company dividends at the rate of 6 per cent per annum and the common-

stock holders of your company dividends at the rate of 7½ per cent per annum. A copy of the offer of the Union Mills is attached hereto

This offer is made by Union Mills, a corporation which has acquired all the property of the Royal-Gem Mills Co., a statement of the combined assets and liabilities of Union Mills and Royal-Gem Mills Co., made as of November 1, 1909, being as follows.

NOVEMBER 1, 1909

Union Mills

ASSETS.		LIABILITIES.	
Plant and improvements	$1,390,124	Preferred stock	$1,000,000
Inventories, materials, etc	400,333	Common stock	1,500,000
Accounts receivable	470,762	Accounts payable	113,875
Investments	10,000		
Cash	342,656		
	2,613,875		2,613,875

The form of the proposed lease will be subject to the approval of Messrs. Crapo, Clifford and Prescott, Counsel for the New England Cotton Yarn Co.

Your directors have given careful consideration to the advisability, from the standpoint of the New England Cotton Yarn Co., of the acceptance of this offer, and are of opinion that it should be accepted and so recommend.

For the directors:

By C. M. WELD, *President.*

BOSTON, *November 8, 1909.*

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9. A statement showing the date, character, and amount of all transactions, if any, during the past seven years, in which your firm was jointly interested with Messrs. J. P. Morgan & Co., or with Messrs. Kuhn, Loeb & Co., or with any banks or other banking houses in the city of New York, or with any banks or banking houses in the cities of Boston, Philadelphia, Chicago, Cleveland, and St. Louis. This is intended to include all public and private issues and underwritings of securities entered into by your firm.

NOTE.—This inquiry is understood to relate to securities of interstate corporations.

Answer.

Amalgamated Copper Co. 5 per cent notes.

April, 1911. We received a participation of $500,000 from National City Bank, New York.

American Coal Products preferred stock.

December, 1911. We formed a syndicate to underwrite $2,500,000, of which Clark, Dodge & Co. took $100,000, White, Weld & Co. took $750,000, Kidder, Peabody & Co. took $1,150,000, which latter amount was divided among ourselves and our various out-of-town correspondents.

American Coal Products fives, maturing 1911–1914.

November, 1910. We bought $1,500,000, of which we gave—

H. H. Skinner	$100,000
Kinsley & Adams	100,000
F. S. Moseley & Co	50,000

American Felt Co. preferred.

March, 1911. We bought 11,665 shares, which was divided as follows:

	Shares.
Estabrook & Co	3,732.80
R. L. Day & Co	933.20
F. S. Moseley & Co	1,399.80
H. H. Skinner	1,866.40
Kinsley & Adams	699.90
H. C. Wainwright & Co	233.30
Wilson, Slade & Co	186.64
Shontell & Varick	186.64
Kidder, Peabody & Co	2,426.32

American Smelters Securities.

August, 1912. We received a participation of 2,000 shares in the total of 153,500 shares preferred "A" stock from Kuhn, Loeb & Co. Syndicate managers were Banque de Paris et des Pays Bas and the Société Général.

American Telephone & Telegraph Co. 5 per cent notes.

January, 1907. Of a total issue of $25,000,000, J. P. Morgan & Co. took $13,000,000, and Kidder, Peabody & Co. $12,000,000, which was divided as follows:

Old Colony Trust Co.	$1,000,000
Kidder, Peabody & Co.	2,350,000
F. S. Moseley & Co.	2,750,000
R. L. Day & Co.	1,000,000
Parkinson & Burr	1,000,000
Lee, Higginson & Co.	1,500,000
H. C. Wainwright & Co.	500,000
Bond & Goodwin	500,000
Curtis & Sanger	500,000
White & Bowditch	300,000
Schirmer, Chapin & Emmons	600,000

American Telephone & Telegraph Co. convertible fours, due 1936.

From July 12, 1906, to February 15, 1909, of an issue of $150,000,000, the following were interested in the purchase:

	Per cent.
J. P. Morgan & Co.	25
Kuhn, Loeb & Co.	22½
J. S. Morgan & Co.	5
Kidder, Peabody & Co.	18
Baring Bros. & Co. (Ltd.)	15
Estabrook & Co.	4
R. L. Day & Co.	4
Old Colony Trust Co.	6½

On the subscription to these bonds a syndicate was formed with an underwriting of which Kidder, Peabody & Co. held 30 per cent, and Baring Bros. & Co. (Ltd.) held 12 per cent, which was further divided as follows:

R. L. Day & Co	$3,750,000
Estabrook & Co.	4,500,000
Kidder, Peabody & Co.	5,352,000
F. S. Moseley & Co.	1,500,000
Old Colony Trust Co.	4,500,000
Parkinson & Burr	3,750,000

and 50 or 60 smaller interests divided between brokers and individuals, a list of which will be given if desired

American Woolen Co. 7 per cent preferred stock.

July, 1905. Kidder, Peabody & Co. received from Brown Bros. & Co. an underwriting of $150,000 in $5,000,000.

Armour & Co. real estate first four-and-a-halfs, due June, 1939.

May, 1909. We received from Kuhn, Loeb & Co. a participation of $150,000 out of a total issue of $30,000,000.

Atchison, Topeka & Santa Fe convertible fours.

February, 1905. Kidder, Peabody & Co. received from J. P. Morgan & Co. an interest of $600,000 in an issue of $32,420,000.

Atchison, Topeka & Santa Fe transcontinental first mortgage fours.

August, 1908. We received from J. P. Morgan & Co. an allotment of $500,000 out of a total issue of $17,000,000, which we divided as follows:

National Shawmut Bank	$200,000
Hope & Co	150,000
Kidder, Peabody & Co	10,000
Kinsley & Adams	50,000
Wilson, Slade & Co	90,000

Atlanta, Birmingham & Atlantic Railroad Co. and allied corporations.

July 22, 1911. One-year 5 per cent receivers' certificates. Participation of $200,000, part of an issue of $3,450,000 through Clark, Dodge & Co.

Atlanta, Birmingham & Atlantic Railroad Co.

Georgia Terminal Co., Alabama Railroad Co.

June 24, 1912. Five per cent receivers' certificates. Participation of $200,000 in an issue of $3,700,000 through Clark, Dodge & Co. and White, Weld & Co.

Ayer Mills four-and-a-halfs.

February, 1909. Received from Brown Bros. & Co. a participation of $250,000 in an issue of $2,500,000. Notes due June, 1910–11.

March, 1910. Received from Brown Bros. & Co. a participation of $400,000 of an issue of $2,000,000. Notes due 1913–14–15.

May, 1911. Received a participation of $500,000 from Brown Bros. & Co. in a syndicate of $2,000,000. Our interest was divided as follows (notes due March, 1916–17):

National Shawmut Bank	$100,000
Old Colony Trust Co	100,000
Guaranty Trust Co., N. Y	40,000
H. H. Skinner	20,000
Kinsley & Adams	20,000
Kidder, Peabody & Co	220,000

Baldwin Locomotive first fives.

April 8, 1910. Received from Brown Bros. & Co. and Kuhn, Loeb & Co. a participation of $200,000 out of a total of $10,000,000.

Boston Rubber Shoe Co. 5 per cent notes due September 15, 1910.

May 5, 1908. Kidder, Peabody & Co., Curtis & Sanger, and Estabrook & Co. bought $780,000 on three-three account.

Boston & Albany fours, due May 1, 1934.

May 1, 1909. The following syndicate bought $4,500,000:

J. P. Morgan & Co	$1,500,000
Estabrook & Co	750,000
R. L. Day & Co	750,000
Kidder, Peabody & Co	1,500,000

Boston & Albany four-and-a-halfs, due July, 1937.

June, 1912. Kidder, Peabody & Co. bought $1,000,000, divided as follows:

Estabrook & Co	$250,000
R. L. Day & Co	250,000
Curtis & Sanger	200,000
Brown Bros. & Co	100,000
Kinsley & Adams	50,000
Kidder, Peabody & Co	150,000

Boston & Lowell fours, due November, 1926.

July 31, 1906. R. L. Day & Co. joint account bought $500,000.

Boston & Maine fours, due September, 1926.

March, 1906. We received an interest of $2,075,000 from R. L. Day & Co., which was divided as follows:

F. S. Moseley & Co.	$100,000
Bankers Trust Co.	200,000
H. C. Wainwright & Co.	25,000
Kinsley & Adams, joint account	50,000
H. H. Skinner, joint account	200,000
Kidder, Peabody & Co.	1,500,000

Boston & Maine notes.

January, 1907. We received from R. L. Day & Co. an interest of $750,000 out of $3,000,000. Twelve-months notes due January 15, February 15, March 15, 1908.

December, 1907. We received from R. L. Day & Co. an interest of $750,000 out of $3,000,000. One-year notes due January, February, and March, 1909.

Boston & Maine six-months 3½ per cent notes.

September, 1908. Kidder, Peabody & Co. received from Estabrook & Co. allotment of $1,750,000 of a total issue of $7,300,000.

Boston & Maine one-year 4 per cent notes.

Dated June 10, 1912. We received from F. S. Moseley & Co. an interest of $1,000,000, divided as follows:

Estabrook & Co.	$250,000
R. L. Day & Co.	250,000
Kidder, Peabody & Co.	500,000

Buffalo & Susquehanna first fours, 1951.

July, 1905 to June, 1906. Kidder, Peabody & Co., interest of $250,000, of total issue of $4,590,000 from Fisk & Robinson.

Buffalo & Susquehanna 5 per cent notes.

January 28, 1907. Allotment of $250,000 from syndicate of Fisk & Robinson.

Central Pacific Railroad fours European loan syndicate.

March, 1911. Received through Kuhn, Loeb & Co. an interest of 500,000 francs.

Chesapeake & Ohio Railway 4½'s 20-year bonds.

March, 1910. We received an interest from J. P. Morgan & Co., Kuhn, Loeb & Co., and National City Bank of $300,000 of a total issue of $31,390,000.

Chicago, Burlington & Quincy (Ill. Division) fours.

June, 1906. Kidder, Peabody & Co. received from J. P. Morgan & Co. an interest of $2,422,000 out of total issue of $19,699,000, divided as follows:

Estabrook & Co.	$605,000
R. L. Day & Co.	605,000
Kidder, Peabody & Co.	1,212,000

Chicago, Burlington & Quincy general mortgage fours, due March, 1958.

February, 1911. We received from First National Bank, New York, $500,000 firm, $500,000 option, divided as follows:

$125,000 each kind to R. L. Day & Co.
$125,000 each kind to Estabrook & Co.
$250,000 each kind to Kidder, Peabody & Co.

Chicago Great Western Railroad reorganization syndicate.

August 23, 1909. We received from J. P. Morgan & Co. $74,000 first fours in the above reorganization syndicate.

Chicago, Milwaukee & Puget Sound first mortgage fours.

March, 1911. Received participation of $1,500,000 of a total issue of $25,000,000 from Kuhn, Loeb & Co., divided as follows:

R. L. Day & Co	$350,000
Estabrook & Co	350,000

Chicago, Milwaukee & St. Paul general mortgage fours, 1989.

December, 1909. Bought through Kuhn, Loeb & Co. $2,000,000 of the above bonds, of which we gave R. L. Day & Co. an interest of $1.500,000.

Chicago, Rock Island & Pacific Railway 20-year 5 per cent gold debentures.

January, 1912. Received participation of $500,000 from Speyer & Co. out of total issue of $20.000,000, which we later withdrew and purchased outright. This participation we allotted as follows:

F. S. Moseley & Co	$100,000
Estabrook & Co	100,000
R. L. Day & Co	100,000
Old Colony Trust Co	100,000
National Shawmut Bank	100,000

$10.000,000 Chicago & Northwestern Railway Co. general mortgage three-and-halfs; $3,750,000 Manitowoc, Green Bay & Northwestern first mortgage three-and-a-halfs, 1941; $2.500,000 Milwaukee & State Line first mortgage three-and-a-halfs, 1941.

Kidder. Peabody & Co. have interest of: $1,230.000 in the Chicago & Northwestern three-and-a-halfs. $770,000 in the Manitowoc. Green Bay & Northwestern & Milwaukee & State Line three-and-a-halfs, divided as follows: Estabrook & Co.. $308,000 Chicago & Northwestern three-and-a-halfs; $192,000 Manitowoc, Green Bay & Northwestern three-and-a-halfs and Milwaukee & State Line three-and-a-halfs. R. L. Day & Co., $308.000 Chicago & Northwestern three-and-a-halfs; $192,000 Manitowoc. Green Bay & Northwestern three-and-a-halfs and Milwaukee & State Line three-and-a-halfs. Crocker & Fisher. $30.000 Chicago & Northwestern three-and-a-halfs; H. H. Skinner, $50.000 Chicago & Northwestern three-and-a-halfs; Wilson, Slade & Co.. $50,000 Chicago & Northwestern three-and-a-halfs; Kinsley & Adams, $50.000 Chicago & Northwestern three-and-a-halfs.

Chicago & Northwestern general fours, due 1987.

April 26, 1911. Received from Kuhn, Loeb & Co. $700,000 participation, which we divided as follows:

$100,000. Estabrook & Co.
$250,000, R. L. Day & Co.
$100.000. Guaranty Trust Co., New York.
$100.000, Old Colony Trust Co.
$150.000, Kidder, Peabody & Co.

Cincinnati, Hamilton & Dayton Railroad first and refunding 4s.

March, 1910. We received from Kuhn, Loeb & Co. and Speyer & Co. an interest of $120,000 in the syndicate to purchase $750,000, with an option to purchase $5,000,000 more.

Colorado & Southern Railway refunding and extension fours.

May, 1905. Participation of $35,000 in the above syndicate bought through F. S. Moseley & Co., composed of Hallgarten & Co., Berliner Handels-Gesellschaft of Berlin, Bank fur Handel & Industrie of Berlin, Swiss Bankverein.

Cumberland Corporation.

June, 1906. Received of Blair & Co., Thomas F. Ryan, and T. Jefferson Coolidge, syndicate managers, a participation of $140,000 in the Cumberland Corporation Syndicate. The Cumberland Corporation was formed to buy for $15,000,000 the Seaboard Air Line syndicate, then later the Clinchfield Syndicate was formed December 1, 1910, consisting of Norman B. Ream, Thomas F. Ryan, C. Ledyard Blair, Ernest Thalmann, and Wallace B. Donham, managers, to buy of the Cumberland Corporation for $10,000,000 a number of their coal properties. Kidder, Peabody & Co.'s interest in the Clinchfield Syndicate was $78,100.

Delaware & Hudson first and refunding fours due 1943.

July, 1908. Bought of Kuhn, Loeb & Co. and First National Bank, New York, $200,000, of which we allotted R. L. Day & Co. $100,000.

December, 1909. We purchased from Kuhn, Loeb & Co. $685,000, divided as follows:

R. L. Day & Co	$350,000
Kidder, Peabody & Co	335,000

Eastern Leather Co. first 5's.

May 25, 1912. Kidder, Peabody & Co. bought of the company $350,000 serial 5 per cent bonds due $25,000 January 1, 1913, and each year to January 1, 1926, inclusive. Allotted F. S. Moseley & Co. 36 per cent of the above.

Erie Railroad Co.

September, 1905. Of a total issue of $12,000,000 convertible fours we received a participation of $250,000 from J. P. Morgan & Co.

Fiberloid Co. preferred.

April, 1912. We bought of F. S. Moseley & Co. one-third interest in an issue of 10,000 shares; $500,000 Fitchburg Railroad one-year 6 per cent coupon bonds; $900,000 Boston & Lowell one-year 6 per cent coupon bonds.

January, 1908. We received from R. L. Day & Co. an interest of $250,000 in the above syndicate.

Fitchburg Railroad.

May, 1908. Received an interest of $480,000, four-and-a-halfs, due May, 1928, from R. L. Day & Co., of a total purchase of $2,400,000, subdivided as follows:

Bankers Trust Co	$50,000
F. S. Moseley & Co	25,000
H. H. Skinner	25,000
Kinsley & Adams	25,000
H. C. Wainwright & Co	30,000
K., P. & Co	325,000

Illinois Central Railroad.

November 17, 1908. We bought of Kuhn, Loeb & Co. $150,000, fours of 1955, of a total of $20,000,000, of which we gave the National Shawmut Bank $65,000; Bank of New York $10,000.

June, 1911. Refunding fours due November, 1955. We received of Kuhn, Loeb & Co. an interest of $250,000 of a total issue of $2,500,000 and an equal proportion of an option to purchase $7,500,000 additional, of which we gave R. L. Day & Co. $62,500 and a proportionate amount in the option, and Estabrook & Co. the same.

July, 1912. We bought of Kuhn, Loeb & Co. $1,000,000 two-year four-and-a-halfs, of which we allotted the National Shawmut Bank $500,000.

Illinois Steel Co. four-and-a-halfs, 1940.

April 1, 1912. Received participation of $50,000 from Lee, Higginson & Co. in syndicate composed of J. P. Morgan & Co., Lee, Higginson & Co., Kissel, Kinnicutt & Co., of total of $5,500,000 bonds.

July, 1911. Received participation of $100,000 from Lee, Higginson & Co. in syndicate composed of Lee, Higginson & Co., Kissel, Kinnicutt & Co., of total of $5,000,000 bonds.

Kansas City, Mexico & Orient 5 per cent receivers' certificates.

June, 1912. Bought $1,000,000 of the receivers in joint account with R. L. Day & Co.

Keystone Coal & Coke first and refunding sixes.

January 17, 1911. Received of Brown Bros. & Co. and Drexel & Co. $200,000 participation in the syndicate formed to purchase $5,300,000.

Lake Shore & Michigan Southern debenture fours, 1928.

May 4, 1905. Received participation of $1,000,000 from J. P. Morgan & Co. of total issue of $10,000,000, divided as follows:

Estabrook & Co	$200,000
R. L. Day & Co	200,000
Kinnicutt & De Witt	100,000
H. H. Skinner	100,000
Perry, Coffin & Burr	50,000
H. C. Wainwright & Co	20,000
National Bank of Commerce, Boston	50,000
Kidder, Peabody & Co	280,000

Lake Shore & Michigan Southern Railway fours, May, 1931.

February 14, 1906. Received $1,500,000 participation of total purchase of $35,000,000 from J. P. Morgan & Co., divided as follows:

R. L. Day & Co	$500,000
Estabrook & Co	500,000
Worcester Trust Co	100,000
F. S. Moseley	100,000
Merrill, Oldham	100,000
H. H. Skinner	50,000
Kinsley & Adams	50,000
United States Trust Co	50,000
United Trust Co. Spfg	25,000
Jose Parker & Co	10,000
Kidder, Peabody & Co	15,000

Maine Central R. R. one-year notes due March 15, 1913.

February 20, 1912. Received participation of $1,000,000 of total issue of $12,000,000 from F. S. Moseley & Co., subdivided as follows:

R. L. Day & Co	$250,000
Estabrook & Co	250,000
Kinsley & Adams	50,000
Wilson, Slade & Co	25,000
H. H. Skinner	20,000
Kidder, Peabody & Co	405,000

Michigan State Telephone fives February 1, 1924.

February, 1911. Received participation of $250,000 of total issue of $1,334,000 from Harris, Forbes & Co., divided as follows:

Kinsley & Adams	$50,000
H. S. Bell	50,000
H. H. Skinner	50,000
Wilson, Slade & Co	50,000
Kidder, Peabody & Co	50,000

Milwaukee, Sparta & Northwestern.

January, 1912. We received a participation of $2,250,000, first fours, from Kuhn, Loeb & Co. out of a total issue of $15,000,000. Of our interest Estabrook & Co. have one-fourth; R. L. Day & Co., one-fourth; Kidder, Peabody & Co., one-half.

Missouri Pacific 5 per cent notes due February 10, 1908.

January, 1906. Baring, Magoun & Co. and Kidder, Peabody & Co. bought $4,000,000 with an option of $2,000,000 more; F. S. Moseley have an interest of $370,000 from Kidder, Peabody & Co.; F. S. Moseley have an interest of $350,000 from Baring, Magoun & Co.; Morgan, Bartlett & Co. have an interest of $200,000 from Kidder, Peabody & Co.; leaving Kidder, Peabody & Co.'s interest in first $4,000,000, $1,430,000. If option is availed of Kidder, Peabody & Co. have an interest in $1,000,000; F. S. Moseley & Co. have an interest of $185,000 from Kidder, Peabody & Co.; F. S. Moseley & Co. have an interest of $175,000 from Baring, Magoun & Co.

Missouri Pacific Railway Co. convertible fives.

November 16, 1909. Received participation of $200,000 of total issue of $29,806,000 from Kuhn, Loeb & Co.

Missouri Pacific Ry. 5 per cent notes, June 1, 1914.

March 24, 1911. Received participation of $1,500,000 of a total issue of $20,000,000, from Speyer & Co., divided as follows:

National Shawmut Bank	$375,000
Estabrook & Co	150,000
R. L. Day & Co	150,000
F. S. Moseley & Co	150,000
State Trust Co. of Augusta, Me	12,500
Old Colony Trust Co	150,000
Kidder, Peabody & Co	512,000

Missouri Pacific Railway Co. equipment certificates.

November, 1911. We received a participation of $125,000 in an issue of $2,830,000 through Speyer & Co.

New England Coal & Coke Co. sixes.

July, 1907. We buy $1,500,000 notes due various dates during 1907–8 in joint account with F. S. Moseley & Co.

June 22, 1908. We buy $1,500,000 4 and 4½ per cent notes due in four and eight months in joint account with F. S. Moseley & Co.

October, 1908. We buy $750,000 four months notes due March 1, 1909, in joint account with F. S. Moseley & Co.

New England Telephone & Telegraph Co. fives, 1932.

October, 1912. Bought $10,000,000, syndicated as follows:

Kidder, Peabody & Co.'s interest	$2,260,000
Baring Bros. & Co. (Ltd.)	500,000
F. S. Moseley & Co	300,000
Kuhn, Loeb & Co	1,000,000
N. W. Harris & Co	250,000
Estabrook & Co	1,000,000
R. L. Day & Co	1,000,000
Hayden, Stone & Co	250,000
Lee, Higginson & Co	250,000

and sundry brokers and individuals in small amounts.

New London & Northern Railroad Co. first mortgage 30-year fours.

March, 1910. Kidder, Peabody & Co. and Strong, Sturgis & Co. buy $1,500,000.

New York Central & Hudson River Railroad Co.—Lake Shore & Michigan Southern Railroad Co.—Michigan Central Railroad Co.

January 26, 1907. We buy $7,500,000 New York Central fives, due February, 1910; we buy $4,500,000 Lake Shore fives, due February, 1910; we buy $3,000,000 Michigan Central fives, due February, 1910, divided as follows:

	New York Central.	Lake Shore.	Michigan Central.
F. S. Moseley & Co.	$3,000,000	$1,800,000	$1,200,000
Hornblower & Weeks	1,000,000	600,000	400,000
R. L. Day & Co.	375,000	350,000	275,000
Estabrook & Co.	500,000	300,000	200,000
Curtis & Sanger	500,000	300,000	200,000
Jackson & Curtis	250,000	150,000	100,000
Adams & Co.	250,000	150,000	100,000
Perry, Coffin & Burr	125,000	75,000	50,000
Tailer & Co.	250,000	150,000	100,000
Tucker, Anthony & Co.	50,000	30,000	20,000
Crocker & Fisher	25,000	15,000	10,000
Clement, Parker & Co.	25,000	15,000	10,000
H. W. Poor & Co.	125,000	75,000	50,000
H. C. Wainwright & Co.	50,000	30,000	20,000
Merrill, Oldham & Co.	50,000	30,000	20,000
Parkinson & Burr	25,000		
Jose, Parker & Co.	100,000	60,000	40,000
Kidder, Peabody & Co.	800,000	370,000	205,000

New York Central & Hudson River Railroad Co.

1911. J. P. Morgan & Co. gave Kidder, Peabody & Co. an interest in $300,000 three-year four-and-a-halfs.

New York, Chicago & St. Louis.

January 14, 1909. Four per cent debentures of 1931. Participation of $100,000 in a purchase of $2,000,000 through Messrs. Clark, Dodge & Co. Also a participation of $100,000 in an option to purchase a further $1,942,000 of the same bonds. Option availed of April 8, 1909

New York, New Haven & Hartford Railroad Co.

June, 1905. Received participation of $1,000,000 debenture 4's from J. P. Morgan & Co.

May, 1907. 4's of 1955. We received participation of $7,500,000 from J. P. Morgan & Co. from total of $15,000,000, our interest divided as follows:

Adams & Co.	$200,000
Blodget, Merritt & Co.	200,000
Merrill, Oldham & Co.	200,000
Perry, Coffin & Burr	100,000
F. S. Moseley & Co.	300,000
Lee, Higginson & Co.	1,000,000
Estabrook & Co.	1,450,000
R. L. Day & Co.	1,450,000
H. C. Wainwright & Co.	25,000
K. P. & Co.	2,275,000
Kinnicutt & De Witt, joint account	150,000
H. H. Skinner, joint account	150,000

March, 1909. We bought $5,000,000 4 per cent one-year notes; F. S. Moseley & Co.'s interest one-third; Kidder, Peabody & Co.'s interest two-thirds.

January, 1911. Received from S. F. Moseley & Co. participation of $4,000,000 in the $10,000,000 4½ per cent notes due March, 1912.

May 1, 1908. We bought $3,942,000 Harlem River & Port Chester first mortgage 4's, May, 1954; $1,802,000 Boston & New York Air Line first mortgage 4's, August, 1955; $160,000 Pawtuxet Valley first mortgage 4's, April, 1925; $3,208,000 New

Haven & Northampton 4's, June, 1956: $2,000,000 three-year 4½ per cent notes, due May 5, 1911, which we syndicated as follows

K. P. & Co	$2,500,000
R. L. Day & Co	2,200,000
Estabrook & Co	2,200,000
F. S. Moseley & Co	1,000,000
First National Bank New York	500,000
Tailer & Co	250,000
Merrill, Oldham & Co	100,000
Adams & Co	100,000
H. C. Wainwright & Co	100,000
Curtis & Sanger	100,000
Hornblower & Weeks	250,000
Blodget, Merritt & Co	200,000
Lee, Higginson & Co	750,000
H. H. Skinner	100,000

and a number of others for various small amounts

November, 1912. We bought $1,000,000 New Haven 5 per cent one-year notes, divided as follows:

R. L. Day & Co	$250,000
Estabrook & Co	250,000
Kidder, Peabody & Co	500,000

September, 1907. In joint account with R. L. Day & Co., $900,000 Boston & New York Air Line first mortgage 4's, August, 1955; $100,000 Harlem River & Port Chester first 4's, May, 1954.

New York Telephone Co.

December, 1909. Bought $12,500,000 four-and-a-halfs, interest divided as follows:

	Per cent.
J. P. Morgan & Co	10
Kuhn, Loeb & Co	5
Baring Bros. & Co. (Ltd)	42½
Kidder, Peabody & Co	42½

Our proportion was further syndicated to a considerable number, of which list will be furnished, if desired.

March, 1910. Bought $10,000,000 four-and-a-halfs which were underwritten by:

	Per cent.
J. P. Morgan & Co	10
Kuhn, Loeb & Co	5
Baring Bros. & Co. (Ltd)	42½
Kidder, Peabody & Co	42½

May, 1912. Bought $10,000,000 four-and-a-halfs, of which J. P. Morgan & Co. had an interest of $1,000,000; Kuhn, Loeb & Co had an interest of $500,000.

October, 1912. Bought $5,000,000 four-and-a-halfs of which J. P. Morgan & Co. had an interest of $500,000; Kuhn, Loeb & Co. had an interest of $500,000.

New York, Westchester & Boston Railway first mortgage 4½ per cent gold bonds.

July 27, 1911. Received a participation of $200,000 in an issue of $17,200,000 through Kissel, Kinnicutt & Co. and Harris, Forbes & Co.

Oregon-Washington Railroad & Navigation Co.

July, 1911. $300,000 first fours interest in underwriting from Kuhn, Loeb & Co. out of total of $25,000,000.

Oregon-Washington Railroad Co., first and refunding gold 4 per cent bonds.

November 6, 1911. Purchased on joint account with Clark, Dodge & Co. and White, Weld & Co., $2,000,000.

Pacific Telephone & Telegraph Co.

March, 1909. Received participation of 22.22 per cent in $16,500,000 fives from J. P. Morgan & Co. Our interest was syndicated in small lots, of which we will give a list, if necessary.

Pennsylvania Railroad.

May, 1905. Received participation of $1,000,000 convertible three-and-a-halfs from J. P. Morgan & Co., and Kuhn, Loeb & Co. which we divided as follows:

R. L. Day & Co	$100,000
Estabrook & Co	100,000
H. C. Wainwright & Co	25,000
H. H. Skinner, joint account	100,000
Kinnicutt & De Witt, joint account	100,000
Kidder, Peabody & Co	575,000

Pennsylvania Co.

June 30, 1906. Of total issue of $20,000,000 we received participation $250,000 fours from Kuhn, Loeb & Co., which we divided as follows:

Commonwealth Trust Co	$25,000
Worcester Trust Co	25,000
Union Trust Co. of Springfield, Mass	25,000
Kidder, Peaboddy & Co	175,000

Philadelphia, Baltimore & Washington Railroad.

March, 1911. Received participation $250,000 first fours 1943, out of a total of $4,500,000 from Speyer & Co., of which Estabrook & Co. had $61,000; National Shawmut Bank had $100,000.

Portland & Ogdensburg Railway Co.

May, 1908. Received participation $455,000 first four-and-a-halfs out of a total of $2,119,000, from Lee, Higginson & Co., our interest divided as follows:

H. C. Wainwright & Co	$25,000
F. S. Moseley & Co	25,000
Bankers Trust Co	50,000
Kinsley & Adams	10,000
H. H. Skinner, joint account	50,000

Public Service Corporation of New Jersey.

November 26, 1909. Bought $350,000 6 per cent certificates, joint account with Tailer & Co.

Republic Iron & Steel Co.

February 7, 1910. 10-30-year 5 per cent sinking fund gold mortgage bonds, participation of $50,000 in a syndicate made up by J. & W. Seligman & Co. and Hallgarten & Co. On this syndicate Kidder, Peabody & Co. took up $50,000 bonds.

St. Croix Paper Co.

September 3, 1912. Paid $805,000 on account of participation in St. Croix Paper Co., fives, joint account with Estabrook & Co.

St. Louis, Iron Mountain & Southern Railway Co. equipment certificates.

November, 1911. We received a participation of $125,000 in an issue of $2,830,000 through Speyer & Co.

St. Louis & San Francisco Railroad.

May, 1911. Received participation $200,000 in $2,250,000 two-year fives, from F. S. Moseley & Co.

Southern Bell Telephone & Telegraph Co.

December, 1910. Bought $10,000,000 first fives joint account N. W. Harris & Co.

Southern Pacific Co.

February, 1909. Received participation of $250,000 in underwriting of $44,500,000 convertible fours from Kuhn, Loeb & Co.

June, 1910. Received participation from Kuhn, Loeb & Co., $500,000, San Francisco Terminal first fours, divided as follows (total issue, $25,000,000):

R. L. Day & Co	$100,000
Estabrook & Co	100,000
F. S. Moseley & Co	100,000
Tucker, Anthony & Co	25,000
Perry, Coffin & Burr	50,000
Curtis & Sanger	25,000
Parkinson & Burr	50,000
Thompson, Towle & Co	25,000
Kidder, Peabody & Co	25,000

Southern Railway Co.

March, 1909. Received participation, $250,000 general mortgage fours, from J. P. Morgan & Co.

Southwestern Telephone & Telegraph Co.; Northwestern Telephone & Telegraph Co.; Western Telephone & Telegraph Co.

January, 1911. Bought $2,500,000 Southwestern Telephone & Telegraph notes; bought $1,000,000 Northwestern Telephone & Telegraph notes; bought $3,500,000 Western Telephone & Telegraph notes, of which Brown Bros. & Co. had an interest of 10 per cent; F. S. Moseley & Co. had an interest of 36 per cent; Kidder, Peabody & Co. had an interest of 54 per cent.

United Fruit Co.

December, 1908. We received a participation of $100,000 out of a total of $4,250,000 4½ per cent debentures, due 1923, from Lee, Higginson & Co

United States Rubber Co.

March, 1908. Bought $1,000,000 5 per cent notes, due September, 1909. We divided our interest as follows:

R. L. Day & Co	$100,000
Estabrook & Co	250,000
National Shawmut Bank	100,000
Old Colony Trust Co	100,000
H. C. Wainwright & Co	15,000
Kidder, Peabody & Co	535,000

January, 1909. We bought $1,500,000 sixes, due December, 1918, of which our interest is $435,000; Estabrook & Co., $350,000; Curtis & Sanger, $250,000; R. L. Day & Co., $100,000; and the balance in small lots.

February, 1910. Our interest, $500,000 sixes, due December, 1918, of a total of $2,500,000 from Estabrook & Co. and F. S. Moseley & Co., of which we gave J. & W. Seligman & Co. an interest of $250,000.

United States Smelting, Refining & Mining Co.

October, 1906. We received a participation of 10,000 shares of common stock from Lee, Higginson & Co., which we divided as follows:

	Per cent.
F. S. Moseley & Co	15
Baring & Co	12½
Tailer & Co	12½
Kidder, Peabody & Co	60

United States Worsted Co.

November, 1912. Kidder, Peabody & Co. bought jointly with F. S. Moseley & Co. and Assets Realization Co. $3,778,900 first preferred, $718,700 second preferred, $2,700,000 common.

Utah Co.

April, 1912. A participation of $200,000 6 per cent five-year notes from a total of $10,000,000 from Lee, Higginson & Co.

Wabash Railroad.

April, 1907. We received an interest of $106,000. First mortgage fours due July, 1956, from a total issue of $1,000,000 from Tailer & Co.

Western Electric Co.

January, 1910. We received a participation of $175,000 out of a total issue of $8,750,000 first fives from Lee, Higginson & Co.

Westinghouse Telephone & Telegraph Co.

January, 1906. We received an interest of $250,000 of a total issue of $15,000,000 convertible fours from Kuhn, Loeb & Co. We divided our interest in small lots retaining $62,500.

Western Telephone & Telegraph Co.

May, 1907. Bought $6,000,000 5 per cent notes, divided as follows:
$1,200,000, F. S. Moseley & Co.
$750,000, Baring & Co.
$900,000, Estabrook & Co.
$600,000, R. L. Day & Co.
$187,500, Tailer & Co.
$2,362,500, Kidder, Peabody & Co.

January, 1910. Bought $10,000,000 fives, due February, 1912, of which our interest was two-thirds and Baring Bros. & Co. (Ltd.) one-third. We subdivided our interest, giving:

F. S. Moseley & Co.	$2,000,000
Old Colony Trust Co.	1,000,000
Estabrook & Co.	750,000
R. L. Day & Co.	500,000
N. W. Harris & Co.	500,000

and various small accounts.

GASTON, SNOW & SALTONSTALL,
Boston, December 19, 1912.

SAMUEL UNTERMYER, Esq.,
37 Wall Street, New York, N. Y.

DEAR SIR: Referring to the information furnished you by Kidder, Peabody & Co. in reply to your communication of November 29, I inclose herewith a copy of a memorandum which you handed me in New York with respect to additional information required, and submit herewith the following statement in answer to the paragraphs as numbered:

1. The dates and issues and amounts of issues of securities of the corporations mentioned in the answer to the first question are contained in the answers to the seventh and ninth questions which have already been handed to you.

Kidder, Peabody & Co. have also been interested in the securities of the following corporations as stated below, which were not included in the original list, as they were not interstate corporations:

New York City corporate stock.

May, 1912, received through Kuhn, Loeb & Co , $885,000 par, and delivered Estabrook & Co., $220,000; R. L. Day & Co., $215,000 at cost. Total of $65,000,000 stock offered for public bids.

Mississippi River Power Co.

November, 1910, Kidder, Peabody & Co., Stone & Webster, J. & W. Seligman & Co., Dominion Securities Corporation, jointly interested in purchase of $15,000,000 first mortgage fives—$6,000,000, preferred stock, $11,440,000, common stock—which we offered for public subscription March, 1911, with Stone & Webster.

Brooklyn Rapid Transit 5 per cent notes.

June, 1912, a syndicate was formed, Central Trust Co., New York; Kuhn, Loeb & Co., and Kidder, Peabody & Co., to buy $40,000,000, notes of which our interest was 25 per cent. Our interest was divided in an underwriting as follows: Blodget & Co., $300,000, F. S. Moseley & Co., $500,000; Baring Bros. & Co. (Ltd.), $500,000; National Shawmut Bank, $500,000; Hope & Co., Amsterdam, $300,000; R. L. Day & Co., $400,000; Estabrook & Co., $400,000; and many other smaller amounts.

8. Kidder, Peabody & Co. have also been interested in the issue of securities of the Massachusetts gas companies and Massachusetts electric companies, but these are not included in the list, for the reason that they are not corporations.

9. A separate statement is handed you herewith, marked "2," showing all corporations of which members of the firm of Kidder, Peabody & Co. are officers or directors, whether interstate or intrastate corporations.

3. The capital surplus and undivided profits at last balance sheet of all corporations whether interstate or intrastate, for which Kidder, Peabody & Co. now act as depositary for any amount of cash, is as follows: Capital, $35,437,500; surplus and undivided profits, $7,823,981.37.

6. A separate statement, marked "6," is inclosed showing the names of the different life insurance companies to which Kidder, Peabody & Co. have sold bonds of interstate corporations, giving the dates, character, and amount of the bonds sold to each.

8. Robert Winsor was a member of a reorganization committee representing the first refunding 4 per cent gold mortgage bonds of the Buffalo & Susquehanna Railway Co., the agreement being dated May 4, 1910.

9. There is no joint account transaction of $5,000,000 and over other than those already mentioned.

With regard to the Boston & Maine transaction of March, 1906, the total issue of bonds was $10,000,000, and Kidder, Peabody & Co. received from R. L. Day & Co. a participation of $2,075,000, which was subdivided by Kidder, Peabody & Co.

Chicago, Burlington & Quincy general mortgage fours, total issue was $4,000,000, and option on $4,000,000 more.

(P. 9.) Chicago, Milwaukee & St. Paul, total issue was $2,500,000.

(P. 10.) The interest of Kidder, Peabody & Co. was secured from Kuhn, Loeb & Co., and the date was January, 1909.

(P. 12.) The total issue of Delaware & Hudson first and refunding fours was as follows: July, 1908, $13,309,000; December, 1909, $700,000.

(P. 18.) The securities therein referred to were received from J. P. Morgan & Co.

(P. 19 and 20.) Securities purchased in May, 1908, were bought of the company, as were also the securities purchased in September, 1907.

The securities purchased in November, 1912, were bought of F. S. Moseley & Co.

(P. 24.) The amount of the Southern Railway Co. general fours was $21,333,000.

(P. 25.) The amount of the syndicate of the Republic Iron & Steel Co. was $7,800,000.

The total offering of the United States Rubber Co. in March, 1908, was $8,000,000, and in January, 1909, was $10,000,000.

(P. 27.) The Utah Co., whose capital stock is entirely owned by the United States Smelting, Refining & Mining Co., owns about 11,000 acres of land in Utah, a large proportion of which is coal lands.

I trust that the foregoing will satisfactorily answer your supplementary inquiries, and if you prefer I should be glad to have them embodied in the statement which has already been sent to you so that the whole thing can be complete in itself.

Yours, very truly,

FREDERIC E. SNOW.

DECEMBER 14, 1912.

1. I would like dates and amounts of issues referred to in this answer. Also a supplemental list including intrastate corporations. Also any other securities that were issued or sold of either interstate or intrastate corporations at public offering. Nothing under $3,000,000 issue or sale wanted.

2. Supplemental list including all corporations of which members of firm are officers or directors, whether interstate or intrastate corporations.

3. The capital, surplus, and undivided profits at last balance sheet of all corporations for which you act as depositary.
6. Please add dates and names of companies.
8. List of any reorganization committees of which any of the firm were members.
9. This should be enlarged to include any joint-account transaction of $5,000,000 and over.

Please ascertain as to B. & M. transaction of March, 1906, by which Day & Co. distributed participation with no person int. For whom did they act?

C., B. & Q. (p. 8). What was amount of this issue?
Chic., M. & St. Paul (p. 9). State amount of total issue.
(P. 10). Please add dates of par. and from whom secured
(P. 12) D. & H. State amount of issue.
(P. 18). Please add names of bankers from whom received
(Pp. 19 and 20). Please add names of bankers from whom received.
(P. 24). Amount of Syndicate Rep. I. & S. Co.
(P. 25). Amount of issue, Southern Ry.
(P. 26.) Amount of total offering
(P. 27.) What is Utah Co.?

2. Charles S. Sargent, jr.

American Coal Products Co., director.
Mechanics & Metals National Bank, New York, director.

William Endicott, jr.

Bay State Fishing Co., director.
Bay State Trust Co., director.
Fore River Shipbuilding Co., director.
Hartford Carpet Corporation, director.
National Bank of Commerce of Boston, vice president and director.
New England Trust Co., chairman of directors.
Newtonville & Watertown Street Railway, director.
Old Colony Trust Co., director.
Puget Sound Electric Railway, director.
Puget Sound Traction, Light & Power Co., director.
Union Mills, director.
Union Trust Co. (Springfield, Mass.), director.
Worcester Trust Co., director.

Frank W. Remick.

Boston Five Cents Savings Bank, vice president and trustee
Middlesex & Boston Street Railway Co., director.
Norumbega Park Co., director
Union Mills Co., director

Frank E. Peabody.

Boston Elevated Railway Co., director
Northern Texas Traction Co., director.
Scotia Worsted Mills, director.
Strathmore Worsted Mills, director.

Frank G. Webster.

Boston Safe Deposit & Trust Co., director.
Boston & Albany R. R. Co., director.
Employers Liability Assurance Corporation (Ltd.), trustee
Hartford Carpet Corporation, director.
Heywood Bros. & Wakefield Co., director.
National Shawmut Bank, director.

Robert Winsor.

American Telephone & Telegraph Co., director.
Boston Consolidated Gas Co., director.
Boston Elevated Railway Co., director.
Boston Tow Boat Co., director.
E. Howard Clock Co., director.

Federal Coal & Coke Co., director.
Fitchburg Railroad Co., director.
Fore River Shipbuilding Co., director.
Gosnold Mills Co. (New Bedford), director.
Hartford Carpet Corporation, director.
Massachusetts Bonding & Insurance Co., director.
National Shawmut Bank, director.
New England Cotton Yarn Co., director.
Rockland & Rockport Lime Co., director.
Union Trust Co. (Springfield, Mass.), director.
United States Steel Corporation, director.
Western Union Telegraph Co., director.
Worcester Trust Co., director.

Union Mutual Life Insurance Co.

January 15, 1907, $25,000 Boston & Maine R. R. fives.
March 15, 1907, $25,000 Pennsylvania fives.
May 1, 1907, $25,000 Western Tel. & Tel. fives.
May 20, 1907, $25,000 Wabash 5 per cent notes.
October 1, 1907, $25,000 Boston & New York Air Line fours.
January 6, 1908, $25,000 Boston & Maine sixes.
January 28, 1908, $100,000 Missouri Pacific 6 per cent notes.
March 16, 1908, $25,000 United States Rubber fives.
December 8, 1908, $50,000 American Tel. & Tel. conv. fours.
January 22, 1909, $50,000 Chicago & North Western three-and-a-halfs.
March 29, 1909, $100,000 Pacific Tel. & Tel. fives.
May 14, 1909, $7,000 Southern Pacific conv. fours.
May 14, 1909, $18,000 Southern Pacific conv. fours.
September 8, 1909, $50,000 Pennsylvania conv. three-and-a-halfs.
November 5, 1909, $50,000 Pennsylvania conv. three-and-a-halfs.
January 20, 1910, $150,000 Western Tel. & Tel. fives.
March 21, 1910, $75,000 New York Telephone Co. first four-and-a-halfs.
October 26, 1910, $25,000 Pittsburg, Shawmut & Northern fives.
December 15, 1910, $50,000 Chicago & North Western fours.
January 3, 1911, $50,000, Southern Bell Telephone & Telegraph fives.
January 3, 1911, $50,000, Southern Bell Telephone & Telegraph fives.
June 1, 1911, $10,000, St. Louis & San Francisco fives.
June 22, 1911, $15,000, Oregon-Washington Railroad & Navigation fours.
June 26, 1911, $100,000, Illinois Central fours.
February 21, 1912, $52,000, Milwaukee, Sparta & Northwestern fours.
March 15, 1912, $50,000, Maine Central fours, 1913.
June 4, 1912, $100,000, New York Telephone Co. four-and-a-halfs.
September 25, 1912, $25,000, St. Croix Paper Co. fives, 1918.

New England Mutual Life Insurance Co.

October 21, 1907, $33,000, Boston & Albany registered three-and-a-halfs, 1952.
January 2, 1909, $100,000, New Haven & Northampton fours, 1936.
March 26, 1909, $100,000, Pacific Telephone & Telegraph Co. fives, 1937.
June 29, 1910, $50,000, New London Northern Railroad fours, 1940.
February 19, 1912, $250,000, Milwaukee, Sparta & Northwestern fours.
October 2, 1907, $100,000, Boston & New York Air Line fours, 1955.

State Mutual Life Insurance Co.

January 2, 1909, $100,000, New Haven & Northampton fours, 1956.

Mutual Life Insurance Co. of New York.

December, 1908, $500,000, New Haven & Northampton fours.
May 8, 1908, $500,000, New York, New Haven & Hartford (Harlem & Port Chester) fours, May, 1954.

New York Life Insurance Co.

January 20, 1908, $250,000, Boston & New York Air Line fours, August, 1955.
May 8, 1908, $1,000,000, New Haven (Harlem & Port Chester) fours, May, 1954.

John Hancock Mutual Life Insurance Co.

February 10, 1907, $100,000, American Telephone & Telegraph Co. 5 per cent notes, January, 1910.
March 16, 1907:
$100,000 American Telephone & Telegraph Co. 5 per cent notes, May, 1907.
$250,000 Pennsylvania Railroad fives, March, 1910.
May 1, 1907, $100,000 New York, New Haven & Hartford Railroad fours, 1955.
October 4, 1907, $100,000 Boston & New York Air Line fours, 1955.
October 11, 1907, $50,000 Boston & Lowell Railroad registered three-and-a-halfs, 1923.
January 30, 1908:
$25,000 Boston & New York Air Line fours, 1955.
$25,000 American Telephone & Telegraph Co. 5 per cent notes.
November 12, 1908, $75,000 Boston & New York Air Line fours, 1955.
January 2, 1908, $250,000 New Haven & Northampton fours, 1956.
July 7, 1909, $50,000 Boston & Albany Railroad fours, 1934.

THE FIRST NATIONAL BANK,
Chicago, December 27, 1912.

Mr. SAMUEL UMTERMYER,
37 Wall Street, New York City.

DEAR SIR: We beg to acknowledge receipt of your favor of the 24th instant asking for certain information with regard to the affairs of this bank and its allied institution, the First Trust & Savings Bank, and I would state that the writer will be prepared to appear before the committee on 48 hours' notice, as suggested in your letter, but owing to the fact that I am at present busy in connection with the details of the organization of these two banks for the coming year, and other matters incident to the closing of this year's business and the starting of the new year; and further, that this bank holds its annual election on January 14, 1913, at which time it is of course very important that I be in Chicago, I would prefer that you delay calling me until after that date.

In paragraph 3 of your letter you mention the Security Company connected with this bank, and before taking up and replying to your questions in detail we want to disabuse your mind of the thought that we have any such institution. The First Trust & Savings Bank, the institution that is allied with this bank, does a banking business pure and simple, confining its deposits to time deposits or deposits subject to the notice of withdrawal only. It is organized under the laws of the State of Illinois and is under the supervision of the State banking department. It is also a member of the clearing house association, clearing all of its own transactions with other Chicago Clearing House banks, and is examined regularly by the clearing house examiner.

Its assets and its business are as separate and distinct as are those of any two banks in Chicago.

Taking up your questions and replying thereto in the order in which they appear in your letter, we would state as follows:

Question 1. A statement year by year since 1897 of the capital, net profits, and dividends of the bank, etc.

Answer. See "Exhibit A," attached hereto.

Question 2. List of stockholders as of January 1, 1912.

Answer. See "Exhibit B," attached hereto.

Question 3. A list of the assets of your bank and of the security company connected therewith as of January 1, 1912.

Answer. We inclose herewith our report to stockholders under date of January 1, 1912, covering statements of both institutions, and we respectfully call your attention to the reports of the First National Bank and the First Trust & Savings Bank, pages 2 and 3 and 2 to 16, respectively, filed with the Committee on Banking and Currency as of April 30, 1912, showing the bonds and other securities owned by each institution. Also pages 5 and 7 and 18 and 19, respectively, showing the loans secured by stocks of financial institutions, believing that the information contained therein will answer your purpose. If, however, we are mistaken in our supposition we will, on request from you, prepare a similar schedule as of January 1, 1912.

Question 4. A copy of any resolution that may appear in the minutes of the meetings, etc.

Answer. We inclose herewith certified copy of resolution as adopted by the board of directors of this bank, same being marked "Exhibit D."

Question 5. Copies of any agreements between shareholders of your banks, etc.

Answer. We inclose herewith copy of agreement between certain trustees and the stockholders of the First National Bank, setting forth the conditions under which the

First Trust & Savings Bank was organized, with conditions with regard to ownership, transfer, etc., the same being marked "Exhibit E."

Question 6. A list of pools, syndicates, and joint accounts, etc.

Answer. We would respectfully call your attention to page 8 of the report of the First National Bank, and pages 20 and 21 of the report of the First Trust & Savings Bank as of April 30, 1912, to the Committee on Banking and Currency, giving information requested.

Question 7. A list of transactions between the bank, etc.

Answer. The First Trust & Savings Bank maintains an active checking account with the First National Bank. The entries therein represent the legitimate current transactions between the two banks and are so numerous that it would be impossible for us by January 1, 1913, or a much later date for that matter, to furnish a transcript of the account for the period requested. They are identical in nature with the entries which would be found in any account kept by a State institution with a national bank. As the First Trust & Savings Bank is not a security-holding corporation for the First National Bank, there are no entries of a nature such as the question would indicate you wish disclosed.

Question 8. A list of stockholdings of your bank, or any of its officers, etc., for benefit of your bank, etc.

Answer. None.

Question 9. A separate statement of interests acquired by your bank, etc., since 1905, etc.

Answer. No such interest has been acquired by this bank directly or indirectly. Such interest, if any, acquired by any of its officers is of nominal importance. We are not informed as to the extent of the investments of our directors in this direction.

Question 10. A list of securities of interstate corporations, etc.

Answer. For the First National Bank, none. We respectfully call your attention to pages 20 and 21 of the report of the First Trust and Savings Bank to the Committee on Banking and Currency as of April 30, 1912, covering most of the information requested. Additional information will be furnished as soon as possible.

Question 11. A similar list with respect to intrastate corporations.

Answer. Same as reply to question 10.

Question 12. A statement of sales of bonds to life insurance companies, etc.

Answer. None by this bank. On June 20, 1908, the First Trust & Savings Bank sold $50,000 City of Muscatine, Iowa, 4 per cent bonds to the National Life Insurance Co., of Montpelier, Vt. No such sales have been made by any of the bank's officers and we are not informed and therefore are unable to answer your inquiry with regard to our directors' actions in this respect.

Question 13. Name of all interstate corporations for which you now act or have acted as fiscal agents, etc.

Answer. Neither this bank nor the First Trust and Savings Bank does or has acted as fiscal agent for any corporation. Probably upward of 1,000 corporations carry deposit accounts and the relations in all cases are only the legitimate business relations between a banker and its customers. We are unable to furnish the statements with regard to the capital and surplus and undivided profits of such corporations that you request.

Question 14. Similar list with regard to intrastate corporations.

Answer. The answer to question 13 also applies to this.

Question 15. A list of various interstate corporations that have been organized by your bank, etc.

Answer. This bank and the First Trust & Savings Bank, through their officers, were largely instrumental in organizing the Chicago, Terre Haute & Southeastern Railway Co., which was formed to take over the properties of two railway companies which were acquired by the banks of Chicago from their interest in the assests of the Chicago National Bank, Home Savings Bank, and the Equitable Trust Co., the assets of which institutions were partially taken over by the Chicago banks at the time of their failure.

Question 16. Similar list with respect to interstate corporations?

Answer. None.

Question 17. Present relations of your bank or any of its officers or directors to all such corporations, etc.?

Answer. E. K. Boisot and F. O. Wetmore, vice president and directors are directors of the Chicago, Terre Haute & Southeastern Railway Co., and Mr. Boisot is also a vice president.

Question 18. A list of any corporations in which any of your officers or directors are members of the board of directors of which any member of the firm of J. P. Morgan & Co., etc.?

Answer. Mr. James B. Forgan, president and director is a director of the Equitable Life Assurance Society, elected by the policy holders. We are not possessed of sufficient information to answer your question in this respect in regard to our other directors.

We await your further favors and, hoping that you can arrange matters so that I need not appear before the committee until after January 14, I remain,

Yours, very truly,

JAS. B. FORGAN, Jr.

[Exhibit A.]

Year.	Capital.	Surplus.	Undivided profits.	Total capital employed.
1897	$3,000,000.00	$2,000,000.00	$138,956.47	$5,138,956.47
1898	3,000,000.00	2,000,000.00	156,860.42	5,156,860.42
1899	3,000,000.00	2,000,000.00	213,671.53	5,213,671.53
1900	[1] 3,666,666.00	2,000,000.00	[1] 732,002.78	6,398,668.78
1901	5,000,000.00	2,000,000.00	1,251,465.71	8,251,465.71
1902	[1] 6,666,666.00	[1] 3,000,000.00	1,769,681.87	11,436,348.53
1903	8,000,000.00	5,000,000.00	1,422,993.36	14,422,993.36
1904	8,000,000.00	5,000,000.00	1,011,108.47	14,011,108.47
1905	8,000,000.00	5,000,000.00	1,021,791.21	14,021,791.21
1906	8,000,000.00	5,000,000.00	1,103,916.13	14,103,916.13
1907	8,000,000.00	6,000,000.00	603,099.01	14,603,099.01
1908	8,000,000.00	7,000,000.00	352,727.33	15,352,727.33
1909	8,000,000.00	7,000,000.00	835,803.31	15,835,803.31
1910	[1] 9,500,000.00	[1] 9,500,000.00	241,904.88	19,241,904.88
1911	10,000,000.00	10,000,000.00	925,077.15	20,925,077.15
1912	10,000,000.00	10,000,000.00	1,503,648.38	21,503,648.38

Year.	Net profits.	Additional to undivided profits from sale of new stock.	Dividends paid.	Percentage net profits to total capital employed.[2]
1897	$377,903.95	.....	$360,000.00	7.35
1898	416,811.11	.....	360,000.00	8.08
1899	611,664.58	.....	360,000.00	11.73
1900	689,832.38	[3] $800,000.00	480,000.00	10.70
1901	1,118,216.16	.....	600,000.00	13.55
1902	1,409,416.85	[4] 2,083,894.64	840,000.00	12.32
1903	1,548,115.11	.....	[5] 1,960,000.00	10.73
1904	970,682.74	.....	960,000.00	6.92
1905	1,042,124.92	.....	960,000.00	7.43
1906	1,459,182.88	.....	960,000.00	10.34
1907	1,709,628.32	.....	960,000.00	11.70
1908	1,443,075.98	.....	960,000.00	9.39
1909	1,366,101.57	.....	960,000.00	8.62
1910	1,823,172.27	.....	1,140,000.00	9.47
1911	1,778,571.23	.....	1,200,000.00	8.49
1912	1,800,000.00	.....	1,700,000.00	8.37

[1] Average amount due to increase during the year.

[2] Average per cent 9.69.

[3] Addition to profit is premium on $1,000,000 stock issued to Union National Bank shareholders.

[4] Addition to profits consist of $583,894.64 from Metropolitan National Bank consolidation; premium of $1,000,000 from sale of new stock to Metropolitan stockholders; premium of $500,000 from sale of new stock to First National Bank stockholders.

[5] Includes extra dividend 12½ per cent amounting to $1,000,000, assigned by each stockholder to trustees and used to pay for stock of First Trust & Savings Bank, organized Dec. 28, 1903.

[Exhibit B.]

Stockholders of the First National Bank of Chicago, Ill., whose holdings on January 1, 1912, amounted to 1,000 shares or more.

		Number of shares held.
Samuel W. Allerton		1,800
George F. Baker		1,000
Adolphus C. Bartlett		1,500
Grace C. Bergquist		1,832
Boston Safe Deposit & Trust Co., trustee:		
Matilda P. Nickerson	500	
Samuel M. Nickerson	1,500	
		2,000
Augustus A. Carpenter		1,181
D. M. Cummings		2,250
Deering Harvester Co. (copartnership)		2,000
First Trust & Savings Bank, trustee:		
Kate Allerton Johnstone	1,200	
Otto Young estate	1,500	
Catherine Barker	2,000	
		4,700
James B. Forgan		2,510
Mary W. Harriman		1,000
James J. Hill		1,500
E. T. Jeffrey		1,550
Edward Morris		4,327
Ira N. Morris		1,212
Northern Trust Co., 10 trusteeships (largest, S. A. Kent estate, 1,500)		2,609
Norman B. Ream		1,100
Gusta Rothschild		1,255
Maud Morris Schwab		1,443
J. A. Spoor		1,250
E. S. Steinam		1,000

[Exhibit C.]

To the stockholders of the First National Bank, Chicago, Ill.:

GENTLEMEN: Herewith we submit the forty-eighth annual statement of the First National Bank and the eighth annual statement of the First Trust & Savings Bank.

The demand for money for industrial purposes has been limited, the supply having been fully equal to the demand, and low rates of interest have prevailed throughout the year. These low rates are reflected in the reduced earnings of the First National Bank as compared with those of the previous year, but as the amount necessary to be deducted from gross profits to provide for losses is this year about $200,000 less than last year, the net profits for 1911 fall short of those of 1910 by only $44,601.04.

In the First Trust & Savings Bank the profits have been well maintained, showing an increase over the previous year. This is a satisfactory outcome of the year's business, considering the more or less depressed condition of the investment security market, the comparatively small number of new bond issues brought out, and the low rates of interest prevailing on collaterally secured loans during the year.

Such losses as have occurred or can be anticipated have been provided for out of gross earnings, and there are no past due or defaulted obligations either as to principal or interest among the current assets of either bank. The affiliated banks again show satisfactory earnings for the year on their average aggregate capital employed, viz, 10.8 per cent. The net profits for 1911 (all losses provided for) of the First National Bank are $1,778,571.23, as compared with $1,823,172.27 last year, and the net profits of the First Trust & Savings Bank for the year are $1,094,973.81, as compared with $940,604.63 last year.

On the recommendation of the directors the shareholders of the First Trust & Savings Bank, at a special meeting held on December 19 last, voted to increase the capital stock of the First Trust & Savings Bank to $5,000,000 by transferring $2,500,000 from surplus account, which takes effect to-day. Each shareholder has now a beneficial interest of half a share in the First Trust & Savings Bank stock for every share of First National Bank stock owned.

On behalf of the officers and directors.

JAMES B. FORGAN, *President*

CHICAGO, *December 30, 1911.*

The First National Bank of Chicago (charter No. 8)—Statement of condition Jan. 2, 1912.

ASSETS.

Loans and discounts	$80,447,726.22	
Less discount to maturity, at 4½ per cent	522,315.78	
		$79,925,410.44
United States bonds to secure circulation		1,109,000.00
United States bonds to secure United States deposits		250,000.00
Other bonds (market value)		6,032,879.24
National Safe Deposit Co. (bank building), 17,500 shares stock		1,250,000.00
Cash resources:		
Due from banks (eastern exchange)	$18,855,826.51	
Checks for clearing house	3,837,271.67	
Cash on hand	22,158,643.76	
Due from United States Treasurer	615,450.00	
		45,467,191.94
		134,034,481.62

LIABILITIES.

Capital stock paid in		10,000,000.00
Surplus fund		10,000,000.00
Other undivided profits		1,503,648.38
Dividend No. 119, payable Dec. 30, 1911		300,000.00
Special deposit of United States bonds		600,000.00
Circulating notes received	$1,109,000.00	
Less amount on hand	0.00	
		1,109,000.00
Taxes, 1911		258,644.50
Deposits		110,263,188.74
		134,034,481.62

STATEMENT OF PROFIT AND LOSS ACCOUNT.

Jan. 1, 1911, balance brought forward		925,077.15
Net profits for year 1911 (all bad and doubtful debts provided for)	$1,778,571.23	
Dividends paid, 12 per cent	1,200,000.00	
		578,571.23
Balance forward		1,503,648.38

First Trust & Savings Bank—Statement of condition Jan. 2, 1912.

ASSETS.

Bonds		$22,081,103.36
Time loans with collateral security		15,707,920.12
Demand loans with collateral security	$10,997,853.91	
Cash and due from banks	12,293,429.32	
		23,291,283.23
		61,080,306.71

LIABILITIES.

Capital stock paid in		5,000,000.00
Surplus fund		1,000,000.00
Undivided profits		345,203.42
Reserved for interest and taxes		179,746.61
Time certificates of deposit	$4,656,262.56	
Savings deposits	33,823,797.93	
		38,480,060.49
Demand certificates of deposit	359,424.22	
General deposits	15,715,871.97	
		16,075,296.19
		61,080,306.71

STATEMENT OF PROFIT AND LOSS ACCOUNT.

Jan. 1, 1911, balance brought forward		$150,229.61
Net profits for year 1911 (all bad and doubtful debts provided for)	$1,094,973.81	
Dividends paid, 16 per cent	400,000.00	
		694,973.81
		845,203.42
Transferred to surplus		500,000.00
Jan. 1, 1912, balance forward		345,203.42

Officers: James B. Forgan, president; Emile K. Boisot, vice president; Louis Boisot, trust officer; Robert D. Forgan, treasurer; David V. Webster, secretary; Burt C. Hardenbrook, manager bond department; Frank M. Gordon, assistant manager bond department; Roy C. Osgood, assistant trust officer; Robert L. Davis, manager real estate department; Edward E. Brown, attorney; John Nash Ott, assistant attorney.

[The stock of this bank is owned by the stockholders of the First National Bank of Chicago, and every director is a director of that bank.]

THE FIRST NATIONAL BANK OF CHICAGO—OFFICIAL ORGANIZATION.

James B. Forgan, president; Howard H. Hitchcock, vice president; Frank O. Wetmore, vice president; Emile K. Boisot, vice president; August Blum, vice president; Charles N. Gillett, vice president.

Division A: Howard H. Hitchcock, vice president; E. S. Thomas, assistant cashier. Collateral stocks and bonds, grain, flour, and feed, meat products, live-stock commission, coal, doctors, and lawyers.

Division B: M. D. Witkowsky, vice president; H. H. Heins, assistant cashier. Dry goods, millinery, woolens, clothing, cloaks, furnishing goods, hats and caps, jewelry and merchandising sundries, transportation, ladies.

Division C: Charles N. Gillett, vice president; H. A. Howland, cashier; William J. Lawlor, assistant cashier. Agricultural implements, buggies, automobiles and other vehicles, iron and steel products, lumber, furniture, etc., manufacturing sundries.

Division D: Arthur W. Newton, vice president; A. C. C. Timm, assistant cashier. Stone, brick, cement, contractors, wall paper, paints, oils, glass, etc., boots, shoes, leather, hides and wool, real estate and insurance, publishing, printing, engraving, and paper, miscellaneous.

Division E: Charles H. Newhall, vice president; John P. Oleson, assistant cashier. Groceries, drugs, produce commission and cold storage, wholesale and retail liquors, brewers and brewers' supplies, tobacco, restaurants, bakers, and hotels.

Division F: August Blum, vice president; R. F. Newhall, assistant cashier; John F. Hagey, assistant cashier; G. H. Dunscomb, assistant cashier. Banks and bankers.

Auditing department: H. L. Droegemueller, auditor. Clerical and bookkeeping departments: William H. Monroe, assistant cashier. Credit and statistical department: J. W. Lynch, manager. Discount and collateral department: Charles M. Walworth, manager. Foreign exchange department: John J. Arnold, manager; Charles P. Clifford, assistant manager. Law department: Edward E. Brown, attorney; John Nash Ott, assistant attorney. Transit and general books department: Charles R. McKay, manager.

Board of directors of the First National Bank of Chicago and the National Safe Deposit Co.: Benjamin Allen, Samuel W. Allerton, A. C. Bartlett, E. K. Boisot, William L. Brown, Augustus A. Carpenter, D. Mark Cummings, James B. Forgan, James J. Hill, H. H. Hitchcock, Marvin Hughitt, E. T. Jeffery, William J. Louderback, Harold F. McCormick, Edward Morris, Charles H. Morse, Eugene S. Pike, Henry H. Porter, jr., Norman B. Ream, John A. Spoor, Bernard E. Sunny, Willam J. Watson, Frank O. Wetmore, Clarence M. Woolley. Also the directors and advisory committee of the First Trust & Savings Bank.

[Exhibit D.]

Resolved, That for the purpose of enabling the stockholders in this bank to make payment for the capital stock of the First Trust & Savings Bank under and in accordance with certain written agreement dated November 2, 1903, between James B. Forgan and others, as trustees, parties of the first part, and Otto Young and others,

as stockholders of the First National Bank of Chicago, parties of the second part, a dividend of $12.50 per share be and the same is declared payable December 21, 1903, to stockholders of record on that date.

I, Henry A. Howland, do hereby certify that I am cashier of the First National Bank of Chicago, a corporation, and as such the keeper of its seal and of its records, and that the foregoing is a true and correct copy of a resolution passed by the board of directors of said bank at a meeting thereof duly called and held on the 18th day of December, A. D. 1903.

Witness my hand and the seal of said bank this 27th day of December, A. D. 1912.

[SEAL.] HENRY A. HOWLAND,
Cashier.

[Exhibit E.]

This agreement made and entered into this —— day of ——, A. D. 1903, by and between James B. Forgan, David R. Forgan, George D. Boulton, Howard H. Hitchcock, and Richard J. Street, as trustees, parties of the first part, and Otto Young and others executing this instrument, being stockholders of the First National Bank of Chicago, parties of the second part, witnesseth that—

Whereas it is deemed to be for the interest of the stockholders of said the First National Bank of Chicago that a savings bank and trust company should be organized under the laws of the State of Illinois, which shall be continuously owned by the persons who shall from time to time be the shareholders of record of the said national bank, or such other bank as may from time to time succeed to said national bank's good will and business, in proportion to their respective holdings of record of the stock of said national bank (or its successors as aforesaid), for the purpose, in part, of transacting for the patrons of said national bank certain branches of business usually or often transacted by banking institutions, but not clearly included within the corporate powers of said national bank; and to that end it is desirable to secure the consent in writing of all the shareholders of said national bank to the plan for the organization of said savings bank and trust company and the ownership of its stock and the management of its affairs:

Now, therefore, in consideration of the premises, we, the undersigned stockholders of record of the First National Bank of Chicago, do hereby, each for himself only, consent and agree to and with the said parties of the first part and their successors in trust that the said parties of the first part may take the necessary steps required by law to organize a savings bank and trust company under the laws of the State of Illinois to do business in the city of Chicago with a paid-up capital of $1,000,000; said bank to be organized, owned, and managed as hereinafter set forth; and that our rights and the rights of our successors in interest in and to and over the stock of said savings bank and trust company shall be those only which are hereinafter specified and provided:

First. The name of the corporation shall be the First Trust & Savings Bank.

Second. The capital stock of the corporation shall be $1,000,000.

Third. The shares of capital stock of said corporation may be subscribed for in the first instance by such persons as may be selected or nominated by the said parties of the first part, but when paid for as hereinafter provided the capital stock of said corporation shall be held in the names of such persons as from time to time shall be respectively the president, three of the vice presidents, and the cashier of the said national bank, or of its successors as aforesaid, as trustees, which said trustees may exercise during the life of the trust all the rights and powers of absolute owners of the stock, except as otherwise provided herein, and except also to the extent and in so far as they may receive express directions in writing, signed by a majority of at least two-thirds in interest of the persons beneficially interested in the said stock, and subject to the distribution of the dividends received upon said stock as hereinafter provided. All dividends received by said trustees on the said shares of stock in said savings bank and trust company shall, on the days of their receipt by said trustees, be paid over by said trustees to said national bank, or its successor as aforesaid for the time being, for immediate distribution by the latter among the persons beneficially interested as aforesaid in the capital stock of said savings bank and trust company, pro rata according to their ownership of record of shares of stock in said national bank, or its successor for the time being—that is to say, each shareholder of said national bank, or its successor, shall participate in any dividend so distributed in proportion to his holdings of record of the stock of said national bank or its successor on the day of the payment of the dividend of the savings bank and trust company so to be distributed. Said trustees shall in each instance take from said national bank, or its successor, as

the case may be, a written receipt for dividends so paid over and an undertaking promptly to distribute as aforesaid the funds so received, which receipt and undertaking shall be a good and sufficient voucher for said trustees in respect to all dividends so received and paid over by them as aforesaid, and which receipt and undertaking may be in form as follows:

Received of ——— ———, trustees of the capital stock of the First Trust & Savings Bank under and by virtue of that certain written agreement, dated ———, A. D. 1903, between James B. Forgan and others, parties of the first part, and Otto Young and others, shareholders of the First National Bank of Chicago, parties of the second part, ——— dollars, ($——), being the total dividend, No. ——, of —— per cent, this day paid by the First Trust & Savings Bank on its capital stock. The same is so paid, and is received by the undersigned, for immediate distribution to the persons beneficially interested in the stock of said savings bank and trust company—that is to say, to the same persons as are the shareholders of record in the undersigned bank and in the same proportion in which they are such shareholders. The undersigned hereby undertakes and promises to make such distribution forthwith.

Provided, however, That if for any reason it shall become or be impracticable to distribute said dividends through the agency of said the First National Bank of Chicago, as above provided, then said trustees shall themselves forthwith distribute each dividend when received to the persons who would have been entitled to receive the same if distribution thereof had been made as aforesaid by said the First National Bank of Chicago.

Said trust shall continue so long as said national bank or its successors as aforesaid shall continue to do a banking business, unless the said trust shall be sooner terminated by the affirmative request in writing of a majority of at least two-thirds in interest of the owners of record of the capital stock of the said national bank, or its successor for the time being, and upon the termination of the said trust the shares of stock of said savings bank and trust company shall belong to and be distributed among the then shareholders of record of the said national bank, or its successor as aforesaid for the time being, in proportion to their holdings of the stock of said national bank or its successor.

The persons beneficially interested in the stock of said savings bank or trust company under the said trust shall be subject to the same liability upon the stock of said savings bank and trust company as they would have been subject to in case they had been the owners of record of shares of said stock corresponding in amount to their beneficial interest in said stock, and to that extent they shall indemnify and save harmless the trustees in whose name said stock shall stand of record from any loss or liability on account of said stock as the holders of record thereof; the obligation hereunder to be several and not joint on the part of the persons beneficially interested as aforesaid.

Fourth. The shareholders of said national bank shall be liable only to make payment on account of their respective interests in the capital stock of said proposed State bank out of and to the extent of their respective interests in a special or extra dividend which may be declared hereafter by said national bank to an aggregate amount equal to the said capital of the said savings bank, and in the event that any such extra or special dividend shall be hereafter and within one year from the date hereof declared and paid by said the First National Bank of Chicago, the said parties of the first part, or their successors, are authorized to receipt for such extra dividend in behalf of the shareholders assenting to this scheme and to apply the respective amounts received on their behalf on account of such dividend to the payment of the capital stock of said savings bank and trust company.

Fifth. While the stock of said savings bank and trust company shall be held by trustees as hereinbefore provided, no person beneficially interested therein shall have the right to transfer his interest therein, or any part thereof, otherwise than by the transfer of the ownership of his stock in said national bank, or its successor for the time being, upon the books of the latter; and no beneficial interest in the said stock of said savings bank and trust company shall be capable of being severed from the ownership of said stock in said national bank, or its successor, and the only evidence of the beneficial interest of any person in the stock of said savings bank and trust company shall be that given in and by the following indorsement, which shall, on the organization of said savings bank and trust company, be placed by the trustees hereinbefore provided for upon the back of all outstanding certificates of stock of said national bank and shall thereafter until the termination of the trust always be placed as aforesaid on the back of all certificates of stock of said national bank, or its successors as aforesaid, viz:

The owner of the shares of stock represented by this certificate is beneficially interested in common with all the other stockholders of the First National Bank of Chicago in a pro rata amount of the capital stock of the First Trust & Savings Bank by and

under a certain written agreement, dated ——, A. D., 1903, between James B. Forgan and others, trustees, and Otto Young and others as stockholders of the First National Bank of Chicago, which beneficial interest is subject to all the terms, conditions, and limitations of said agreement, including the condition that said beneficial interest can not be sold or transferred otherwise than by the transfer of the shares of stock represented by the within certificate upon the books of said national bank. The beneficial interest in the stock of said trust and savings bank now held by the owner of the within certificate shall pass with the transfer of the shares of the said national bank represented by the within certificate, upon the transfer of the said shares upon the books of said national bank, and shall be otherwise inalienable.

And no person owning any beneficial interest in the stock of said savings bank and trust company shall be entitled to share in the distribution of any dividends received by said trustees until his certificates for his stock in said national bank shall have been presented to said trustees or their successors and the said indorsement shall have been placed thereon.

Sixth. No person shall be eligible for the office of director of said savings bank and trust company who is not a director of said national bank or its successor as aforesaid, and if any such director, after his election, shall cease for any cause to be a director of said national bank or its successor, he shall ipso facto cease also to be a director of said savings bank and trust company.

In witness whereof said parties have hereunto set their hands the day and year first above written.

——— ———

——— ———

Trustees.

Names of shareholders.	Number of shares.

EXHIBIT 231, JANUARY 24, 1913.

ILLINOIS TRUST & SAVINGS BANK,
PRESIDENT'S OFFICE,
Chicago, January 2, 1913.

Mr. SAMUEL UNTERMEYER,
Care of Guggenheimer, Untermeyer & Marshall,
37 *Wall Street, New York, N. Y.*

DEAR SIR: I have your favor of the 29th ultimo, for which I am obliged. I will be glad to know about my attendance when you have reached a conclusion.

In further reply to your favor of the 24th ultimo, I beg to hand you herewith schedules marked 1, 2, 3, 4, 5, 6, 7, and 8. These are replies to the first eight questions contained in your letter of the 24th ultimo.

I beg to add in further reply to the fourth question, that the bank made no public offerings except public offerings of certain local securities like street railways and municipal bonds, and that it has no copies of the circulars or advertisements respecting such offerings.

I beg to add in further reply to interrogatory sixth, that the securities mentioned in our schedule were not purchased since 1905, but came to the bank through its ownership of securities theretofore held.

Answering interrogatory ninth, I beg to say that neither this bank nor any of its officers or directors, so far as I know, have made any sales of bonds to life insurance companies since January 1, 1907.

Answering interrogatories tenth and eleventh, I beg to say that this bank does not act as banker, fiscal agent, or depositary for any corporation (either interstate or intrastate), except, however, that it has deposit accounts with each class of such corporations subject to the absolute control and check of the depositor. It has no agreements of any kind with any depositor save such an agreement as would be evidenced by a deposit of money with it as a bank.

Answering interrogatories twelfth and thirteenth, I beg to say that no corporations (either interstate or intrastate) have been organized by the Illinois Trust & Savings Bank, or by any of its officers or directors, nor has said bank or any of its officers or

directors participated in organizing any such corporation, nor has this bank or any of its officers or directors promoted purchased, sold, or underwritten, from 1907 to the present time, any securities of any such corporation.

It follows from the foregoing that the answer to the fourteenth interrogatory is, that no such relations exist.

I hand you a schedule marked schedule 15 in answer to your fifteenth interrogatory.

I regret the time which has been necessarily consumed in furnishing this information, and should be pleased to supplement it if you so desire.

Yours, very truly,

JNO. J. MITCHELL, *President*

Schedule 1.

A statement year by year since 1897, of the capital, net profits, and dividends of your bank:

	Capital as of Jan. 1.	Surplus as of Jan. 1.	Profits.	Dividends.
1897	$2,000,000.00	$2,000,000.00	$198,412.36	$240,000.00
1898	2,000,000.00	2,000,000.00	617,442.24	240,000.00
1899	2,000,000.00	2,000,000.00	895,513.04	300,000.00
1900	3,000,000.00	2,000,000.00	968,942.78	360,000.00
1901	3,000,000.00	2,000,000.00	1,245,997.53	390,000.00
1902	4,000,000.00	4,000,000.00	1,296,029.46	520,000.00
1903	4,000,000.00	5,000,000.00	926,931.57	640,000.00
1904	4,000,000.00	5,000,000.00	554,253.17	640,000.00
1905	4,000,000.00	5,000,000.00	1,225,878.69	640,000.00
1906	4,000,000.00	5,000,000.00	1,643,185.25	705,000.00
1907	4,500,000.00	5,000,000.00	1,772,636.42	925,000.00
1908	5,000,000.00	6,500,000.00	838,303.35	1,000,000.00
1909	5,000,000.00	7,500,000.00	1,126,808.41	1,000,000.00
1910	5,000,000.00	7,500,000.00	1,574,391.16	1,000,000.00
1911	5,000,000.00	8,000,000.00	1,371,354.22	1,000,000.00
1912	5,000,000.00	8,000,000.00	1,688,268.79	1,000,000.00

Schedule 2.

List of the stockholders of the Illinois Trust & Savings Bank, as of January 1, 1912, whose holdings are 1,000 shares or more:

Name.	Shares.
Blair, Mary A. I. (Mrs. C. J.)	1,536
Crerar Library, The John	1,450
Field, Joseph N	1,250
Hill, James J	1,000
Merchants Loan & Trust Co., Chauncey Keep and Arthur B. Jones, trustees under the will of Marshall Field, deceased	1,250
Mitchell, Jennie M	2,000
Mitchell, John J	1,813
Mitchell, John J., trustee under the will of William H. Mitchell, deceased	6,750
The trustees under the last will and testament of Levi Z. Leiter, deceased	1,400

Schedule 3.

Assets as of January 1, 1912:

Demand loans	$21,846,074.76
Time loans	39,055,881.62
Real estate loans	1,247,145.00
Stocks and bonds	27,954,720.57
Cash and exchange	19,998,245.26
	110,102,067.21

Schedule 6.

A list of the pools, syndicates, and joint accounts for the purchase and sale of securities with which your bank has been connected or identified as a member or party for the past 10 years, together with the date of each transaction, the amount of securities involved in the transaction, and the amount of the participation of the bank; also a statement of whether the bank was an original promoter or underwriter or syndicate manager in the acquisition or sale of the particular securities, and any of the cases in which the securities were offered for sale, either by circular or advertisement, and whether by the bank alone or in conjunction with others. In all cases in which there was a public offering over the name of the bank either alone or with others, the committee desires a copy of the circular or advertisement. Particular attention is called to the request for the names of all persons with whom any such transactions were had in joint account and the proportion of each of the interested parties.

Date.	Securities.	Total.	Participation.	Participants.
July, 1907	Kansas City Ry. & Light 5-year 6 per cent convertible gold notes	$4,125,000	$150,000	Blair & Co., Kuhn, Loeb & Co., syndicate managers.
Do	Texas & Pacific Ry. Co. equipment 5 per cent notes	3,100,000	250,000	Blair & Co., syndicate managers.
Sept., 1907	Denver & Rio Grande R. R. 5 per cent equipment notes	1,500,000	100,000	Do.
Do	New York City 4½ per cent, 1957	40,000,000	250,000	Joint account W. A. Read & Co.
Do	West Park, Chicago, 4 per cent	950,000	237,000	Harris Trust & Savings., N. W. Halsey, First Trust & Savings, Illinois Trust & Savings, joint purchase, equal parts.
Do	Sanitary District of Chicago 4 per cent	1,000,000	168,000	Harris Trust & Savings, First Trust & Savings, Northern Trust Co., N. W. Halsey, Merchants Loan & Trust, Illinois Trust & Savings, joint purchase, equal amounts.
Feb., 1908	New York City 4½ per cent, 1908	50,000,000	750,000	Joint account with W. A. Read & Co.
Do	Sanitary district of Chicago 4 per cent, 1907	1,917,500	319,000	First Trust & Savings, Harris Trust & Savings, Northern Trust Co., N. W. Halsey & Co., Merchants Loan & Trust, joint purchase, equal amounts.
Do	Chicago Rys .Co. first mortgage 5 per cent	5,000,000	200,000	National City Bank, N. Y., N. W. Harris & Co., syndicate managers.
Do	Chicago Rys. Co. 5-year 6 per cent gold notes	4,325,000	375,000	Union Trust Co., syndicate managers.
Mar., 1908	Chicago, Rock Island & Pacific collateral trust notes, 4½ per cent; extension, 6 per cent.	6,000,000	200,000	Speyer & Co., managers.
May, 1908	Chicago Rys. Co. first mortgage 5 per cent	3,000,000	120,000	National City Bank, New York, N. W. Harris & Co., syndicate managers.
Do	Cook County Infirmary 4 per cent	1,900,000	634,000	Harris Trust & Savings, Illinois Trust & Savings, N. W. Halsey & Co., joint purchase, equal amounts.
Do	Denver & Rio Grande R. R. Co. 6 per cent convertible notes	10,000,000	250,000	Blair & Co., Wm. Salomon & Co., W. A. Read & Co., syndicate managers.
June, 1908	Chesapeake & Ohio Ry. first mortgage 4 per cent, Big Sandy Ry	1,500,000	100,000	Wm. Salomon & Co., syndicate managers.
Do	City of Chicago 4 per cent	1,000,000	250,000	Harris Trust & Savings, First Trust & Savings, Merchants Loan & Trust, Illinois Trust & Savings, joint purchase, equal amounts.
Aug., 1908	Chesapeake & Ohio Ry., Big Sandy Ry., 4 per cent	1,500,000	100,000	Wm. Salomon & Co., syndicate managers.
Do	Carolina, Clinchfield & Ohio Ry. first mortgage 5 per cent and options.	6,000,000 2,000,000 2,000,000	100,000 33,000 33,000	Blair & Co., managers.
Do	Atchison, Topeka & Santa Fe Ry. Transcontinental Short Line first mortgage 4 per cent, 1958.	17,000,000	100,000	J. P. Morgan & Co., Drexel & Co., managers.
Sept., 1908	City of Philadelphia 30-year 4 per cent registered bonds	10,000,000	1,575,000	Joint account with W. A. Read & Co.
Do	Canadian Northern Ry. equipment first mortgage 4½ per cent	1,700,000	850,000	Do.

Oct., 1908	Essex County, N. J., 4 per cent	631,000	631,000	Joint account with Mason, Lewis & Co.
Do	Virginia-Carolina Chemical Co. first mortgage 5 per cent	12,000,000	100,000	Blair & Co., Hallgarten & Co., syndicate managers.
Do	Union Pacific R. R. Co. first lien and refunding 4 per cent	1,500,000	100,000	Chase National Bank, Harvey Fisk & Sons, joint purchase.
Dec., 1908	do	1,500,000	100,000	Do.
Oct., 1908	Southern Pacific R. R. Co. first refunding 4 per cent	14,000,000	250,000	Kuhn, Loeb & Co., Speyer & Co., managers.
Do	do	2,614,000	200,000	Chase National Bank, Kissel, Kennicutt & Co., joint purchase.
Nov., 1908	City of Philadelphia 4 per cent registered bonds	3,500,000	600,000	Jointly with W. A. Read & Co.
Do	City of New York 4 per cent 1958	12,000,000	1,000,000	Do
Dec., 1908	St. Louis & San Francisco R. R. Co. general lien 5 per cent	30,000,000	500,000	Speyer & Co., managers.
Do	Illinois Central R. R. refunding 4 per cent	20,000,000	150,000	Jointly with W. A. Read & Co.
Do	Denver & Rio Grande first and refunding 5 per cent	17,500,000	438,000	Blair & Co., Wm. Salomon & Co., W. A. Read & Co., syndicate managers.
Do	American Telegraph & Telephone Co convertible 4 per cent bonds	50,000,000	50,000	Allotted by First National Bank, N. Y., syndicate, J. P. Morgan & Co., Kuhn, Loeb & Co., Kidder, Peabody & Co., Baring Bros. & Co. (Ltd.).
Do	The Texas Co	4,000,000	250,000	Harris, Winthrop & Co., managers.
Do	Sanitary District of Chicago 4 per cent	1,000,000	1,000,000	Jointly with Harris Trust & Saving, advisers.
Do	City of St. Joseph, Mo. 4 per cent	400,000	400,000	Jointly with Lee, Higginson & Co., managers.
Do	United Fruit Co. 4½ per cent sinking fund gold debenture	4,250,000	100,000	Lee, Higginson & Co., syndicate managers.
Do	Chicago Telephone Co. first mortgage 5 per cent	5,000,000	100,000	Do.
Do	Chesapeake & Ohio Ry. general funding and improvement 5 per cent	11,000,000	75,000	Kuhn, Loeb & Co., J. P. Morgan & Co., underwriters.
Jan., 1909	Boston & Maine R. R. 4½ per cent debentures	11,700,000	500,000	Joint account with W. A. Read & Co.
Do	Commonwealth Edison Co. first mortgage 5 per cent	10,000,000	1,427,000	First Trust & Savings, Harris Trust & Savings, managers, Merchants Loan & Trust Co., Northern Trust Co., N. W. Halsey & Co., Russell Brewster & Co., Illinois Trust & Savings, syndicate, equal amounts.
Feb., 1909	Chicago Railways Co. first mortgage 5 per cent	6,000,000	240,000	Harris Trust & Savings, syndicate manager.
Do	do	5,387,000	215,480	Do.
Do	do	5,000,000	200,000	Do.
Do	New York City 3½ per cent revenues	10,000,000	1,000,000	Joint account with Goldman, Sachs & Co., and Heidelbach, Ickelheimer & Co.
Do	Southern Pacific Ry. Co. convertible 4 per cent	44,500,000	200,000	Kuhn, Loeb & Co., managers.
Do	Baltimore & Ohio, Pittsburgh, Lake Erie & West Virginia systems 4 per cent bonds.	1,000,000	333,000	First National Bank, N. Y., managers.
Mar., 1909	Allegheny County, Pa. road and highway 4 per cent	1,000,000	1,000,000	Joint account with Mason, Lewis & Co.
Apr., 1909	St. Louis & San Francisco general lien 5 per cent	18,000,000	300,000	Speyer & Co., managers.
Do	Canadian Northern Ry. equipment first mortgage 4½ per cent	2,500,000	500,000	Joint account with W. A. Read & Co.
Do	Corn Products Refining Co. first mortgage 5 per cent	5,000,000	200,000	Speyer & Co., managers.
May, 1909	Kansas City Southern Ry. Co. 5 per cent refunding and improvement	10,000,000	75,000	Ladenburg, Thalmann & Co., managerr.
Do	Cudahy Packing Co. first mortgage 5 per cent	4,000,000	50,000	Lee, Higginson & Co., managers.
Do	Armour & Co. real estate first mortgage 4½ per cent	25,000,000	200,000	Kuhn, Loeb & Co., National City Bank, New York, managers.
Do	Minneapolis, St. Paul & Sault Ste. Marie Ry. (leased lines) preferred stock.	Approximately 7,500 shares.	2,500 shares.	Jointly with W. A. Read & Co.
Do	Chicago, Lake Shore & Eastern Ry. first mortgage 4½ per cent	9,000,000	800,000	Do.
June, 1909	National Enameling & Stamping Co. refunding first mortgage real estate sinking fund 5 per cent.	3,500,000	100,000	Goldman, Sachs & Co., Lehman Bros., managers.
Do	Toledo Rys. & Light Co. Extension:			
	Toledo Traction Co. 5 per cent	4,234,000	100,000	Blair & Co., managers.
	Toledo Construction Street Ry. 5 per cent	1,066,000		
Do	Chicago Great Western Ry. reorganization	24,892,274	100,000	J. P. Morgan & Co., managers.

Schedule 6—Continued.

Date.	Securities.	Total.	Participation.	Participants.
June, 1909	Florida East Coast first mortgage 4½ per cent	$10,000,000	$50,000	J. P. Morgan & Co., First National Bank, New York, National City Bank, New York, managers.
Do	Seaboard Air Line Ry. 5 per cent adj. mortgage	25,000,000	100,000	Blair & Co., managers.
Do	Morris & Co. first mortgage sinking fund 4½ per cent	10,000,000	200,000	First Trust & Savings, managers.
July, 1909	Interborough Rapid Transit 5 per cent bonds	10,000,000	50,000	J. P. Morgan & Co. (our participation allotted by Lee, Higginson & Co.), managers.
Do	St. Louis & San Francisco general lien 5 per cent	12,000,000	200,000	Speyer & Co., managers.
Sept., 1909	New York Telephone Co. first mortgage 4½ per cent	25,000,000	300,000	Kidder, Peabody & Co., managers.
Oct., 1909	Cincinnati, Hamilton & Dayton Ry. first and refunding 4 per cent	12,500,000	100,000	Speyer, & Co., Kuhn, Loeb & Co., managers.
Nov., 1909	Missouri Pac. Ry. convertible 5 per cent first and refunding bonds	29,806,000	125,000	Kuhn, Loeb & Co., managers.
Do	Kanawha & Michigan Ry. Co. second mortgage 5 per cent	2,500,000	25,000	Lee, Higginson & Co., managers.
Dec. 1909	Mahoning & Shenango Ry. & Light first consolidated refunding 5 per cent.	3,800,000	50,000	Blair & Co., managers. (Our allotment from Lee, Higginson & Co.)
Do	Iroquois Iron Co. first-mortgage 5 per cent	2,300,000	400,000	Lee, Higginson & Co., managers.
Jan., 1910	Western Electric Co. first-mortgage 5 per cent	5,000,000	500,000	Do.
Do	do	3,750,000	325,000	Do.
Do	City of Waterloo, Iowa, waterworks 4½ per cent	525,000	525,000	Jointly with Reynolds, Watson & Co.
Do	Lackawanna Steel Co. first consolidated 5 per cent	10,000,000	100,000	Speyer & Co., managers.
Do	Lackawanna Steel Co. 5-year 5 per cent debentures	10,000,000	100,000	Do.
Do	National Rys. of Mexico 4½ per cent bonds	2,500,000	200,000	Ladenburg, Thalmann & Co., managers. (Our participation allotted through Chase National Bank.)
Feb., 1910	New York, New Haven & Hartford convertible 6 per cent debentures	1,292,000	1,292,000	Jointly with W. A. Read & Co.
Jan., 1910	Chicago City & Connecting Rys. 5 per cent sinking-fund bonds	22,000,000	1,900,000	J. P. Morgan & Co., First Trust & Savings, Illinois Trust & Savings, syndicate managers.
Feb., 1910	Kansas City Terminal Ry. Co. first-mortgage 4 per cent	12,500,000	1,750,000	J. P. Morgan & Co., Lee, Higginson & Co., managers.
Do	Rock Island, Arkansas & Louisiana R. R. Co. first-mortgage 4½ per cent.	11,000,000	100,000	Speyer & Co., managers.
Mar., 1910	St. Louis & San Francisco R. R. 3-year 5 per cent gold notes	8,000,000	250,000	Do.
Do	New York Telephone Co. first and general sinking fund 4½ per cent	10,000,000	500,000	Jointly with W. A. Read & Co.
Do	Chesapeake & Ohio Ry. 4½ per cent convertible bonds	31,390,000	100,000	J. P. Morgan & Co., Kuhn, Loeb & Co., National City Bank, New York, managers.
Apr., 1910	Atchison, Topeka & Santa Fe convertible 4 per cent	43,686,000	250,000	J. P. Morgan & Co., syndicate managers. (Our part allotted by National City Bank, N. Y.)
Do	Kansas City Ry. & Light bonds underwriting	8,199,000	250,000	Lee, Higginson & Co., managers.
May, 1910	Producers Oil Co. first mortgage 6 per cent convertible	2,000,000	250,000	Harris, Winthrop & Co., managers.
Do	Pennsylvania R. R. 4½ per cent equipment	11,000,000	500,000	Jointly with W. A. Read & Co.
June, 1910	Canadian Northern Ry. 4½ per cent equipment first mortgage	3,000,000	750,000	Do.
Do	City of Chicago 4½ per cent water loan	500,000	500,000	Do.
July, 1910	Commonwealth Edison Co. first mortgage 5 per cent	10,000,000	600,000	Harris Trust & Savings, First Trust & Savings, Northern Trust Co., American Trust & Savings, Merchants Loan & Trust Co., Russell, Brewster & Co., N. W. Halsey & Co., syndicate.
Do	Linn & Lane Timber Co. first mortgage 6 per cent	750,000	750,000	Jointly with W. A. Read & Co.
Oct., 1910	Sanitary District of Chicago 4 per cent	1,000,000	1,000,000	Lee, Higginson & Co., Illinois Trust & Savings, joint account.

Nov., 1910	Chicago & Northwestern Ry. 4 per cent generals	15,000,000	150,000	Kuhn, Loeb & Co., managers.
Apr., 1911	.....do	7,500,000	150,000	Do.
Nov., 1910	General Rubber Co. 4½ per cent debentures	247,000	247,000	Joint account with W. A. Read & Co.
Do.....	Kansas City Terminal Ry. Co. first mortgage 4 per cent	7,500,000	1,500,000	Lee, Higginson & Co., managers.
Dec., 1910	Western Electric Co. first mortgage 5 per cent	6,250,000	200,000	Do.
Do.....	Boston & Northern Steam Ry. first refunding mortgage 4 per cent	2,050,000	500,000	Jointly with W. A. Read & Co.
Do.....	Old Colony Steam Ry. refunding 4 per cent	450,000		
Do.....	Minneapolis & St. Louis 5 per cent notes extension	4,000,000	200,000	Speyer & Co., National City Bank, N. Y., managers.
Jan., 1911	Chicago & Western Indiana Ry. construction 4 per cent	1,700,000	1,700,000	Jointly with W. A. Read & Co.
Do.....	Seaboard Air Line refunding 4 per cent	23,000,000	121,000	Blair Co., Ladenburg, Thalmann & Co., Middendorf, Williams & Co., syndicate managers.
Do.....	Detroit United Rys. 5 per cent notes	1,500,000	300,000	Jointly with W. A. Read & Co.
Do.....	City of New York 4¼ per cent corporation stock	1,271,000	1,271,000	Do.
Do.....	Chicago Rys. Co. first mortgage 5 per cent	15,000,000	600,000	Harris Forbes & Co., National City Bank, New York, managers
Feb., 1911	Kansas City Southern Ry. & Improvement 5 per cent	5,000,000	100,000	Ladenburg, Thalmann & Co., managers.
Do.....	Drake Hotel Co. first mortgage 5 per cent	401,000	401,000	Jointly with First Trust & Saving Bank.
Do.....	The Texas Co. 6 per cent convertible debenture	11,500,000	1,000,000	Harris, Winthrop & Co., managers.
Do.....	St Paul & Kansas City Short Line R. R. first mortgage 4½ per cent	10,000,000	100,000	Speyer & Co., managers.
Mar., 1911	Chicago, Milwaukee & Puget Sound Ry. first mortgage 4 per cent	25,000,000	150,000	Kuhn, Loeb & Co., National City Bank, New York, managers.
May, 1911	Central New England Ry. first mortgage 4 per cent	600,000	600,000	Jointly with W. A. Read & Co.
June, 1911	Oregon-Washington R. R. & Nav. Co. first and refunding mortgage 4 per cent.	25,000,000	125,000	Kuhn, Loeb & Co., managers.
Do.....	United States Government 3 per cent, Panama	2,000,000	400,000	Joint account with W. A. Read & Co.
Do.....	Chicago Elevated Rys. 3-year 5 per cent notes	30,000,000	300,000	National City Bank, New York, managers.
Do.....	.....do	6,000,000	250,000	Joint account with Wm. Salomon & Co. and J. W. Seligman.
Do.....	.....do	2,150,000	93,500	Joint account with Wm. Salomon & Co.
Do.....	Chicago Elevated Rys., unincorporated stock syndicate	[1]6,000,000	700,000	Allotted by Blair & Co.
Do.....	City of Minneapolis, 4 and 4¼ per cent	667,000	667,000	Jointly with W. A. Read & Co.
July, 1911	United Fruit Co., 4½ per cent debentures	2,500,000	100,000	Lee, Higginson & Co., managers.
Do.....	Illinois Steel Co., 4½ per cent debentures	5,000,000	100,000	Lee, Higginson & Co., Kissel, Kennicutt & Co., managers.
Do.....	New York, Westchester & Boston, first mortgage, 4½ per cent	17,200,000	100,000	Harris Trust & Saving, Kissel, Kennicutt & Co., managers.
Do.....	City of Spokane, 4½'s	415,000	415,000	Jointly with W. A. Read & Co.
Aug. 1911	United States Smelting, Refining & Mining, 3-year 5 per cent notes	*4,000,000*	*50,000*	*Lee, Higginson & Co., managers.*
Do.....	Pacific Power & Light Co., first and refunding mortgage, 5 per cent	1,122,000	50,000	White, Weld & Co., managers.
Do.....	City of Minneapolis, 4 and 4¼ per cent	442,000	442,000	Joint account, W. A. Read & Co.
Oct., 1911	Minneapolis, St. Paul & Sault Ste. Marie Ry. Co., Central Terminal Ry. Co., Chicago Terminal, first mortgage, 4 per cent.	6,000,000	200,000	W. A. Read & Co., managers.
Do.....	Mitchell-Lewis Motor Co., 6 per cent notes	2,500,000	125,000	White, Weld & Co., managers.
Nov., 1911	Standard Gas & Electric Co., convertible 6 per cent sinking fund bonds.	7,500,000	100,000	Montgomery, Clothier & Co., White, Weld & Co., managers.
Dec., 1911	Public Service Co. of Northern Illinois, first and refunding 5 per cent	4,500,000	300,000	N. W. Halsey & Co., Russell, Brewster & Co., managers.
Do.....	Toledo Rys. & Light Co., first mortgage bonds extension	6,000,000	200,000	Blair & Co., managers.
Jan., 1912	International Harvester Co., 5 per cent notes	20,000,000	1,000,000	J. P. Morgan & Co., managers.
Do.....	Chicago, Rock Island & Pacific Ry., 5 per cent debentures	20,000,000	500,000	Speyer & Co., managers.
Do.....	J. I. Case Threshing Machine Co., 7 per cent preferred stock underwriting.	8,000,000	100,000	J. P. Morgan & Co., managers.
Do.....	City of Seattle, 4½ and 5 per cent	3,280,000	820,000	Jointly with W. A. Read & Co.
Feb., 1912	Milwaukee, Sparta & Northwestern Ry., first mortgage 4 per cent	15,000,000	150,000	Kuhn, Loeb & Co., managers.
Do.....	Chicago, St. Paul, Minneapolis & Omaha Ry. Co., 5 per cent debentures.	5,000,000	150,000	Do.
Mar., 1912	Peoples Gas Light & Coke Co., refunding 5 per cent, 1947	250,000	250,000	Jointly with W. A. Read & Co.

[1] Or less.

Schedule 6—Continued.

Date.	Securities.	Total.	Participation.	Participants.
Mar., 1912	City of Tokyo, 5 per cent loan	$10,000,000	$100,000	Kuhn, Loeb & Co., managers.
Apr., 1912	Chicago Telephone Co., first mortgage 5 per cent	14,000,000	1,000,000	Harris Trust & Saving, First Trust & Savings, Lee, Higginson & Co., Merchants Loan & Trust, Northern Trust Co., Illinois Trust & Savings, syndicate.
Do	The Utah Co., 5-year 6 per cent notes	10,000,000	100,000	Lee, Higginson & Co., managers.
May, 1912	City of Omaha, Nebr., 4½ per cent	7,500,000	300,000	Kountze Bros., Harris, Forbes & Co., National City Bank, N. Y., R. L. Day & Co., Estabrook & Co., Lee, Higginson & Co.; allotted by Lee, Higginson & Co., syndicate.
June, 1912	United Light & Rys. Co., first and refunding mortgage, 5 per cent	4,300,000	200,000	N. W. Halsey & Co., Russell, Brewster & Co., managers.

Schedule 8.

A list of stock holdings of your bank, or any of its officers or directors, or that are held for the benefit of your bank or any of its officers or directors in banks and trust companies, as of January 1, 1912, and as of November 1, 1912:

	Shares.
Chase National Bank, New York	500
Corn Exchange National Bank, Chicago	500
First National Bank, New York	250
First Security Co., New York	250
Manhattan Trust Co., New York (par value, $30)[1]	200
New York Trust Co., New York	600
State Bank of Chicago	150

Schedule 9.

A separate list of interests acquired by your bank or any of its officers or directors since 1905, in various banks and trust companies:

	Shares.
Chase National Bank, New York	400
First Security Co., New York	250

Schedule 10.

A list of securities of interstate corporations, together with the names of the companies, dates, and amounts of the issues that have been purchased, sold, underwritten, or dealt in by your bank from 1907 to the present time, provided, however, that no issue of less than $5,000,000 in amount need be included in this list.

Date.	Securities.	Purchase.	Total.
1908	Chicago, Burlington & Quincy general 4 per cent	$250,000	$16,000,000
1907	Erie Railroad 4 per cent equipment	78,000	7,000,000
1907	New York Central & Hudson River Railroad 3-year 5 per cent notes	125,000	25,000,000
1907	Michigan Central Railroad 3-year 5 per cent notes	50,000	10,000,000
1908	Lake Shore & Michigan Southern Railway 3-year 5 per cent	75,000	15,000,000
1907	Pennsylvania Railroad 3-year 5 per cent	250,000	60,000,000
1909	Michigan Central Railroad debenture 4 per cent	100,000	10,000,000
1909	New York Central & St. Louis debenture 4 per cent	200,000	10,000,000
1907–10	Western Pacific first 5 per cent	379,000	49,500,000
1909	Int. R. T. Co. 5 per cent notes	100,000	10,000,000
1909	Chicago, Rock Island & Pacific Railroad collateral 4 per cent	1,045,000	.....
1909	Norfolk & Western division first 4 per cent	200,000	.....
1909	Mason City & Fort Dodge Railroad first 4 per cent	500,000	.....
1910	Western Telegraph & Telephone Co. 5 per cent notes	300,000	.....
1910	Nassau Electric Co. consolidated 4 per cent	360,000	.....
1912	Milwaukee, Sparta & North West first 4 per cent	75,000	15,000,000
1909	New York, New Haven & Hartford debenture 4 per cent 1956	197,000	.....
1908	Pennsylvania Railroad 3½ convertible	144,000	.....
1908	Seaboard Air Line Railway collateral 5's, 1911	250,000	.....
1909	Florida East Coast first 4½ per cent	100,000	10,000,000
1910	Southern Bell Telephone & Telegraph Co. first sinking fund 5 per cent	125,000	10,000,000
1907–1910	Wabash Railway first referred and extension 4 per cent	216,000	.....
1907	Western Union Telegraph Co. 4½ per cent	177,000	.....
1909	Boston & Maine Railroad 4½ per cent debenture	500,000	11,700,000
1910	New York Central Lines equipment 4½ per cent	100,000	22,500,000
1909	Chicago, Milwaukee & St. Paul Railway 4 per cent debenture, 1934	100,000	28,000,000
1909	Atchison, Topeka & Santa Fe convertible 4 per cent	500,000	32,000,000
1909	Chicago, Lake Shore & Eastern Railway first 4½ per cent	520,000	9,000,000
1909–1911	Southern Pacific Co. convertible 4 per cent	800,000	82,000,000
1908–1911	Denver & Rio Grande first and referred 5 per cent	650,000	.....
1909	New York Telephone Co. first and general 4½ per cent	210,000	25,000,000
1911	Chicago & North Western Railway general 3½ per cent referred	371,000	.....
1911	Baltimore & Ohio Railroad collateral 4½ per cent notes	100,000	50,000,000
1911	Missouri, Kansas & Texas Railway 2-year 5 per cent notes	250,000	12,850,000
1911	Chicago, Milwaukee & Puget Sound first 4 per cent	100,000	25,000,000
1911	Chicago & Eastern Illinois referred and improved 4 per cent	250,000	.....
1911	Chesapeake & Ohio Railway 4½ per cent secured gold notes	100,000	16,000,000
1911	Southern Railway Co. first consolidated 5 per cent	250,000	.....
1911–1912	Missouri Pacific Railway 3-year 5 per cent notes	300,000	29,806,000 20,000,000
1911	New York, Westchester & Boston Railway first 4½ per cent	250,000	17,200,000
1912	Cumberland Telephone & Telegraph first and referred 5 per cent	100,000	.....

[1] Sold; others still owned.

Schedule 11.

A list of securities of interstate corporations, together with the names of the companies, dates, and amounts of the issues that have been purchased, sold, underwritten, or dealt in by your bank from 1907 to the present time, provided, however, that no issue of less than $5,000,000 in amount need be included in this list.

Date.	Securities.	Purchase.	Total.
1907-12...	South Side Elevated Railroad first 4½ per cent	$1,500,000	$8,000,000
1907-12...	Chicago Edison Co. 3-year 5 per cent debenture	500,000	5,000,000
1907-11...	United States Steel Corporation	61,000	.....
1907.....	Interboro Rapid Transit Co. 3-year 5 per cent notes	200,000	10,000,000
1907-12...	Chicago City Railway first 5 per cent	1,500,000	.....
1908.....	Northwest Elevated Railroad first-mortgage convertible 4 per cent	300,000	25,000,000
1912.....	Liggett & Myers Tobacco Co. 5 per cent	100,000	.....
1912.....	P. Lorillard Tobacco Co. 5 per cent	100,000	.....
1912.....	Asso. Simmons Hardware Co.'s 5-year 5 per cent notes	600,000	5,000,000
1912.....	California Gas & Electric Corporation unified and refunding 5 per cent 1937	150,000	5,260,000
1907.....	Chicago & Western Indiana Railway 3-year 5 per cent	500,000	8,000,000
1912.....	International Harvester Co. 3-year 5 per cent	500,000	20,000,000
1910.....	General Motors Co. first 6 per cent	150,000	15,000,000
1910.....	Pacific Telephone & Telegraph first and collateral 5 per cent	70,000	.....
1909.....	United States Rubber Co. 6 per cent notes	150,000	9,000,000
1909.....	Corn Products refunding first 5 per cent 1934	200,000	10,000,000
1909-12...	Chicago Railways first 5 per cent	2,250,000	.....
1909-12...	Common Edison Co. first 5 per cent	3,000,000	.....
1909-12...	Chicago City Railway Co. first 5 per cent	2,500,000	.....
1910.....	Western Electric Co. first 5 per cent	462,000	5,000,000
1911.....	....do	470,000	6,250,000
3-1910....	Kansas City Terminal Railway first 4 per cent	201,000	5,000,000
1910.....	Peoples Gas Light & Coke Co. refunding 5 per cent	502,000	3,000,000
1911.....	American Cotton Oil Co. 5 per cent debenture	716,000	5,000,000
1911-12...	Chicago Elevated Railways Co. 3-year 5 per cent notes	357,000	30,000,000
1911.....	Illinois Steel Co. 4½ per cent debenture	472,000	5,000,000
1911.....	Standard Gas & Electric convertible 6 per cent	500,000	7,500,000
1912.....	Minneapolis Street Railway & St. Paul City Railway consolidated 5 per cent	300,000	.....
1911.....	Packard Motor Car Co. 5 per cent notes	500,000	2,000,000
1912.....	New Orleans Terminal Co. first 4 per cent	52,000	15,000,000

Schedule 18.

A list of all corporations in which any of your officers or directors are members of a board of directors of which any member of the firms of J. P. Morgan & Co., Kuhn, Loeb & Co., or Speyer & Co. is likewise a member.

First National Bank, New York.
American Telegraph & Telephone Co.
Pullman Co.
Chicago, Rock Island & Pacific Railway Co.
Bankers Trust Co., New York.

EXHIBIT 232, JANUARY 24, 1913.

THE NATIONAL CITY BANK OF NEW YORK,
New York, January 14, 1913.

SAMUEL UNTERMYER, Esq.,
Counsel Committee on Banking and Currency,
House of Representatives,
37 Wall Street, New York.

DEAR SIR: Referring to your letter of December 26, I am sending you herewith the information you desire, taking the question up seriatim in my answers, as you will notice.

No. 1. The capital, surplus, net profits, and dividends of The National City Bank from 1897 to 1912, inclusive, are as follows:

October 31—	Capital.	Surplus and net profits.	Dividends.
1897	$1,000,000	$3,500,000	$150,000
1898	1,000,000	3,750,000	150,000
1899	1,000,000	4,817,243	150,000
1900	10,000,000	5,100,000	600,000
1901	10,000,000	6,400,000	600,000
1902	25,000,000	[1] 15,000,000	1,050,000
1903	25,000,000	16,600,000	2,000,000
1904	25,000,000	16,600,000	2,000,000
1905	25,000,000	17,600,000	2,000,000
1906	25,000,000	20,300,000	2,000,000
1907	25,000,000	23,400,000	2,000,000
1908	25,000,000	25,447,680	2,500,000
1909	25,000,000	28,253,169	2,500,000
1910	25,000,000	30,993,864	2,500,000
1911	25,000,000	[2] 25,521,607	2,500,000
1912	25,000,000	28,181,981	2,500,000

[1] $7,500,000 paid in by stockholders. [2] 40 per cent dividend paid to stockholders.

No. 2. The stockholders of The National City Bank as of January 1, 1912, including only such stockholders as own 500 shares or more, are: J. Ogden Armour, 1,000; Francis M. Bacon, 500; Cleveland H. Dodge, 2,500; J. P. Morgan, jr., 1,000; Stephen S. Palmer, 2,242; James H. Post, 875; M. Taylor Pyne, 8,267; William Rockefeller, 10,000; Jacob H. Schiff, 500; John W. Sterling, 6,087; James Stillman, 47,498; James A. Stillman, 2,500; Henry A. C. Taylor, 2,659; P. A. Valentine, 500; F. A. Vanderlip, 677; Aetna Insurance Co., 500; J. D. Archbold, 500; Wm. Waldorf Astor, 1,253; Robert Bacon, 1,000; Rudolph E. Brunnow, 650; Junia K. Dwight, 607; James W. Ellsworth, 600; Charles S. Fairchild, 1,125; Frederic Gallatin, 540; Sarah T. Gardiner, 1,000; estate of W. H. Gelshenen, 650; estate of Benjamin Hart, 1,000; Edward S. Harkness, 1,250; Charles W. Harkness, 1,250; Mary W. Harriman, 1,000; Louisine W. Havemeyer, 1,350; William H. Harriman, 735; Horace F. Howland, 1,000; A. Iselin & Co., 2,165; estate of John Grenville Kane, 1,512; H. M. Kilborn, 600; Kidder, Peabody & Co., 1,000; Mrs. Alice Knight, 500; Frederic E. Lewis, 3,207; Percy P. Lewis, 3,207; W. B. Matteson, 500; J. Pierpont Morgan, 5,000; J. P. Morgan & Co., 9,000; Catherine T. Moulton, 3,207; Mary C. Nelson, 551; Henry Parish, 650; Henry Parish, jr., 560; Edward C. Parish, 630; estate of Wm. Walter Phelps, 2,437; Miss Jane B. Porter, 634; Harriet C. Prevost, 750; F. H. Prince & Co., 1,162; Moses Taylor Pyne and Stephen S. Palmer, trustees for Kate W. Winthrop, 7,699; M. Taylor Pyne and Stephen S. Palmer, trustees for Henry A. C. Taylor, 7,699; Percy R. Pyne, 8,267; John D. Rockefeller, 1,750; estate of H. H. Rogers, 775; Albertina T. Russell, 8,267; Schafer Bros., 833; W. A. Simonson, 625; estate of Samuel Sloan, 6,250; Chas. Chauncey Stillman, 1,000; Ernest G. Stillman, 1,100; Mrs. Elizabeth Thompson, 1,000; Mary G. Thompson, 1,600; Charles G. Thompson, 1,700; H. M. Tilford, trustee for Hunt T. Dickinson, 500; George E. Turnure, 600; United States Trust Co. of New York, 4,500; Alfred G. Vanderbilt, 700; Emily A. Watson, 2,225; George Whittell, 2,000; Kate W. Winthrop, 1,924; William Woodward, 1,710; Bessemer Investment Co., 1,000.

No. 3. The assets of The National City Bank January 1, 1912, were as follows:

Bills discounted	$44,648,169.96	Mutilated currency	$125,704.00
Time loans	28,473,643.19	Five per cent fund	235,425.00
Loans on merchandise	233,400.00	Exchanges for clearing house	20,405,969.02
Demand loans	68,241,710.50	Checks and cash items not payable through clearing house	1,019,393.99
United States bonds and premium	9,623,208.60	Cash	44,303,109.88
Bonds, securities, etc.	33,435,535.89	Due from banks	20,621,177.03
Clearing House Association	22,900.00		
Banking house and lot	5,000,000.00		

No. 3. The bonds and securities were held as follows:
Armour & Co. real estate four-and-a-halfs, $176,000.
Burbank Power & Water Co. first sixes, $163,500.
Brinson Railway of Georgia fives, $126,000.
Booth Fisheries Co. sixes, $3,066,000.
Baltimore & Ohio four-and-a-halfs, $47,000.
Chesapeake & Ohio general funding and improvement fives, $11,000.
Chesapeake & Potomac Telephone Co. first fives, $14,000.
Chesapeake & Ohio Railway general four-and-a-halfs, $40,000.

Chicago, Burlington & Quincy, Illinois Division, three-and-a-halfs, $364,000.
Chicago, Burlington & Quincy, Illinois Division, fours, $2,000.
Chicago City & Connecting Railway collateral trust fives, $347,000.
Chicago City Railway syndicate 6 per cent, $950,000.
Chicago, Milwaukee & Puget Sound first fours, $58,000.
Chicago & North Western general three-and-a-halfs, $275,000.
Chesapeake & Ohio Railway four-and-a-halfs, $1,511,000.
Brazil Railway Co., payment, $66,292.
Chicago & North Western general fours, $1,272,000.
Chicago, Terre Haute & Southeastern Railway Co. (income); 540 shares Chicago, Terre Haute & Southeastern Railway Co. (common), $94,500.
Consolidated Coal first and refund fives, $225,000.
Consolidated Gas of New York fives, $4,400,000.
Clinchfield Syndicate (5 per cent) participation full paid, $250,000.
Cumberland Corporation fives, $883,000.
Cumberland Corporation fives, $355,000.
Atchison, Topeka & Santa Fe convertible fours, $1,355,000.
Chicago Elevated fives, $4,175,000.
American Tobacco fours, $221,000.
Distillers Security Corporation fives, $1,627,000.
Detroit Terminal & Tunnel four-and-a-halfs, $481,000.
Erie Railroad fives, October, $308,000.
Atchison, Topeka & Santa Fe general fours, $1,000.
Cleveland, Cincinnati, Chicago & St. Louis general fours, $271,000.
Baltimore & Ohio Railway Co. four-and-a-halfs, $150,000.
Bolivia Railway first fives, $511,500.
General Rubber four-and-a-halfs, $247,000.
Fairmount & Clarksburg Traction fives, $231,000.
Hampshire South Railroad first fives, participation 30 per cent paid, $25,000.
Hampshire South Railroad first fives, $9,000.
American Tobacco fours, C/D, $140,000.
Illinois Central referred fours, $186,000.
Florida East Coast Line four-and-a-halfs, $628,000.
Kansas City Southern fives, $10,000.
Lehigh & Wilkesbarre Coal Co. fours (various issues), $1,057,000.
Lackawanna Steel convertible fives, $240,000.
Minneapolis & St. Louis sixes, $175,000.
Minneapolis & St. Louis fives, $12,000.
Missouri, Kansas & Texas fives, $2,000.
Metropolitan Street Railway Consolidated fives, $350,000.
National Enamel & Stamp first fives, $208,000.
Northern Westchester Lightering first fives, $47,000.
New York Western & Boston four-and-a-halfs, $45,000.
Old Dominion Development Co. sixes, $150,000.
Oregon, Washington Railroad & Navigation first fours, $333,000.
Oregon Railroad and Navigation fours, $99,000.
City of Pittsburgh four-and-a-fourths, $20,000.
Potomac Electric Power Co. fives, $54,000.
Proctor & Gamble, of Cincinnati, fives, $85,000.
Piedmont Syndicate $800,000 participation 40 per cent paid, $220,000.
Rep. Iron & Steel fives, $250,000.
Chicago, Rock Island & Pacific general fours, $137,000.
Consolidated Gas Electric Light & Power, of Baltimore, four-and-a-halfs, $100,000.
Kansas City, Fort Scott & Memphis referred fours, $413,000.
St. Louis & San Francisco Railroad, New Orleans, Texas & Mexico fives, $250,000.
St. Louis & San Francisco Railroad, New Orleans, Texas & Mexico fives, $100,000.
Association Simmons Hardware fives, $215,000.
Pacific Light & Power referred fives, $250,000.
Seaboard Air Line Railway fours, $44,000.
South Pacific first fours, $143,000.
Illinois Central Railroad Co., Louisville Division, three and one-halfs, $45,000.
Seaboard Air Line first fours, $51,000.
Chicago, Milwaukee & Puget Sound first fours, $97,000.
South Pacific San Francisco Terminal first fours, $335,800.
Southern Railway first fives, $458,000.
State of California fives—"Fire Protection," $99,000.
State of California fives—"Hall of Justice," $86,000.

State of California fives—"Hospital," $19,000.
State of California fives—"School," $49,000.
State of California fives—"Sewer," $12,000.
Southern Railway Development and General fours, $128,000.
Tidewater sixes, $50,000.
Union Bag & Paper fives—"Stamped," $75,000.
Union Bag & Paper fives—"Unstamped," $185,000.
Union Pacific first and reference fours, $20,000.
United Railway Investment Co. first fives, $190,000.
United States Realty & Improvement fives, $115,000.
Virginia Railway & Power first and reference fives, $617,000.
Washington Railway Electric fours, $150,000.
Washington Gas Light Co. fives, $145,000.
Westchester Lighterage Co. fives, $125,000.
Westchester Lighterage Co. fives, $35,000.
Wabash Pittsburgh Terminal first fours, $290,000.
New York State Highways and Improvement fours, $196,000.
New York City four and one-fourths, $112,000.
New York City four and one-fourths, $384,000.
Hocking Valley Railway Co. four and one-halfs, $167,000.
New York City three and one-halfs, $8,000.
New York City three and one-halfs, $60,000.
Southern Pacific first fours, $115,000.
Seaboard Air Line Adj. fives, $250,000.
New York City three and one-halfs, $104,000.
New York City four and one-fourths, $10,000.
New York City threes, $330.
New York City threes, $500.
United States Steel sinking fund fives, $252,000.
Toledo Railway & Light first mortgage extension sixes, $250,000.
New York City fours, $43,000.
The investments of the National City Co. January 1, 1912, were as follows:
State of San Paulo, Brazil Treasury bills, $2,000,000.
Republic of Costa Rica 6 per cent, $1,199,000.
Utility Realty Co. 6 per cent notes, $600,000.
Chicago Elevated Railway coll. tr. 5 per cent notes $500,000.
Chicago, Milwaukee & Puget Sound Railway Co. first 4 per cents $500,000.
Detroit Terminal & Tunnel first 4½ per cents $500,000.
Florida East Coast Line Co. first four and one-halfs $500,000.
Hocking Valley Railway Co. 2-year 4½ per cent notes $500,000.
Kansas City Southern Railway Refg. & Imp. 5 per cents, $500,000.
Chesapeake & Ohio Railway Co. general funding and improvement 5 per cents, $425,000.
Westchester Lighting Co. 5 per cent collateral trust notes, $400,000.
Minneapolis & St. Louis Railroad 6 per cent notes, $350,000.
Southern Power Co. 5 per cent notes, $300,000.
National railways of Mexico 4½ per cent notes, $250,000.
United States Realty & Improvement Co. 5 per cent, $250,000.
Federal Light & Traction 6 per cent collateral trust notes, $200,000.
Chesapeake & Ohio Railway Co. 4½ per cent secured gold notes, $187,000.
Fairmount & Clarksburg Traction Co. 1st 5 per cent, $100,000.
Virginia Air Line Co. 1st 5 per cent, $100,000.
Erie Railroad 3-year 5 per cent notes, $94,000.
Central Mexico Light & Power 1st 6 per cent, $62,000.
Philippine Railway Co. 1st 4 per cent, $25,000.
Banque Nat'l de la Republique d'Haiti Stock Synd., 2,000 shares.
Banco de la Habana, 1,667 shares.
Allied Machinery Co. of America 6 per cent noncumulative preferred, 500 shares.
Alliance Realty Co., 100 shares.
Central Hudson Steamboat Co. preferred, 120 shares.
Central Hudson Steamboat Co. common, 60 shares.
Kansas City Clay Co. & St. Joseph Railway Co. Syndicate, $579,442.
Peruvian Government 5½ per cent loan, $124,321.
Chinese Government—Manchurian development, $72,998.
Brazil Railway Co., $69,789.
Chicago Elevated Railway Preferred Stock Syndicate 6 per cent, $552,900.
Haiti Syndicate 50 per cent paid, $122,500.

No. 4. The following is an extract from the minutes of a meeting of the board of directors of the National City Bank, held on June 27, 1911, with a copy of the resolutions as to organization of the National City Company and the agreement relating thereto:

The president stated that the plan proposed by the officers of the bank and informally approved by its board of directors, for the formation of an investing company, in which only the stockholders of the bank may acquire a beneficial interest, ratably according to their holdings of the stock of the bank, had been approved by more than two-thirds in amount of the stockholders of the bank as evidenced by their signatures to an agreement dated June 1, 1911, between the bank, party of the first part, James Stillman, Frank A. Vanderlip, and Stephen S. Palmer, as trustees, parties of the second part, and Henry A. C. Taylor and other shareholders of the bank, parties of the third part. This agreement which had been executed on behalf of the bank by Mr. Simonson, as its vice president, was then presented to the meeting and a copy thereof was filed with the cashier.

Thereupon, on motion duly seconded, it was unanimously

Resolved, That the execution of the said agreement on behalf of the bank be, and the same is hereby approved, ratified, and confirmed.

The president stated that the trustees named in the said agreement had recommended to the board that a special dividend of forty per cent (40%) be declared and paid to the shareholders of the bank out of its surplus profits to facilitate them in acquiring a beneficial interest in the investing company to be organized as provided in article first, of the said agreement. The matter was then considered, and thereupon, on motion, duly seconded, it was unanimously

Resolved.

I. That a cash dividend of 40 per cent upon the capital stock of the bank be, and the same is hereby, declared payable July 10, 1911, out of the surplus profits of the bank to its shareholders of record at the close of business on July 5, 1911.

II. That the transfer books of the bank be closed from July 5, 1911, at 3 o'clock p. m., to July 11, 1911, at 10 o'clock a. m.

III. That the officers of the bank be, and they hereby are, authorized and directed to take such further action on behalf of the bank as they may deem to be necessary or desirable to effectually carry out the purpose and intent of the said agreement.

The following is a copy of agreement referred to above:

Agreement, made the 1st day of June, 1911, between the National City Bank of New York (hereinafter called "the Bank"), party of the first part, James Stillman, Frank A. Vanderlip, and Stephen S. Palmer (hereinafter called "the Trustees"), parties of the second part, and Henry A. C. Taylor, Cleveland H. Dodge, William Rockefeller, Moses Taylor Pyne, J. Pierpont Morgan, and other subscribers hereto who are shareholders of the said bank (hereinafter called "the Subscribers"), parties of the third part:

Whereas opportunities and facilities for making desirable investments, other than those which are possible in the ordinary course of the banking business, are from time to time presented to the officers of the Bank, which they desire to make available to the shareholders of the Bank; now, therefore, in consideration of the premises and of $1 by each party to each of the others in hand paid, the receipt whereof is hereby acknowledged, and of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows, each of the parties of the third part for himself, and not one for the other or others:

FIRST.—*Organization of investing company.*

A business corporation shall be organized by the Trustees under the laws of New York, with an authorized capital stock of $10,000,000, divided into 100,000 shares of $100 each, with the title of "United States Investing Co." or such other title as the Trustees may select, and with such powers as to the Trustees may seem advisable. The said company is hereinafter referred to as the "investing company."

SECOND.—*Rights to beneficial interest.*

Each shareholder of the Bank shall have the right to a beneficial interest, through the Trustees, in the capital stock of the investing company, at par, to the extent of two-fifths of the par value of the capital stock of the Bank owned by him and registered in his name at the date of closing the transfer books for the special dividend hereinafter mentioned, provided he shall exercise such right by executing this agreement, or by having his certificate of stock stamped in the manner hereinafter specified, on or before July 15, 1911. After that date the Trustees may, in their discretion, and

upon such terms as to price or otherwise as they may prescribe, permit the holders of stock of the Bank, in respect to which such right may not have been exercised, to acquire a beneficial interest in the capital stock of the investing company, at par, to the extent of two-fifths of the par value of such capital stock of the Bank owned by them, respectively.

THIRD.—*Special dividend.*

In order to facilitate participation by the shareholders of the Bank in the privilege specified in the foregoing second article, the Trustees will recommend to the board of directors of the Bank that a special dividend be declared and paid to its shareholders equal to the par value of the capital stock of the investing company. The subscribers agree that, if such dividend is declared and paid, they will, respectively, forthwith apply the same to the payment of an equivalent amount, par value, of the capital stock of the investing company.

FOURTH.—*Assignment of special dividend.*

In order to enable the Trustees to organize the investigating company and subscribe its capital stock as aforesaid, the Subscribers hereby assign and transfer to the Trustees all their right, title, and interest in and to the said special dividend; and they hereby, respectively, empower and direct the Bank to pay to the Trustees, for their account, respectively, the amount of such dividend, which the Trustees shall forthwith apply to the payment of the capital stock of the investing company, to the beneficial interest in which the Subscribers, respectively, may become entitled hereunder.

FIFTH.—*Issue of stock of the investing company.*

All of the capital stock of the investing company, paid for on behalf of the Subscribers as aforesaid, shall be issued to and held by the Trustees and their successors in interest, according to their respective interests; but the said beneficial interests of the Subscribers therein shall not be transferable separately, but only by the transfer of the shares of stock of the Bank held by them, respectively; and every sale or transfer of stock of the Bank by a Subscriber or his successor shall include the beneficial interest of such Subscriber or his successor in the capital stock of the investing company, attaching to the shares of the Bank so sold or transferred.

SIXTH.—*Indorsement of certificates.*

I. As soon as the said special dividend has been declared by the Bank and the Subscribers have been notified by the Trustees of the organization of the investing company, they shall present to the Trustees, at the office of the Bank, number 55 Wall Street, New York, the certificates of stock of the Bank held by them, respectively, for the purpose of having stamped thereon the following indorsement:

"The registered holder of the share or shares of stock, represented by the within certificate, is entitled to the beneficial interest, to the extent of two-fifths of the par value of the share or shares represented by the said certificate, in the capital stock at par, of the United States Investing Co., a New York corporation, under the terms of a certain agreement, dated June 1, 1911, between The National City Bank of New York, party of the first part, James Stillman and others, as trustees, parties of the second part, and Henry A. C. Taylor and others, as shareholders of the said bank parties of the third part."

II. There shall be stamped upon the certificates of stock, issued by the investing company to the trustees, the following indorsement:

"The share or shares of stock, represented by this certificate, are held by the Trustees therein named and their successors, in trust, for the benefit of the shareholders of The National City Bank of New York, according to the terms of a certain agreement, dated June 1, 1911, between The National City Bank of New York, party of the first part, James Stillman and others, as Trustees, parties of the second part, and Henry A. C. Taylor and others, as shareholders of the said Bank, parties of the third part."

SEVENTH.—*Dividends.*

All dividends upon the capital stock of the investing company and all distributions of the capital thereof shall be paid by the Trustees of those shareholders of the Bank, whose certificates shall be stamped as aforesaid, according to their respective interests. Such payments may be made by the Trustees to the said shareholders directly

or to the Bank for their account, and the Bank in such case shall thereupon distribute such dividends among those entitled to receive the same. Payment by the Trustees to the Bank shall relieve the Trustees from all further liability with respect thereto.

EIGHTH.—*Directors.*

The Trustees and such other persons as they may designate, who shall be officers or directors of the Bank, shall constitute the first board of directors of the investing company. No one shall be a director of the investing company who is not also a Trustee hereunder or an officer or a director of the Bank. If any director of the investing company shall at any time cease to be an officer or director of the Bank, he shall thereupon also cease to be a director of the investing company, and his place shall be filled by the remaining directors, with some one who is an officer or a director of the Bank.

NINTH.—*The Trustees.*

The number of Trustees hereunder shall not be less than three. Any Trustee may at any time resign. In case of any vacancy in the number of the Trustees, it shall be filled by the remaining Trustees by the selection of some one who is an officer or director of the Bank; and any Trustee who shall cease to be an officer or a director of the Bank shall thereupon also cease to be a Trustee hereunder, it being intended that only officers or directors of the Bank shall act as Trustees.

No Trustee shall be liable for the act of any other Trustee, but shall be liable only for his own wilful misconduct.

The Trustees may act by a majority, either at a meeting or by writing with or without a meeting, and they may vote in person or by proxy.

TENTH.—*Modification and termination of agreement.*

This agreement may at any time be amended, modified, or terminated, with the written consent of the Trustees and of two-thirds in interest of those for whom the capital stock of the investing company is then held by the Trustees.

ELEVENTH.—*Expenses.*

The charges, costs, and expenses connected with the organization of the investing company shall be paid by the investing company; it shall also indemnify and hold harmless the Trustees from all personal liability hereunder, except for their own wilful misconduct, as aforesaid.

TWELFTH.—*Duplicate copies.*

All copies of this agreement, executed by persons entitled to do so, shall have the like effect as if their signatures were subscribed to the original, and the stamping of the certificates of stock of the Bank held by the subscribers in the manner specified in the sixth article hereof shall have the same force and effect as if they had executed this agreement.

THIRTEENTH.—*When agreement becomes effective.*

This agreement shall not become binding until it shall have been signed by subscribers holding two-thirds in amount of the capital stock of the Bank.

In witness whereof, the National City Bank of New York has caused this instrument to be executed by one of its vice presidents, and the parties of the second and third parts have hereunto set their hands the day and year first above written.

NATIONAL CITY BANK OF NEW YORK,

By ——— ———,

Vice President.

——— ———,

——— ———,

Trustees.

NATIONAL CITY BANK OF NEW YORK,
New York, January 14, 1913.

SAMUEL UNTERMYER, Esq.,
Counsel Committee on Banking and Currency,
House of Representatives,
No. 37 Wall Street, New York City.

DEAR MR. UNTERMYER: I am sending you herewith the rest of the letter, part of which was sent to you this morning. You will notice that under number 5 the names of the persons with whom such transactions were had have been omitted. This omission was made for the reason that the question as to the propriety of our revealing the private business of our associates has not yet been morally nor legally determined, and until this has been done, I do not think I ought to include such information in a formal answer to your inquiry.

Very truly, yours,

F. MANDERLY, *President.*

5. The following is a list of the syndicate and joint accounts for the purchase de of securities with which this bank has been connected or identified for the st five years, which is as far back as our records run. There are no copies of circulars or advertisements available.

January 10, 1908. Spring Valley Water Co. general fours. Total amount of securities involved, $14,500,000. Bank's participation, $300,000.

January 27, 1908. Western Union Telegraph Co. convertible fours, 1936. Total amount of securities involved, $91,000. Bank's proportion, $61,000.

March 11, 1908. Consolidated Gas Co. of New York 6 per cent collateral trust notes, 1908–9. Total amount of securities involved, $10,000,000. Bank's participation, $3,105,000.

March 30, 1908. Chicago Railways 5 per cent bonds, 1927. Total amount of securities involved, $5,000,000. Bank's participation, $350,000. The bank had an interest in the original promotion and underwriting, and was a syndicate manager.

May 5, 1908. Interborough Rapid Transit three-year 6 per cent convertible notes. Total amount of securities involved, $25,000,000. Bank's participation, $490,000.

June 30, 1908. New York City four-and-one-halfs, November, 1957. Total amount of securities involved, $5,200,000. Bank's participation, $1,000,000.

July 7, 1908. New York, Chicago & St. Louis debenture fours, 1931. Total amount of securities involved, $2,000,000. Bank's proportion, $910,000.

June 8, 1908. Chicago, Rock Island & Pacific refunding fours, 1934. Total amount of securities involved, $9,000,000. Bank's participation, $875,000.

August 18, 1908. Metropolitan Street Railway Co. (Kansas City, Mo.) consolidated mortgage fives, 1910. Total amount of securities involved, $1,200,000. Bank's proportion, $500,000.

September 30, 1908. Chicago, Rock Island & Pacific first and refunding fours, 1934. Total amount of securities involved, $1,850,000. Bank's proportion, $250,000.

June 30, 1908. Chicago Railways 5 per cent bonds, 1927. Total amount of securities involved, $3,000,000. Bank's participation, $350,000. The bank had an interest in the original promotion and underwriting, and was a syndicate manager.

June 1, 1908. American Telegraph & Telephone convertible fours, 1936. Total amount of securities involved, $100,000,000. Bank's participation, $100,000.

September 16, 1908. Chicago, Burlington & Quincy general mortgage fours, 1958. Total amount of securities involved, $427,000. Bank's proportion, $142,333.

November 6, 1908. Delaware & Hudson first refunding fours, 1943. Total amount of securities involved, $1,227,000. Bank's proportion, $409,000.

August 24, 1908. Central Pacific first and refunding fours, 1949. Total amount of securities involved, $18,000,000. Bank's participation, $500,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. Offered for sale in conjunction with others.

September 10, 1908. New York Central & Hudson River debenture fours, 1934. Total amount of securities involved, $13,000,000. Bank's participation, $1,150,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

September 10, 1908. Union Pacific first and refunding fours, 2008. Total amount of securities involved, $50,000,000. Bank's participation, $1,750,000.

September 11, 1908. Chicago Railways collateral trust sixes, 1913. Total amount of securities involved, $250,000. Bank's participation, $70,000.

October 28, 1908. American Agricultural Chemical fives. Total amount of securities involved, $8,000,000. Bank's participation, $125,000.

October 21, 1908. New York, New Haven & Hartford debenture fours, European loan. Total amount of securities involved, $28,000,000. Bank's participation, in First European Syndicate, $2,625,000. Bank's participation in Second European Syndicate, $92,160. Bank's participation in Third European Syndicate, $1,556,126. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

October 26, 1908. Southern Pacific refunding fours, 1955. Total amount of securities involved, $14,300,000. Bank's participation, $135,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

September 10. 1908. Atchison, Topeka & Santa Fe Railway Co. Transcontinental Short Line fours. Total amount of securities involved, $17,000,000. Bank's participation, $795,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

November 25, 1908. Philippine Railways fours, 1937. Total amount of securities involved, $1,000,000. Bank's participation, $175,000.

December 12, 1908. Chicago, Rock Island & Pacific refunding fours, 1934. amount of securities involved, $9,000,000. Bank's participation, $300,000.

January 1, 1909, Southern Railways convertible 6 per cent notes, 1911. amount of securities involved, $15,000,000. Bank's participation, $500,000

January 15, 1909. Porto Rican fours, 1914–33. Total amount of securities $414,000. Bank's participation, $64,000.

July 22, 1909. Southern Pacific Railroad first and refunding fours, 1955. Tc amount of securities involved, $2,750,000. Bank's proportion, $930,000.

January 18, 1909. Atchison, Topeka & Santa Fe Railway Co. Transcontinental Short Line fours. Total amount of securities involved, $3,117,000. Bank's participation, $355,000.

January 19, 1909. American Telegraph & Telephone Co. convertible fours, 1936. Total amount of securities involved, $50,000,000. Bank's participation, $100,000.

January 29, 1909. Norfolk & Western Railway Co. divisional first lien and general mortgage fours. Total amount of securities involved, $10,000,000. Bank's participation, $200,000.

January 30, 1909. Chicago & Northwestern general and divisional three-and-one-halfs and sundry bonds. Total amount of securities involved, $2,000,000. Bank's participation, $150,000.

February 4, 1909. New York, Chicago, & St. Louis debenture fours, 1931. Total amount of securities involved, $2,000,000. Bank's participation, $333,333.

February 15, 1909. St. Louis & San Francisco Railroad 5 per cent notes, 1911. Total amount of securities involved, $7,500,000. Bank's participation, $200,000.

March 12, 1909. Mexican Irrigation four and one-halfs. Total amount of securities involved, $25,000,000. Bank's participation, $442,500. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

March 18, 1909. Chicago Railways 5 per cent bonds, 1927. Total amount of securities involved, $6,000,000. Bank's participation, $420,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

January 30, 1909. Cumberland Corporation 5 per cent notes 1912. Total amount of securities involved, $15,000,000. Bank's participation, $500,000.

March 9, 1909. State of San Paulo 5 per cent Treasury Loan, 1908. Total amount of securities involved, £2,000,000. Bank's participation, £297,750. The bank had an interest in the original promotion and underwriting and was a syndicate manager. The securities were offered for sale in conjunction with others.

January 2, 1908. Chicago City Railway Syndicate. Total amount of securities involved, $33,943,800. Bank's participation, $2,000,000.

April 1, 1909. Pacific Telephone & Telegraph collateral trust fives, 1937. Total amount of securities involved, $10,000,000. Bank's participation, $711,111. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

April 5, 1909. Atlantic Coast Line, Louisville & Nashville collateral trust fours, 1952. Total amount of securities involved, $891,000. Bank's proportion, $445,500.

April 6, 1909. State of San Paulo 5 per cent treasury loan of 1908. Total amount of securities involved, £110,240. Bank's proportion, £55,120.

April 20, 1909. Atlantic Coast Line first consolidated mortgage fours, 1952. Total amount of securities involved, $4,500,000. Bank's participation, $415,000.

April 23, 1909. Pacific Telephone and Telegraph first mortgage and collateral trust fives, 1937. Total amount of securities involved, $10,000,000. Bank's participation, $250,000.

April 30, 1909. Southern Pacific convertible fours, 1929. Total amount of securities involved, $44,500,000. Bank's participation, $735,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

May 3, 1909. New York, Chicago & St. Louis fours, 1931. Total amount of securities involved, $1,942,000. Bank's participation, $323,666.

May 4, 1909. Southern Pacific first and refunding fours, 1955. Total amount of securities involved, $10,000,000. Bank's participation, $1,000,000.

May 4, 1909. Southern Railway debenture and general fours, 1956. Total amount of securities involved, $21,333,000. Bank's participation, $1,125,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

March 16, 1909. Southern Pacific R. R. Co. first refunding fours, 1955. Total amount of securities involved, $5,000,000. Bank's proportion, $1,760,000.

May 10, 1909. State of San Paulo 5 per cent treasury loan of 1908. Total amount of securities involved, £48,800. Bank's proportion, £24,400.

May 13, 1909. New York City registered three-and-a-halfs, various issues. Total amount of securities involved, $851,000. Bank's proportion, $425,500.

May 13, 1909. New York highway improvement fours, 1958. Total amount of securities involved, $2,566,000. Bank's proportion, $1,083,000.

May 14, 1909. Union Bag & Paper first mortgage fives, 1930. Total amount of securities involved, $800,000. Bank's proportion, $290,000.

May 17, 1909. California Gas & Electric Corporation unifying and refunding fives, 1937. Total amount of securities involved, $5,000,000. Bank's participation, $735,000. The bank had an interest in the original promotion and underwriting and was a syndicate manager. The securities offered for sale in conjunction with otherrs.

July 8, 1909. California Gas & Electric Corporation unifying and refunding fives, 1937. Total amount of securities involved, $341,000. Bank's proportion, $170,000.

May 17, 1909. California Gas & Electric Corporation unifying and refunding fives, 1937. Total amount of securities involved $500,000. Bank's proportion, $250,000.

June 9, 1909. Cudahy Packing Co. first fives, 1924. Total amount of securities involved, $4,000,000. Bank's participation, $150,000.

June 25, 1909. Armour & Co. real estate first four-and-a-halfs, 1939. Total amount of securities involved, $30,000,000. Bank's participation, $1,885,000. The bank had an interest in the original promotion and underwriting and was a syndicate manager. The securities were offered for sale in conjunction with others.

July 1, 1909. Consolidated Gas & Electric Power four-and-a-halfs, Baltimore, 1935. Total amount of securities involved, $2,500,000. Bank's participation, $400,000.

July 1, 1909. Southern Pacific first and refunding fours, 1955. Total amount of securities involved, $1,658,000. Bank's participation, $150,000.

July 2, 1909. Kansas City Southern Railway refunding and improvement fives, 1950. Total amount of securities involved, $3,698,000. Bank's proportion, $1,261,000.

July 6, 1909. California Gas & Electric Corporation unifying refunding fives, 1937. Total amount of securities involved, $269,000. Bank's proportion, $89,666.

December 16, 1909. Chicago, Milwaukee & St. Paul debenture fours, 1934. Total amount of securities involved, $28,000,000. Bank's proportion, $4,350,000.

July 8, 1909. Kansas City Southern Railway refunding and improvement fives, 1950. Total amount of securities involved, $10,000,000. Bank's participation, $580,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager.

January 27, 1909. Chicago & Alton R. R. Co. refunding mortgage 3 per cent bonds. Total amount of securities involved, $4,000,000. Bank's participation, $250,000.

July 13, 1909. Argentine Republic 5 per cent internal gold loan, 1909. Total amount of securities involved, £10,000,000. Bank's participation, £190,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager. The securities were offered for sale in conjunction with others.

July 16, 1909. National Enameling and Stamping Co. refunding first mortgage R. E. S. F. fives, 1929. Total amount of securities involved, $832,000. Bank's proportion, $208,000.

July 22, 1909. National Enameling & Stamping Co. refunding first mortgage R. E. S. F. fives, 1929. Total amount of securities involved, $3,500,000. Bank's participation, $150,000.

July 22, 1909. Chicago Railways fives, 1927. Total amount of securities involved, $5,000,000. Bank's participation, $350,000. The bank had an interest in the original promotion and underwriting and was a syndicate manager.

July 23, 1909. Union Bag & Paper Co. first mortgage fives, 1930. Total amount of securities involved, $278,000. Bank's proportion, $139,000.

July 26, 1909. Morris & Co. first mortgage sinking fund four-and-a-halfs, 1939. Total amount of securities involved, $10,000,000. Bank's participation, $240,000.

July 28, 1909. Atchison, Topeka & Santa Fe convertible fours. Total amount of securities involved, $28,258,000. Bank's participation, $6,139,500. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

July 29, 1909. Louisville & Nashville , Paducah & Memphis division, fours, 1946. Total amount of securities involved, $4,500,000. Bank's participation, $600,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

July 30, 1909. Interborough Rapid Transit fives, 1952. Series "A." Total amount of securities involved, $10,000,000. Bank's participation, $1,425,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

August 6, 1909. Cleveland Railway Co. 5 per cent notes, 1912. Total amount of securities involved, $2,128,000. Bank's participation, $440,000.

August 16, 1909. Union Utilities Co. of West Virginia first mortgage and deed of trust fives of 1944. Total amount of securities involved, $572,000. Bank's proportion, $286,000.

August 30, 1909. Consolidated Gas Co. of New York 4 per cent collateral trust notes 1910. Total amount of securities involved, $5,000,000. Bank's proportion, $2,250,000.

October 8, 1909. Central Railroad of Haiti sixes. Total amount of securities involved, $800,000. Bank's participation, $400,000.

October 13, 1909. Chicago, Rock Island & Pacific Railway equipment trust four-and-a-halfs. Total amount of securities involved, $5,300,000. Bank's participation, $1,550,000.

October 26, 1909. St. Louis & San Francisco general lien fives, 1927. Total amount of securities involved, $18,000,000. Bank's participation, $500,000.

December 15, 1909. International Steam Pump first mortgage fives, 1939. Total amount of securities involved. $8,500,000. Bank's participation, $375,000.

December 24, 1909. New York Telephone first four-and-a-halfs. Total amount of securities involved, $25,000,000. Bank's participation, $500,000.

December 29, 1909. Chicago, Rock Island & Pacific Railway equipment trust fives, 1911–18. Total amount of securities involved, $2,650,000. Bank's participation, $491,000.

Novemeber 30, 1910. Chattanooga Station Co. first fours, 1957. Total amount of securities involved, $150,000. Bank's proportion, $50,000.

January 20, 1910. New York City bonds, various issues. Total amount of securities involved, $16,025,750. Bank's participation, $6,619,331. The bank was a syndicate manager.

July 1, 1910. Chicago, Great Western first fours, 1959. Total amount of securities involved, $6,000,000. Bank's participation, $400,000.

February 25, 1910. Chicago Railways fives, 1927. Total amount of securities involved, $5,387,000. Bank's participation, $377,000. The bank had an interest in the original promotion and underwriting and was a syndicate manager. The securities were offered for sale in conjunction with others.

February 21, 1910. Louisville & Nashville unified fours, 1940. Total amount of securities involved, $7,100,000. Bank's participation, $1,775,000.

March 1, 1910. Southern Railway development and general fours, 1956, series "A." Total amount of securities involved, $14,995,000. Bank's participation, $1,283,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager.

March 16, 1910. Missouri, Pacific convertible first and refunding fives. Total amount of securities involved, $29,806,000. Bank's participation, $250,000.

March 18, 1910. Public Service Corporation New Jersey general sinking fund fives, 1959. Total amount of securities involved, $8,000,000. Bank's participation, $500,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager.

March 26, 1910. Cleveland Railway Co. fives, 1912. Total amount of securities involved, $1,023,000. Bank's participation, $200,000

March 29, 1910. St. Louis & San Francisco general lien fives, 1927. Total amount of securities involved, $12,000,000. Bank's participation, $271,000.

May 2, 1910. New York State highways fours, March, 1960. Total amount of securities involved, $640,000. Bank's proportion, $320,000.

September 22, 1910. Chicago, Milwaukee & St. Paul Railway fours, 1934. Total amount of securities involved, $2,145,000. Bank's proportion, $1,072,000.

June 15, 1910. Baldwin Locomotive Works first fives. Total amount of securities involved, $10,000,000. Bank's participation, $200,000.

June 30, 1910. Florida East Coast Line four-and-a-halfs, 1959. Total amount of securities involved, $9,825,000. Bank's participation, $325,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

July 8, 1910. New York Telephone Co. four-and-a-halfs. Total amount of securities involved, $10,000,000. Bank's participation, $500,000.

August 8, 1910. New York State Canal Improvement fours, March, 1960. Total amount of securities involved, $2,000,000. Bank's proportion, $1,000,000.

August 3, 1910. Chicago, Milwaukee & St. Paul debenture fours, European loan. Total amount of securities involved, 250,000,000 francs. Bank's participation, 000,000 francs. The bank had an interest in the original promotion and underwriting, but was not syndicate manager.

August 18, 1910. Sierra & San Francisco Power first fives. Total amount of securities involved, $6,500,000. Bank's participation, $385,000.

October 10, 1910. Chesapeake & Ohio Railway general four-and-a-halfs, 1992. Total amount of securities involved, $1,591,000. Bank's proportion, $530,333.

March 31, 1910. Southern Power first fives, 1930. Total amount of securities involved, $3,000,000. Bank's proportion, $450,000. The securities were offered for sale in conjunction with others.

September 7, 1910. Chicago Great Western Reorganization Syndicate. Total amount of securities involved, $24,892,274. Bank's participation, $715,000.

September 14, 1910. Hocking Valley first convertible four-and-a-halfs, 1999. Total amount of securities involved, $1,584,000. Bank's participation, $528,000.

November 1, 1910. Chicago, Milwaukee & St. Paul general mortgage fours, series "A." 1989. Total amount of securities involved, $2,070,000. Bank's proportion, $1,035,000.

September 28, 1910. Metropolitan Street Railway Kansas City consolidated fives, 1913. Kansas City Railway & Light Co. first lien and refunding fives, 1913, and Kansas City Railway & Light Co. collateral trust sixes, 1912. Total amount of securities involved, $8,218,000. Bank's participation, $500,000.

November 10, 1910. United States of Mexico external fours. Total amount of securities involved, £11,100,000. Bank's participation, £189,500.

January 3, 1910. Chicago Railways consolidated fours–fives, series "B." Total amount of securities involved, $230,000. Bank's participation, $115,000.

February 11, 1910. State of Connecticut three-and-one-halfs, 1934. Total amount of securities involved, $835,000. Bank's participation, $209,000.

March 1, 1910. Southern Ry. development and general mortgage fours, 1956, series "A." Total amount of securities, $10,000,000. Bank's participation, $1,709,000.

April 15, 1910. Kansas City Terminal first mortgage 4 per cent bonds. Total amount of securities involved, $12,500,000. Bank's participation, $833,333.

April 23, 1910. City and County of San Francisco 5 per cent bonds. Total amount of securities involved, $5,400,000. Bank's participation, $1,134,000.

April 28, 1910. Southern Ry. first consolidated fives, 1994. Total amount of securities involved, $5,000,000. Bank's participation, $1,250,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager.

June 10, 1910. Lehigh & Wilkes-Barre Coal consolidated fours, various maturities. Total amount of securities involved, $12,500,000. Bank's participation, $3,125,000.

September 1, 1910. Central R. R. of Haiti 6 per cent notes, 1911–12–13. Total amount of securities involved, $150,000. Bank's participation, $50,000.

September 14, 1910. Vandalia Railroad Co. consolidated fours, series "B." Total amount of securities involved, $5,000,000. Bank's participation, $250,000.

September 30, 1910. Kansas City, Mo., 4 per cent and 4½ per cent bonds, 1930. Total amount of securities involved, $800,000. Bank's proportion, $400,000.

October 8, 1910. Public Service Corporation of New Jersey three-year fives, 1913. Total amount of securities involved, $4,000,000. Bank's participation, $500,000.

October 14, 1910. Commonwealth Edison Co. first mortgage fives, 1943. Total amount of securities involved, $10,000,000. Bank's participation, $625,000.

December 24, 1910. Kansas City Terminal first-mortgage fours. Total amount of securities involved, $7,500,000. Bank's participation, $500,000.

December 29, 1910. Chesapeake & Ohio first consolidated fives, 1939. Total amount of securities involved, $2,000,000. Bank's participation, $666,000.

December 31, 1910. Bolivia Government sixes. Total amount of securities involved, £500,000. Bank's participation, £100,000.

December 9, 1910. Southern Railway 5 per cent notes, 1913. Total amount of securities involved, $10,000,000. Bank's participation, $1,625,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

December 6, 1910. Chesapeake & Ohio convertible four-and-a-halfs, 1930. Total amount of securities involved, $31,390,000. Bank's participation, $1,048,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

December 12, 1910. Cincinnati, Hamilton & Dayton first and refunding fours, 1959. Total amount of securities involved, $7,500,000. Bank's participation, $150,000.

December 29, 1910. Chicago & North Western general fours, 1987. Total amount of securities involved, $15,000,000. Bank's participation, $500,000.

December 31, 1910. Seaboard Air Line Railway adjusting fives, 1949. Total amount of securities involved, $18,000,000. Bank's participation, $540,000.

January 21, 1911. Chicago, Rock Island & Pacific refunding fours, 1934. Total amount of securities involved, $3,080,000. Bank's participation, $800,000.

January 27, 1911. Pacific Telegraph & Telephone fives, 1913. Total amount of securities involved, $5,000,000. Bank's participation, $200,000.

February 7, 1911. Chesapeake & Ohio Railway Co. general-mortgage four-and-a-halfs, 1992. Total amount of securities involved, $1,839,000. Bank's proportion, $613,000.

February 8, 1911. St. Louis & San Francisco general-lien fives. Total amount of securities involved, $2,000,000. Bank's participation, $150,000.

March 23, 1911. Chicago Railways fives, 1927. Total amount of securities involved, $15,000,000. Bank's participation, $1,025,000. The bank had an interest in the original promotion and underwriting and was a syndicate manager.

February 14, 1911. Delaware & Hudson first and refunding fours. Total amount of securities involved, $6,000,000. Bank's participation, $400,000.

March 31, 1910. Brinson Railway Co. of Georgia first fives, 1935. Total amount of securities involved, $845,000. Bank's proportion, $422,500.

March 4, 1911. Southern Pacific refunding fours, 1955. Total amount of securities involved, $6,200,000. Bank's participation, $1,545,000.

March 16, 1911. American Cotton Oil Co., 5 per cent bonds. Total amount of securities involved, $5,000,000. Bank's participation, $500,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager.

March 17, 1911. American Agricultural Chemical Co. fives. Total amount of securities involved, $4,000,000. Bank's participation, $125,000.

March 20, 1911. Consolidation Coal first and refunding fives. Total amount of securities involved, $9,000,000. Bank's participation, $500,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager.

December 21, 1911. St. Louis & San Francisco, New Orleans, Texas & Mexico division fives. Total amount of securities involved, $9,000,000. Bank's participation, $500,000.

April 11, 1911. Kansas City Southern refunding and improvement fives, 1950. Total amount of securities involved, $5,000,000. Bank's participation, $588,500. The bank had an interest in the original promotion and underwriting but was not a syndicate manager. The securities were offered for sale in conjunction with others.

April 11, 1911. Otis Elevator Co., New Jersey debenture fives. Total amount of securities involved, $3,500,000. Bank's participation, $50,000.

April 11, 1911. Erie Railroad Co. 6 per cent notes, 1914. Total amount of securities involved, $12,500,000. Bank's participation, $950,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager. The securities were offered for sale in conjunction with others.

January 5, 1911. Brazil Railway Co. advance. Total amount of securities involved, £3,000,000. Bank's participation, £220,000.

February 2, 1911. Chicago Railways Co. of Illinois 6 per cent notes of 1911. Total amount of securities involved, $3,000,000. Bank's proportion, $1,500,000.

June 5, 1911. Chicago, Milwaukee & St. Paul general fours, 1989. Total amount of securities involved, $25,000,000. Bank's participation, $3,250,000.

June 6, 1911. Cleveland Railway Co. first and refunding fives, 1931. Total amount of securities involved, $5,000,000. Bank's participation, $1,000,000.

June 10, 1911. Great Northern first and refunding four-and-a-fourths. Total amount of securities involved, $20,000,000. Bank's participation, $4,975,000.

June 9, 1911. Chicago, Milwaukee & St. Paul general fours, series "A," 1989. Total amount of securities involved, $3,077,000. Bank's proportion, $1,538,000.

March 13, 1911. Chesapeake & Ohio Railway Co. general four-and-a-halfs, 1992. Total amount of securities involved, $532,000. Bank's proportion, $266,000.

May 3, 1911. Chicago, Burlington & Quincy general fours, 1958. Total amount of securities involved, $8,000,000. Bank's participation, $1,000,000.

July 24, 1911. Southern Power Co. first mortgage fives, 1930. Total amount of securities involved, $1,000,000. Bank's proportion, $367,000.

May 16, 1911. Chesapeake & Ohio R. R. four-and-a-halfs, notes, 1914. Total amount of securities involved, $16,000,000. Bank's proportion, $3,885,000.

May 16, 1911. Chicago & North Western general fours, 1987. Total amount of securities involved, $7,500,000. Bank's participation, $500,000.

May 23, 1911. Public Service Corporation of New Jersey fives, 1959. Total amount of securities involved, $13,860,000. Bank's participation, $350,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

June 6, 1911. Louisville & Nashville, Atlanta, Knoxville & Cincinnati division fours. Total amount of securities involved, $10,000,000. Bank's participation, $1,125,000. Offered for sale in conjunction with others.

June 15, 1911. Imperial Chinese Government 5 per cent Hukuang Railway sinking fund gold loan, 1911. Total amount of securities involved, $7,500,000. Bank's participation, $1,125,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager. The securities were offered for sale in conjunction with others.

July 10, 1911. Antofagasta (Chili) & Bolivia Ry. Co. Total amount of securities involved, £1,550,000. Bank's participation, £145,312–10–0.

July 19, 1911. Atchison, Topeka & Santa Fe convertible fours, 1960. Total amount of securities involved, $43,686,000. Bank's participation, $1,780,000. The bank had an interest in the original promotion and underwriting but was not a syndicate manager.

August 21, 1911. Chicago Railways fives, 1927. Total amount of securities involved, $5,000,000. Bank's participation, $350,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

July 31, 1911. Chicago Elevated Railways 5 per cent notes, 1914. Total amount of securities involved $30,000,000. Bank's participation $2,262,000. The bank was an original promoter, underwriter, and syndicate manager. The securities were offered for sale in conjunction with others.

August 16, 1911. New York, Westchester & Boston four-and-a-halfs. Total amount of securities involved $17,200,000. Bank's participation $100,000.

October 31, 1911. New York, Ontario & Western general mortgage fours, 1955. Total amount of securities involved $2,702,000. Bank's participation $100,000.

October 31, 1911. Argentine. Government four-and-a-halfs, March, 1913. Total amount of securities involved £480,000. Bank's participation £120,000.

December 21, 1911. St. Louis & San Francisco, New Orleans, Texas & Mexico division fives. Total amount of securities involved $4,500,000. Bank's participation $250,000.

November 18, 1911. Kansas City, Fort Scott & Memphis refunding fours, 1936. Total amount of securities involved, $906,000. Bank's proportion, $453,000.

January 10, 1911. Piedmont Syndicate. Total amount of securities involved, $7,500,000. Bank's participation, $800,000.

March 3, 1911. Chicago, Milwaukee & Puget Sound fours, 1949. Total amount of securities involved, $25,000,000. Bank's participation, $1,462,500. The bank had an interest in the original promotion and underwriting, and was a syndicate manager. The securities were offered for sale in conjunction with others.

April 4, 1911. Booth Fisheries Co. debenture sixes, 1926. Total amount of securities involved, $4,000,000. Bank's participation, $325,000. The bank was interested in the original promotion and underwriting, but is not a syndicate manager.

April 20, 1911. The Fairmount & Clarksburg Traction first mortgage fives, 1938. Total amount of securities involved, $100,000. Bank's proportion, $50,000.

July 3, 1911. Detroit Term. & Tunnel first four-and-a-halfs, 1961. Total amount of securities involved, $3,040,000. Bank's proportion, $760,000.

June 27, 1911. Lackawanna Steel Co. first convertible fives, 1950. Total amount of securities involved, $1,540,000. Bank's proportion, $385,000.

September 27, 1912. Pacific Light & Power first and refunding fives, 1951. Total amount of securities involved, $7,500,000. Bank's participation, $250,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

February 15, 1912. Seaboard Air Line Railway Co. refunding mortgage fours. Total amount of securities involved, $23,000,000. Bank's participation, $200,000.

February 24, 1912. Minneapolis & St. Louis extension 5 per cent notes. Total amount of securities involved, $4,000,000. Bank's participation, $175,000. The bank had an interest in the original promotion and underwriting and was a syndicate manager.

January 15, 1912. Central Mexico Light & Power Co. first mortgage sixes, 1940. Total amount of securities involved, $100,000. Bank's proportion, $50,000.

February 24, 1912. Minneapolis & St. Louis 1-year 6 per cent notes. Total amount of securities involved, $2,100,000. Bank's participation, $525,000. The bank had an interest in the original promotion and underwriting and was a syndicate manager.

February 15, 1912. Kaw Valley Drainage District. Wyandotte County, Kans., fives. Total amount of securities involved, $1,225,000. Bank's participation, $250,000

March 14, 1912. Chesapeake & Ohio Railroad 4½ per cent notes, 1914. Total amount of securities involved, $3,500,000. Bank's proportion, $700,000.

March 18, 1912. Milwaukee, Sparta & Northwestern first fours. Total amount of securities involved, $15,000,000. Bank's participation, $750,000.

March 18, 1912. Chesapeake & Ohio general mortgage four-and-a-halfs, 1992. Tota amount of securities involved, $374,000. Bank's participation, $75,000.

March 20, 1912. City of Pittsburgh four-and-a-fourths, 1911–40. Total amount of securities involved, $4,878,000. Bank's participation, $1,220,000.

March 21, 1912. Maine Central 1-year 4 per cent notes. Total amount of securities involved, $12,000,000. Bank's participation, $3,000,000.

March 21, 1912. Atchison, Topeka & Santa Fe, California-Arizona line first and refunding four-and-a-halfs. Total amount of securities involved, $18,300,000. Bank's participation, $363,500. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

March 25, 1912. International Harvester Co. fives. Total amount of securities involved, $15,000,000. Bank's participation, $3,750,000.

March 29, 1912. Consolidation Coal first and refunding fives. Total amount of securities involved, $2,500,000. Bank's participation, $500,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

March 30, 1912. Distillers Securities Corporation first mortgage convertible fives, 1927. Total amount of securities involved, $986,000. Bank's proportion, $493,000.

June 15, 1912. Union Bag & Paper first fives, sinking fund 1930. Total amount of securities involved, $750,000. Bank's proportion, $350,000. The securities were offered for sale in conjunction with others.

March 30, 1912. City of Lima, Peru, fives. Total amount of securities involved £600,000. Bank's participation £40,000.

May 14, 1912. Montreal Tramways & Power Co. 6 per cent collateral trust notes, 1915. Total amount of securities involved $5,000,000. Bank's participation, $216,666. The bank had an interest in the original promotion and underwriting and was a syndicate manager. The securities were offered for sale in conjunction with others.

June 1, 1912. Seaboard Air Line adjustible fives, 1949. Total amount of securities involved $6,700,000. Bank's participation $250,000.

June 13, 1912. Erie Railroad Co. 3-year fives, 1915. Total amount of securities involved $10,000,000. Bank's participation $2,250,000.

June 1, 1912. Seaboard Air Line adjustible fives, 1949. Total amount of securities involved $6,700,000. Bank's participation $250,000.

June 4, 1912. St. Louis & San Francisco, New Orleans, Texas & Mexico division fives, 1940. Total amount of securities involved $4,400,000. Bank's participation $100,000.

July 29, 1912. Cumberland Corporation syndicate. Total amount of securities involved $15,000,000. Bank's participation $355,000.

June 25, 1912. Virginian Railway & Power first and refunding fives, 1934. Total amount of securities involved $981,000. Bank's participation $328,000.

June 25, 1912. Chicago, Milwaukee & St. Paul convertible four-and-a-halfs, 1932. Total amount of securities involved $34,893,500. Bank's participation $8,723,375.

July 11, 1912. Virginia Railway first mortgage fives, 1962. Total amount of securities involved $25,000,000. Bank's participation $2,000,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager. The securities were offered for sale in conjunction with others.

July 2, 1912. Hampshire Southern first fives, 1934. Total amount of securities involved $600,000. Bank's participation $25,000. The bank was syndicate manager.

July 29, 1912. Clinchfield syndicate. Total amount of securities involved $10,000,000. Bank's participation $250,000.

July 29, 1912. Hocking Valley four-and-a-halfs, 1913. Total amount of securities involved $125,000. Bank's proportion $62,500.

July 29, 1912. New York Central four-and-a-halfs, 1915. Total amount of securities involved $125,000. Bank's proportion $62,500.

July 29, 1912. Chesapeake & Ohio four-and-a-halfs, 1914. Total amount of securities involved $125,000. Bank's proportion $62,500.

June 30, 1912. Distillers Securities Corporation first mortgage convertible fives, 1927. Total amount of securities involved $685,000. Bank's proportion $100,000.

September 9, 1912. Chicago, West Indiana Railroad 3-year 5 per cent notes. Total amount of securities involved $10,000,000. Bank's participation $2,500,000.

January 17, 1912. Seaboard Air Line refunding fours, 1959. Total amount of securities involved $4,065,000. Bank's participation $1,780,000.

January 27, 1912. Chicago Elevated Railways 5 per cent notes, 1914. Total amount of securities involved $2,150,000. Bank's participation $280,000.

February 19, 1912. City of Tokyo (Japan) 5 per cent loan, 1910. Total amount of securities involved £2,000,000. Bank's participation £40,000.

May 6, 1912. City of Omaha, Nebraska, waterworks four-and-a-halfs, 1941. Total amount of securities involved $7,500,000. Bank's participation $750,000.

April. 17, 1912. St. Louis & San Francisco, N. O., T. & M. first fives. Total amount of securities involved $14,000,000. Bank's participation $250,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

September 9, 1912. General Electric debentures fives. Total amount of securities involved $10,000,000. Bank's participation $1,200,000.

May 31, 1912. Cumberland Corporation Coll. Tr. convertible fives, 1915. Total amount of securities involved $5,000,000. Bank's participation $500,000.

July 15, 1912. Chicago Elevated fives, 1914. Total amount of securities involved $1,000,000. Bank's proportion $500,000.

June 5, 1912. Monongahela Valley Traction Co. first fives, 1942. Total amount of securities involved $2,500,000. Bank's participation $150,000.

November 6, 1912. Michigan United Ry. first and refunding fives. Total amount of securities involved $2,000,000. Bank's proportion $660,000.

July 17, 1912. Chicago Elevated Ry.'s 3-year 5 per cent notes, 1914. Total amount of securities involved $500,000. Bank's proportion $250,000.

January 15, 1912. General Rubber four-and-a-halfs, 1915. Total amount of securities involved $2,900,000. Bank's participation $544,000.

January 16, 1912. New York, New Haven & Hartford 1-year 4 per cent notes, 1913. Total amount of securities involved $30,000,000. Bank's participation $5,000,000.

February 1, 1912. Chicago City & Con. Rys. Coll. Tr. fives. Total amount of securities involved $22,000,000. Bank's participation $400,000.

February 8, 1912. Chicago Rys. fives, 1927. Total amount of securities involved, $6,527,000. Bank's participation, $806,750. The bank had an interest in the original promotion and underwriting, but was a syndicate manager.

February 21, 1912. Pacific Gas & Electric Co. general and refunding fives, 1942. Total amount of securities involved, $20,000,000. Bank's participation, $765,000. The bank had an interest in the original promotion and underwriting, but was not a syndicate manager.

February 9, 1912. Toledo Traction Co. first extension fives. Total amount of securities involved, $6,000,000. Bank's participation, $250,000.

February 14, 1912. Chicago, Rock Island & Pacific refunding fours, 1934. Total amount of securities involved, $3,500,000. Bank's participation, $500,000.

July 29, 1912. Illinois Central four-and-a-halfs, 1914. Total amount of securities involved, $125,000. Bank's proportion, $62,500.

August 6, 1912. United Light & Railway Co. first refunding fives. Total amount of securities involved, $4,300,000. Bank's participation, $660,000.

September 27, 1912. Pacific Gas & Electric Co. general refunding fives. Total amount of securities involved, $20,000,000. Bank's participation, $1,250,000.

October 9, 1912. Indiana Steel first fives, 1952. Total amount of securities involved, $15,000,000. Bank's proportion, $3,750,000.

October 9, 1912. National Tube Co. first fives, 1952. Total amount of securities involved, $10,000,000. Bank's proportion, $2,500,000.

October 9, 1912. Illinois Steel debenture four-and-a-halfs, 1940. Total amount of securities involved, $5,500,000. Bank's proportion, $1,375,000.

Bolivia Ry. Co. fives, 1927. Total amount of securities involved, £3,750,000. Bank's participation, £1,125,000. The bank is a syndicate manager. Various dates extending over the entire period of 5 years.

June 2, 1912. Atchison, Topeka & Santa Fe convertible fours. Total amount of securities involved, $5,422,000. Bank's participation, $1,355,000.

March 1, 1912. Consolidation Coal Co. first and refunding fives. Total amount of securities involved, $1,500,000. Bank's proportion, $750,000.

No. 5a. The following is the list of syndicate and joint accounts for the purchase and sale of securities with which the National City Co. has been connected:

American Agricultural Chemical Co. preferred stock syndicate, February 28, 1912, participation of $100,000 in syndicate for underwriting $6,000,000 par value preferred stock.

Argentine Railways syndicate, July 24, 1912, interest equal to 24 per cent in participation of £300,000 allotted to North American group.

Art Metal Construction syndicate, October 11, 1912, participation of $100,000 in the purchase of 6,900 shares of common stock of Art Metal Construction Co.

Brazil Railway Co. common stock syndicate, December 18, 1911, participation equal to 22 per cent in options to purchase 22,500 shares, which was exercised as to 7,500 shares only, in which this company had an interest of 550 shares.

Brazil Railway Co. advance, December 18, 1911, participation equal to 21½ per cent of £233,333 interest in loan of £700,000 advanced to purchase obligations of Southern Brazil Lumber & Colonization Co.

Brazil Development & Colonization Co. advance, July 3, 1912, participation of £64,500 (21½ per cent of American group's share of £300,000) in total advance of £1,500,000. One-third of this advance has been repaid, and, the remainder merged into further advance of £1,000,000 to Brazil Railway Co.

Brazil Railway Co. advance, November 6, 1912, participation of £43,000 (21½ per cent of £200,000) in a further advance of £1,000,000.

Chicago Elevated Railway stock syndicate, July 24, 1911, an interest of $595,000 in purchase of 160,000 shares of the preferred stock and 200,000 shares common stock.

Chinese Government advance, March 5, 1912, participation equal to 15 per cent of the American group's one-quarter share in 3,000,000 taels advance.

Chinese Government Manchurian Development Co. loan, November 3, 1911, participation equal to 15 per cent in £100,000 share of American group.

California Petroleum Corporation stock syndicate, September 23, 1912, $500,000, participation in $5,000,000 subscription for the purchase of $5,000,000 of preferred stock and $2,500,000 of common stock.

R. R. Colgate et al. loan, December 4, 1912, participation of $250,000 in loan of $500,000.

Haiti syndicate, November 2, 1911, participation of $350,000 in advance not exceeding $2,000,000, to be made to the Caribbean Construction Co. for construction of certain lines of railroad in the Republic of Haiti.

Kansas City, Clay County & St. Joseph Railway Co. advance, November 21, 1911, participation of $2,328,300 subsequently reduced to $2,159,820 in advances for construction of the railway.

Liberia 5 per cent refunding loan 1912, December 20, 1912, participation of one-quarter of $\frac{7}{32}$ in $1,700,000. Bond issue.

New York & San Francisco Steamship Co. syndicate, July 30, 1912, participation of $750,000 in purchase of $1,700,000 6 per cent first mortgage bonds.

The Willys-Overland Co. stock syndicate November 15, 1912, participation of $50,000 and accrued dividend (representing $50,000 par value preferred stock and $7,500 par value common stock) in the purchase of $3,500,000 par value preferred stock and $525,000 par value common stock.

The Virginian Railway Co. first mortgage 5 per cent bond syndicate, May 27, 1912, participation of $1,000,000 in bonds of an issue of $25,000,000.

The National City Co. was not an original promoter or underwriter or syndicate manager in any of the foregoing.

No. 6. The transactions between the National City Bank and the National City Co. from July 15, 1911, when the National City Co. began business, to December 31, 1912, have been as follows:

Stocks, securities, etc., acquired by the National City Co. from or through the National City Bank, $1,500,000 Florida East Coast Line 4½ per cent bonds; $4,000,000 Consolidated Gas Co. of New York 5 per cent notes due August 10, 1911; $800,000 Westchester Lighting Co. 5 per cent notes; $1,775,000 Chesapeake & Ohio Railraod 4½ per cent secured gold notes; $500,000 Interborough Rapid Transit Co. 4½ per cent notes; $1,750,000 Lehigh & Wilkes-Barre Coal Co. consolidated mortgage 4 per cent bonds; $595,000 participation in Chicago Elevated Railway stock syndicate; 100 shares Alliance Realty Co.; 500 shares Trust Co. of America, New York; 120 shares Central Hudson Steamboat Co., preferred; 60 shares Central Hudson Steamboat Co. common; 2,500 shares Southwestern Sugar Land Co. of Arizona; 750 shares South American Construction Co. (in liquidation); 300 shares International Mercantile Marine preferred; 1,330 shares Third National Bank (in liquidation); $10,550 Nicaragua Canal Syndicate; $2,450,000 Consolidated Gas Co. of New York 5 per cent 1-year notes, due August 10, 1912; $600,000 New York City revenue bonds, due November 6, 1911; $1,400,000 New York City revenue bonds, due November 15, 1911; £400,000

State of Sao Paulo, Brazil, treasury bills, due June, 1912; $1,199,000 Republic of Costa Rica 6 per cent bonds; 2,000 shares Banque Nationale de la Republique d'Haiti; $206,000 participation Peruvian Government 5½ per cent loan; $350,000 participation in Haiti syndicate, 50 per cent paid; $250,000 National Railway of Mexico 4½ per cent notes; $25,000 Philippine Railway first mortgage 4 per cent bonds; $62,000 Central Mexico Light & Power Co. 6 per cent bonds; $75,000 participation in £100,000 Chinese Government Manchurian Development Co.; $250,000 United States Realty & Improvement Co. 5 per cent bonds; $200,000 Federal Light & Traction Co. 6 per cent notes; $500,000 Kansas City Southern Railroad refunding 5 per cent bonds; $4,932,000 Chicago Elevated Railways 5 per cent notes; $300,000 Southern Power Co. 5 per cent notes; $94,000 Erie Railroad Co. 5 per cent notes; $100,000 Virginia Air Line first 5 per cent bonds; $100,000 Fairmont & Clarksburg Traction Co., first 5 per cent bonds; $500,000 Detroit Terminal & Tunnel first 4½ per cent bonds; $425,000 Chesapeake & Ohio general funding and improvement 5 per cent bonds; $350,000 Minneapolis & St. Louis 6 per cent notes; $500,000 Chicago, Milwaukee & Puget Sound first 4 per cent bonds; $500,000 Hocking Valley 4½ per cent notes; $2,159,820 participation in Kansas City Clay Co. & St. Joseph Railway Co. syndicate; £50,166 13s. 4d. participation in Brazil Railway Co. loan syndicate of £700,000; £43,000 participation in further loan to Brazil Railway Co. of £1,000,000; $200,000 General Rubber Co. 4½ per cent notes, $224,546.76 participation in Chinese Government advance; 420 shares American Agricultural Chemical preferred stock syndicate; $300,000 Montreal Tramways & Power Co. 6 per cent notes; $50,000 Tennessee Power Co. first 5 per cent bonds; 250 shares Tennessee Railway Light & Power Co. 6 per cent preferred; 600 shares Tennessee Railway Light & Power Co. common; £400,000 State of Sao Paulo, Brazil, treasury bills 1913; 1,500 shares Seaboard Railways unincorporated; $1,000,000 participation in Virginian Railway Co. first mortgage 5 per cent bonds, syndicate; £64,500 participation in Brazil Development & Colonization Co. advance of £1,500,000; 625 shares Clinchfield Coal Corporation preferred, 75 per cent paid; $360,000 participation in Argentine Railway Co.'s syndicate of $15,000,000; $34,500 on account participation in Liberia Government 5 per cent loan of $1,700,000.

Stocks, securities, etc., which were sold by the National City Co. to or through the National City Bank or which were collected through it: $1,775,000 Chesapeake & Ohio Railroad 4½ per cent secured gold notes; $1,750,000 Lehigh & Wilkes Barre Coal Co. consolidated mortgage 4 per cent bonds; $1,500,000 Florida East Coast Line 4½ per cent bonds; $800,000 Westchester Lighting Co. 5 per cent notes; $500,000 Interborough Rapid Transit Co. 4½ per cent notes; $4,000,000 Consolidated Gas Co. of New York 5 per cent notes, due August 10, 1911; $2,450,000 Consolidated Gas Co. of New York 5 per cent notes, due August 10, 1912; $206,001.54 participation in Peruvian Government 5½ per cent loan; $81,607.50, on account participation in Kansas City, Clay County & St. Joseph Railway Co. syndicate; $500,000 Hocking Valley 4½ per cent notes; $62,000 Central Mexico Light & Power Co. 6 per cent bonds; $94,000 Erie Railroad Co. 5 per cent notes; $200,000 General Rubber 4½ per cent bonds; $500,000 Chicago, Milwaukee & Puget Sound first 4 per cent bonds; $3,274,000 Chicago Elevated Railways 5 per cent notes; $1,150,000 Republic of Costa Rica 6 per cent bonds; $175,000 Montreal Tramways & Power Co. 6 per cent notes; £400,000 State of Sao Paulo (Brazil) Treasury bills, 1912; $50,000 Tennessee Power Co. first 5 per cent bonds; 250 shares Tennessee Railway Light & Power Co. preferred; 600 shares Tennessee Railway Light & Power Co. common; 137 shares American Agricultural Chemical Co. preferred; $16,899.10 profit in final settlement participation of $1,000,000 in Virginian Railway Co. first mortgage 5 per cent bonds syndicate; $500,000 Detroit Terminal & Tunnel 4½ per cent bonds; $425,000 Chesapeake & Ohio general funding and improvement 5 per cent bonds; $100,000 Virginia Air Line 5 per cent bonds; $250,000 National Railways of Mexico 4½ per cent notes; $500,000 Kansas City Southern 5 per cent bonds; $100,000 Fairmount & Clarksburg Traction Co. 5 per cent bonds; £64,500 participation in Brazil Development & Colonization Co., advance of £1,500,000.

In many of these transactions the National City Bank acted merely as banker or clearing agent for the National City Co.

No. 7. The deposits of the National City Bank from 1897 to 1912, inclusive, were as follows, January 1:

1897	$42,116,000	1905	$188,837,000
1898	102,772,000	1906	171,681,000
1899	117,009,000	1907	180,989,000
1900	121,943,000	1908	170,800,000
1901	159,292,000	1909	262,990,000
1902	167,593,000	1910	251,773,000
1903	133,797,000	1911	198,080,000
1904	159,367,000	1912	214,415,000

No. 8. The deposits on January 1, 1912, and November 1, 1912, respectively, of interstate corporations with the National City Bank, were as follows:

Jan. 1, 1912:	
Interstate Corporation balances	$57,492,089
Number of accounts	493
Nov. 1, 1912:	
Interstate Corporation balances	56,931,928
Number of accounts	526

No. 9. The following officers of the National City Bank hold stock in other banks and trust companies of November 1, 1912, as follows:

	Shares.
Samuel McRoberts:	
Continental & Commercial National Bank of Chicago	200
Harris Trust & Savings Bank of Chicago	30
W. A. Simonson (shares in other banks and trust companies held by Mr. Simonson, in which he is a director):	
Lincoln National Bank of New York	10
National Bank of Commerce of New York	100
Second National Bank of New York	700
Columbia Bank of New York	10
(Also some shares in other banks with which he is not associated as an officer or director.)	
James A. Stillman:	
Farmers Loan & Trust Co	50
Second National Bank of New York	100
Fidelity Bank of New York	50
Joseph T. Talbert:	
Continental & Commercial National Bank of Chicago	100
Manufacturers National Bank, Racine, Wis	12
First National Bank of Baltimore, Md	15
Farmers & Mechanics National Bank, Fort Worth, Tex	2½
F. A. Vanderlip:	
Bank of Chicago Heights, Ill	143.50
Harris Trust & Savings Bank, Chicago	108
South Branch Valley National Bank, Moorefield, W. Va	190
Citizens Central National Bank, New York	297
Farmers' Loan & Trust Co., New York	10
Lawyers Title Insurance & Trust Co., New York	224
National Bank of Commerce in New York	100
Nyack National Bank, Nyack, N. Y	14.10
Merchants National Bank, Omaha, Nebr	150
Bank of Romney, W. Va	40
Ridgely National Bank, Springfield, Ill	340
American Security & Trust Co., Washington, D. C	450
National Bank of Washington, D. C	90
Riggs National Bank, Washington, D. C	10
Union Trust Co., Washington, D. C	90

No. 10. I am one of the trustees of the stock of the National City Co., my cotrustees being Mr. S. S. Palmer and Mr. James Stillman.

No. 11. The president and vice-presidents of the National City Bank are officers or directors of the corporations named below, as indicated:

Allianz Insurance Co. (Ltd.), of Berlin, F. A. Vanderlip, trustee.

Allied Machinery Co., F. A. Vanderlip. Samuel McRoberts, Jos. T. Talbert, J. E. Gardin.

American Security & Trust Co., Washington, F. A. Vanderlip.

American Sugar Refining Co., Samuel McRoberts.

Armour & Co., Samuel McRoberts.

Baldwin Locomative Works, Samuel McRoberts.

Bank of Havana, John E. Gardin.

Banque Nationale de la Republique d'Haiti, Samuel McRoberts.

Carolina, Clinchfield & Ohio R. R. Co., F. A. Vanderlip.

Caribbean Construction Co., Samuel McRoberts.

Chesapeake & Ohio R. R. Co., F. A. Vanderlip.

Chicago Elevated Railways Collateral Trust, F. A. Vanderlip, Samuel McRoberts, trustees.

Chicago, Milwaukee & St. Paul Railroad Co., Samuel McRoberts.

Clinchfield Coal Corporation. F. A. Vanderlip.
Columbia Bank, W. A. Simonson.
Consolidated Gas Co. of New York, F. A. Vanderlip.
Continental & Commercial National Bank of Chicago, Jos. T. Talbert, Samuel McRoberts.
Cumberland Corporation, F. A. Vanderlip.
Cumberland & Pennsylvania Railroad Co., Samuel McRoberts.
Delaware, Lackawanna & Western Coal Co., J. A. Stillman.
Empire Surety Co., W. A. Simonson.
Farmers' Loan & Trust Co., F. A. Vanderlip, J. A. Stillman.
Federal Insurance Co., H. M. Kilborn.
Federal Light & Traction Co., Samuel McRoberts.
Federal Utilities (Inc.), Samuel McRoberts.
Fidelity Bank, J. A. Stillman.
Fifth Avenue Safe Deposit Co., W. A. Simonson.
General Fire Assurance Co. of Paris, Samuel McRoberts, trustee.
Hocking Valley Railroad Co., F. A. Vanderlip.
International Rubber Co., Jos. T. Talbert.
Kanawha Bridge & Terminal Co., F. A. Vanderlip.
Kansas City Southern Railroad Co., Samuel McRoberts.
Lincoln National Bank, W. A. Simonson.
Lincoln Safe Deposit Co., W. A. Simonson.
Mercantile Burglar Alarm Co., F. A. Vanderlip.
Mercantile Safe Deposit Co., F. A. Vanderlip.
Missouri, Kansas & Texas Railroad Co., F. A. Vanderlip.
Missouri, Kansas & Texas Terminal Co. of St. Louis, F. A. Vanderlip.
National Bank of Commerce, F. A. Vanderlip, W. A. Simonson.
National City Bank, F. A. Vanderlip, J. A. Stillman.
National City Co., F. A. Vanderlip, J. A. Stillman, Samuel McRoberts.
National Surety Co., Samuel McRoberts.
New Amsterdam Gas Co., W. A. Simonson.
New York Edison Co., F. A. Vanderlip.
New York University, F. A. Vanderlip, trustee.
Northwestern University, Chicago, Samuel McRoberts, trustee.
Norfolk Southern R. R. Co., F. A. Vanderlip.
Northern Westchester Lighting Co., F. A. Vanderlip.
Northwestern Elevated Railroad of Chicago, Samuel McRoberts.
Oregon Short Line Railroad Co., F. A. Vanderlip.
Oregon & Washington Railroad & Navigation Co., F. A. Vanderlip.
Peekskill Lighting & Railroad Co., F. A. Vanderlip.
Republic Railway & Light Co., Samuel McRoberts.
Ridgwood (N. J.) Gas Co., W. A. Simonmonson.
Riggs National Bank, F. A. Vanderlip.
Seaboard Air Line Railroad Co., F. A. Vanderlip.
Seaboard Railways, unincorporated, F. A. Vanderlip.
Second National Bank, W. A. Simonson, J. A. Stillman.
Stevens Institute, F. A. Vanderlip, trustee.
Tennessee Copper Co., H. M. Kilborn.
United States Realty & Improvement Co., F. A. Vanderlip.
United States Trust Corporation (Ltd.), F. A. Vanderlip.
Union Pacific Railroad Co., F. A. Vanderlip.

No. 12. The following officers of the National City Bank are directors in the corporations named below, of which any member of the firm of J. P. Morgan & Co., Kuhn, Loeb & Co., Speyer & Co., Lee Higginson & Co., or Kidder, Peabody & Co., is likewise a director:

Allians Insurance Co. (Ltd.), of Berlin (James Speyer, trustee, and F. A. Vanderlip, trustee).

Baldwin Locomotive Works (E. T. Stotesbury and Samuel McRoberts).

Fidelity Bank (Mortimer L. Schiff and James A. Stillman).

Banque Nationale de la Republique d'Haiti (Richard Schuster and Samuel McRoberts).

General Fire Assurance Co. of Paris (Paul M. Warburg, trustee, and Samuel McRoberts, trustee).

Missouri, Kansas & Texas Railway Co. (Hans Winterfeldt and F. A. Vanderlip).

Missouri, Kansas & Texas Terminal Co. of St. Louis (Hans Winterfeldt and F. A. Vanderlip).

National Bank of Commerce (Paul M. Warburg, J. P. Morgan, jr., Henry P. Davison, F. A. Vanderlip, and W. A. Simonson).

National City Bank (J. P. Morgan, jr., Jacob H. Schiff, James A. Stillman, and F. A. Vanderlip).

National Surety Co. (Felix M. Warburg and Samuel McRoberts).

Union Pacific Railroad Co. and subsidiaries (F. A. Vanderlip is a director in these corporations, in which members of the firm, Kuhn, Loeb & Co., are also directors).

No. 13. As far back as our records show, that is, for five years, the only securities sold by the National City Bank to the New York Life Insurance Co., the Mutual Life

Insurance Co., or the Equitable Life Insurance Co., were $2,000,000 Chicago, Milwaukee & St. Paul general mortgage fours, which were sold to the New York Life Insurance Co. on December 31, 1909. We have no means of knowing if these bonds are now included in this company's assets.

No. 14. The full text of the only agreement entered into between the shareholders of the National City Bank and the National City Co. is hereinabove quoted. (See sec. 4.)

Very truly, yours,

F. A. VANDERLIP, *Trustee*.

EXHIBIT 233, JANUARY 24, 1913.

HARVEY FISK & SONS,
New York, January 4, 1913.

SAMUEL UNTERMYER, Esq.,
37 Wall Street, New York, N. Y.

DEAR SIR: We are in receipt of your letter of the 26th instant, asking that we furnish certain data to the subcommittee of the Committee on Banking and Currency of the House of Representatives. We would say:

1. The following is a list of bonds purchased by our firm from J. P. Morgan & Co., from January, 1905, to the present time, as shown by our records:

Dates.	Description of bonds.
May 9, 1905	Lake Shore & Michigan Southern fours, 1928.
May 23, 1905	Do.
Oct. 27, 1905	Do.
Mar. 29, 1906	Do.
Jan. 8, 1905	New York Central debenture fours, 1934.
Jan. 12, 1905	Do.
July 10, 1908	Do.
Apr. 13, 1905	New England consolidated fours, 1945
Jan. 23, 1906	Do.
Dec. 18, 1906	Do.
June 30, 1905	Chicago, Burlington & Quincy (Illinois division) fours, 1949.
June 18, 1906	Do.
Aug. 6, 1906	Do.
Do.	Do.
Oct. 1, 1906	Atlantic Coast Line fours, 1952.
Dec. 18, 1906	Lake Shore & Michigan Southern three-and-a-halfs, 1997.
Dec. 19, 1906	Do.
Dec. 20, 1906	Do.
Dec. 21, 1906	Do.
July 16, 1906	Lake Shore & Michigan Southern fours, 1931.
Sept. 25, 1906	Do.
Sept. 28, 1906	New York, New Haven & Hartford debenture fours, 1956.
Mar. 16, 1908	Do.
Apr. 15, 1908	Do.
July 19, 1905	Cleveland, Cincinnati, Chicago & St. Louis fours, 1993.
Jan. 3, 1906	Southern Railway Co. fives, 1994.
Oct. 2, 1905	Atchison, Topeka & Santa Fe fours, 1955.
Do.	Do.
Apr. 17, 1905	International Traction Co. fours, 1949.
Aug. 15, 1905	Do.
Aug. 11, 1905	Do.
July 14, 1905	Canadian Northern debenture fours, 1930.
Oct. 12, 1905	Illinois Central three-and-a-halfs, 1952.
Apr. 11, 1907	American Telephone & Telegraph fours, 1936.
Dec. 8, 1908	American Telephone & Telegraph (part paid).
May 7, 1906	Southern Railway Company development fours.
June 15, 1906	Do.
Aug. 24, 1906	Do
June 17, 1907	Do.
May 11, 1906	Hocking Valley first four-and-a-halfs, 1999.
May 29, 1906	Lake Shore & Michigan Southern fours, 1931.
July 23, 1906	Toledo, Canada Southern & Detroit fours, 1956.
Jan. 11, 1907	American Telephone & Telegraph Co. 5 per cent notes, 1910.
Jan. 22, 1907	Southern Railway Company 5 per cent notes, 1910.
Feb. 1, 1907	New York Central 5 per cent notes, 1910.
Jan. 16, 1908	New York Central equipment fives, 1910.
June 10, 1907	Louisville & Nashville fours, 1955.
July 17, 1907	Do.
Sept. 16, 1907	New York City four-and-a-halfs, 1917.
Dec. 23, 1908	New York City four-and-a-halfs, 1957.
Jan. 28, 1908	New York City revenue bonds, 1909.
May 27, 1908	Chicago, Burlington & Quincy fours, 1958.
Apr. 1, 1909	South & North Alabama consolidated fives, 1936.
Mar. 18, 1910	Jamestown, Franklin & Clearfield fours, 1959.
Jan. 17, 1911	Hudson Companies 5 per cent notes, August, 1912.

The following is a list of bonds purchased by our firm from Kuhn, Loeb & Co., from January, 1905, to the present time, as shown by our records:

Dates.	Description of bonds.
July 31, 1906	Chicago, Burlington & Quincy (Illinois division) fours, 1949
Apr. 9, 1907	Pennsylvania Railroad collateral 5 per cent notes due, 1910.
Mar. 15, 1907	Do.
Apr. 15, 1907	Do.
Apr. 29, 1907	Do.
Oct. 2, 1905	Atchison, Topeka & Santa Fe 4 per cent bonds, 1955.
Apr. 10, 1905	Imperial Japanese four-and-a-halfs, 1925.
Oct. 16, 1908	Union Pacific first refunding fours, 2008.
Dec. 1, 1908	Do.
Dec. 31, 1908	Do.
Feb. 5, 1909	Do.
June 9, 1910	Baldwin Locomotive Works fives, 1940.
Dec. 28, 1910	Chesapeake & Ohio first consolidated fives, 1939.
Jan. 10, 1911	Union Pacific first refunding fours, 2008.
Oct. 26, 1911	Illinois Central refunding fours, 1955.
Nov. 2, 1911	Do.
Jan. 22, 1912	Chicago & Eastern Illinois 5 per cent bonds, 1937.

2. Our records show no transactions during the same period affecting the promotion, underwriting, purchase or sale of bonds in joint account with either of said firms.

3. The following is a list of all underwritings and allotments of bonds or other securities received by us from J. P. Morgan & Co. during said period, as shown by our records:

Date.	Description of bonds.
Feb. 8, 1905	Chicago, Burlington & Quincy (Illinois Division) fours, 1949.
Feb. 4, 1905	Chicago City Railway Co. stock.
Jan. 30, 1905	Atchison, Topeka & Santa Fe fours, 1955.
May 3, 1905	Lake Shore & Michigan Southern debenture fours, 1928.
Feb. 15, 1906	Lake Shore & Michigan Southern 25-year fours.
May 11, 1906	New York, New Haven & Hartford debenture fours, 1956.
Apr. 25, 1908	Interborough Rapid Transit Co. 3-year convertible 6 per cent notes.
June 12, 1908	New York Central & Hudson River Railroad debenture fours, 1934.
Feb. 24, 1909	Southern Railway General & Development mortgage fours.
Apr. 1, 1910	Atchison, Topeka & Santa Fe convertible fours.
Aug. —, 1910	United States of Mexico 4 per cent loan.
Feb. 8, 1906	Southern Railway Co. development fours, 1956.

The following is a list of all underwritings and allotments of bonds or other securities received by us from Kuhn, Loeb & Co. during said period, as shown by our records:

Date.	Description of bonds.
Jan. 23, 1905	Imperial Japanese Government 4½ per cent loan.
May —, 1905	American Smelters Securities Co. preferred stock "B."
Feb. 9, 1906	Interborough-Metropolitan Co. common stock.

The following is a list of all underwritings and allotments of bonds or other securities received by us from J. P. Morgan & Co. and Kuhn, Loeb & Co. jointly during said period, as shown by our records:

Date.	Description of bonds.
Mar. 29, 1905	Pennsylvania Railroad Co. convertible three-and-a-halfs, 1915.
Feb. 15, 1906	American Telephone & Telegraph Co. convertible fours.

By underwritings and allotments of bonds or other securities received by us from either of said firms, we understand you to mean participation in syndicates organized or managed by them.

The above statements are made with the limitation put in your letter as follows: "No transaction of less than $500,000 need be returned in answer to this inquiry."

Very truly yours,

HARVEY FISK & SONS.

EXHIBIT 234, JANUARY 24, 1913.

SEPTEMBER 6, 1907.

The Hon. GEORGE B. MCCLELLAN,
Mayor of the City of New York.

SIR: In view of the importance of the transaction and the public interests involved, it would seem to me desirable that the conditions of the municipal bond arrangement of August 22, when you called upon me with Mr. Martin, the city chamberlain, should be stated and confirmed in writing.

Upon your request for my financial advice and assistance to the city of New York, then facing financial embarrassment resulting from the recent ineffectual offering of the 4 per cent bonds of the city, I recommended that the city should make a public offering of $40,000,000 of 4½ per cent bonds, and stated that in case the bonds should be so offered I would form a syndicate to guarantee that at least $20,000,000 of the bonds so offered should be bid and paid for at not less than par and interest, the syndicate to have the option to take (at not less than the lowest price at which any such bonds should have been so sold) the whole or any portion of the remaining $20,000,000 bonds so offered but not sold upon such offering, such option to be exercised by me on the day of the public sale and according to my judgment as to the best interests of the city.

In pursuance of such arrangement, the comptroller has advertised for the submission of sealed proposals for $40,000,000 of 4½ per cent of corporate stock and bonds of the city of New York, to be received and opened up on Tuesday, the 10th day of September, 1907, of which $5,000,000 are assessment bonds, principal payable May 1, 1917, and the remaining $35,000,000 are corporate stock, payable May 1, 1957.

Accordingly, the syndicate represented by me guarantees that at least $20,000,000 of the stock and bonds so offered will be bid and paid for at not less than par and interest.

I address you because the comptroller is out of the country and not expected to return before the day of the public offering, and it seems to me desirable that before that day the arrangement should be stated completely.

Awaiting your confirmation, I am,

Yours very truly, J. PIERPONT MORGAN.

OFFICE OF THE CITY CHAMBERLAIN,
New York, September 9, 1907.

J. PIERPONT MORGAN, Esq.,
23 Wall Street, New York.

DEAR SIR: Your communication of September 6, 1907, addressed to the mayor, has in his absence been handed for reply to me, with whom upon his going away he left the matter which was the subject of arrangement with you when he and I called upon you upon Thursday, August 22.

I beg to state that your communication of September 6, 1907, correctly states the arrangement then made: and at the same time I desire to acknowledge and record the great public service in this emergency that you have rendered and are rendering to the city of New York as a citizen thereof and upon purely public grounds.

I am yours, truly,

JAMES MARTIN,
City Chamberlain.

THE MOUNT PLEASANT,
Bretton Woods, N. H., September 9, 1907.

J. PIERPONT MORGAN, Esq.,
23 Wall Street, New York.

DEAR SIR: I beg to acknowledge receipt of your letter of September 6, 1907, which correctly states the arrangement which you made with the city of New York on Thursday, August 22, 1907; which arrangement I confirm to the extent of my power so to do.

I take this opportunity of thanking you on behalf of the city for the great public spirit you have shown.

I am yours, very truly, GEO. B. MCCLELLAN,
Mayor of New York.

NEW YORK, *September 10, 1907.*

Hon. HERMAN A. METZ,
Comptroller of the City of New York,
280 Broadway, New York City.

DEAR SIR: Under and in accordance with the terms of your circular of August 24, 1907, we hereby bid the price of 100.677 per cent and accrued interest for $35,000,000 of the corporate stock of the city of New York, due 1957, and 100.067 per cent and accrued interest for $5,000,000 of the assessment bonds of the city of New York, due 1917, and inclose check for $800,000, being 2 per cent of the amount.

Yours, very truly,

J. P. MORGAN & COMPANY,
NATIONAL CITY BANK OF NEW YORK,
Per JAS. STILLMAN, *President.*
FIRST NATIONAL BANK OF NEW YORK,
Per GEO. F. BAKER, *President.*
HARVEY FISK & SONS.

EXHIBIT 235, JANUARY 24, 1913.

NAMES OF INTERSTATE CORPORATIONS, THE SECURITIES OF WHICH HAVE BEEN OFFERED PUBLICLY BY J. P. MORGAN & CO. SINCE DECEMBER 31, 1897, TOGETHER WITH THE AMOUNTS OF SUCH OFFERINGS AND THE DATES OF THEIR RESPECTIVE ISSUES, AND ALSO THE NAMES OF THOSE WHO PUBLICLY PARTICIPATED THEREIN.

2-135.

American Bridge Co.

May 11, 1900. Formed organization; underwrote 145,000 shares preferred stock and 72,500 shares common stock.

4-143.

American Telephone & Telegraph Co.

February 8, 1906. We underwrote $100,000,000 convertible fours. Associated with us were Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Baring Bros. & Co. (Ltd.); J. P. Morgan & Co.

November 27, 1908. $50,000,000 bonds, same issue.

January 8, 1907. We purchased $25,000,000 5 per cent notes. Associates: Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Baring Bros. & Co. (Ltd.); J. P. Morgan & Co.

2-183.

Associated Merchants Co.

April 9, 1901. We formed a syndicate and made public offering of 50,000 shares of first preferred stock.

3-35.

Atchison, Topeka & Santa Fe Railway Co.

January 8, 1902. Bought of company $30,000,000 serial 4 per cent debentures.

3-201.

December 16, 1903. Bought of company $7,000,000 general mortgage fours.

4-21.

January 18, 1905. We underwrote for the company $32,420,000 4 per cent convertible bonds. Kuhn, Loeb & Co. were associated with us.

4-219.

July 31, 1907. We bought from company $14,967,000 10-year convertible 5 per cent bonds.

5-31.

March 15, 1908. Sold account of company $3,000,000 general mortgage 4 per cent bonds.

April 28, 1908. Sold account of company $1,000,000 general mortgage 4 per cent bonds.

5-67.

August 5, 1908. Bought of company $17,000,000 of its Trans-Continental Short Line first 4 per cent bonds. Associates: First National Bank and National City Bank.

5-143.

Atchison, Topeka & Santa Fe Railway Co.

June 1, 1909. We underwrote $28,258,000 convertible 4 per cent bonds. Associates: First National Bank and National City Bank.
6–31.
March 30, 1910. We underwrote the company's offer of $43,686,000, 4 per cent convertibles. Associates: First National Bank and National City Bank.
7–25.
January 30, 1912. Bought from company $18,300,000 California-Arizona Lines first and refunding 4½ per cent bonds. Associates: First National Bank and National City Bank.
3–81.
3–105.

Atlantic Coast Line Railroad Co.

September 29, 1902. We purchased from company $35,000,000 Atlantic Coast Line Railroad Co. 50-year collateral trust fours, 50,000 shares Atlantic Coast Line Railroad Co. stock.
4–39.
February 21, 1905. We purchased from company $1,000,000 first consolidated 4 per cent bonds.
4–201.
February 8, 1907. We purchased from company $5,000,000 3-year 5 per cent notes.
5–19.
January 28, 1908. Sold for account of company $500,000 first consolidated fours.
5–115.
March 2, 1909. We purchased from company $4,500,000 consolidated fours. Associates: First National Bank, National City Bank.
6–161.

Atlantic Coast Line Railroad Co.

April 8, 1911. Bought from company $3,000,000 unified fours. Associates: First National Bank, National City Bank.

Atlas Portland Cement Co.

August 18, 1910. We placed for the company $4,000,000 of its 2-year 6 per cent notes.
4–217

Boomer Coal & Coke Co.

July 6, 1907. Bought from company $935,000 one-year 6 per cent notes, secured by $1,100,000 5 per cent equipment notes.

Central of Georgia Railway Co.

October 23–29, 1906. We purchased from company $250,000 consolidated 5 per cent bonds.
December 4, 1906. We purchased from company $250,000 consolidated 5 per cent bonds.
September 15, 1900. We purchased from company $200,000 consolidated 5 per cent bonds.

Chesapeake & Ohio Railway Co.

April 28, 1899. Purchased of company $1,000,000 general mortgage four-and-a-halfs.
August 16, 1899. Purchased of company $948,000 4½ per cent bonds.
May 23, 1900. Purchased of company $2,750,000 general mortgage 4½ per cent bonds.

Greenbrier Railway Co.

February 14, 1901. Purchased from Cheaspeake & Ohio Railway Co. $2,000,000 of above company's first mortgage 4 per cent bonds.

Chesapeake & Ohio Railway Co.

January 17, 1902. Purchased of company $4,007,000 general mortgage 4½ per cent bonds.

August 14, 1902. Purchased of company $1,000,000 general mortgage 4 per cent bonds.

January 20, 1903. Purchased of company $1,000,000 general mortgage 4 per cent bonds.

October 3, 1903. Purchased of company $1,000,000 general mortgage four-and-a-halfs.

May, 1907. Purchased from company $1,200,000 one-year 6 per cent notes.

June, 1907. Purchased from company $5,000,000 three-year 6 per cent notes. Associates: Kuhn, Loeb & Co., Blair & Co.

April 24, 1908. Purchased from company $2,000,000 consolidated 5 per cent bonds. Associates: Kuhn, Loeb & Co., Blair & Co.

April 24, 1908. Purchased from company $1,500,000 6 per cent collateral notes, due July 1, 1910. Associates: Kuhn, Loeb & Co., Blair & Co.

May 20, 1908. Purchased from company $1,000,000 6 per cent collateral notes, dated April 20, 1908. Associates: Kuhn, Loeb & Co., Blair & Co.

Chesapeake & Ohio Railway Co.

December 23, 1908. Purchased from company $11,000,000 general funding and improvement mortgage 5 per cent bonds. Associate: Kuhn, Loeb & Co.

November 4, 1910. Purchased from company $2,000,000 first consolidated 5 per cent bonds. Associates: Kuhn, Loeb & Co., National City Bank.

March 18, 1910. Purchased from company $31,390,000 20-year convertible four-and-a-halfs. Associates: Kuhn, Loeb & Co., National City Bank.

August 31, 1910. Purchased from company $1,591,000 general mortgage four-and-a-halfs. Associates: Kuhn, Loeb & Co., National City Bank.

January 23, 1911. Purchased from company $1,839,000 general mortgage four-and-a-halfs. Associates: Kuhn, Loeb & Co., National City Bank.

Chicago, Burlington & Quincy Railroad Co.

January 22, 1902. Purchased of company $5,000,000 Illinois division 3½ per cent bonds.

May 12, 1903. We underwrote the offer of the company to extend its $21,699,000 7 per cent mortgage bonds due July 1, 1903, for two years at 4 yer cent.

November 14, 1904. We purchased from the company $19,699,000 4 per cent Illinois division bonds. Associate: Clark, Dodge & Co.

April 12, 1905. We purchased from the company $4,154,000 4 per cent Illinois division bonds. Associate: Clark, Dodge & Co.

February 25, 1908. We sold for account of company $16,000,000 general mortgage 4 per cent bonds. Associates: Lee, Higginson & Co., National City Bank, First National Bank.

February 16–17, 1909. We sold for the company $15,000,000 general mortgage 4 per cent bonds. Associates: Lee, Higginson & Co., National City Bank, First National Bank.

Chicago Great Western Railroad.

May, 1909. We reorganized the Chicago Great Western Railway, and formed a syndicate to buy $18,500,000 first mortgage 4 per cent bonds, $101,366.04 preferred shares voting trust certificates, $316,413.33 common shares voting trust certificates.

September 22, 1910. We sold for account of the company $2,000,000 first mortgage fours.

May 24, 1911. We sold for account of the company $2,000,000 first mortgage fours.

Chicago, Indianapolis & Louisville Railway.

April 25, 1899. We bought 25,000 shares preferred, and 52,500 shares common stock.

Chicago & Western Indiana Railroad Co.

April 14, 1898. Purchased from company $216,000 general mortgage 6 per cent bonds.

Nov. 23, 1909. Purchased from company $1,000,000 consolidated 4 per cent gold bonds due 1952. Between December 2, 1909, and December 31, 1909, we sold for account of the company $2,000,000 consolidated 4 per cent gold bonds.

Jan. 13, 1911. Sold account company $1,500,000 consolidated fours.

Nov. 10, 1911. Sold for account of the respective companies an additional $1,875,000 consolidated fours $960,000 bonds for Chicago & Western Indiana Railroad Co., $770,000 bonds for Chicago, Indianapolis & Louisville Railway Co., $88,000 bonds for Erie Railroad Co., $57,000 bonds for Chicago & Eastern Illinois Railway Co.

August, 1912. We purchased from company $10,000,000 three-year 5 per cent mortgage notes.

Elgin, Joilet & Eastern Railway Co.

November 16, 1898. We made public offering of $7,417,000 of above company's first 5 per cent bonds. These bonds were brought from company prior to December 31, 1897.

December 14, 1901. Purchased from company $500,000 5 per cent mortgage bonds.

Erie Railroad Co.

April 17, 1900. Purchased from company $1,000,000 prior lien fours.

December 5, 1900. Purchased from company $1,000,000 prior lien fours.

December 10, 1900. Purchased from Company $1,000,000 general lien fours.

December 18, 1900. Purchased from company $903,000 general lien fours.

April 25, 1901. Purchased from company $548,000 prior lien fours.

February 26, 1902. Purchased from company $1,028,000 general lien 4 per cent bonds.

May 1, 1903. Underwrote offer of company to stockholders of $10,000,000 convertible 4 per cent bonds, series A.

January 9, 1904. Purchased from company $1,000,000 prior lien fours.

June, 1904. Purchased from company $637,000 Erie, Pa., collateral 4 per cent bonds.

August 25, 1904. Purchased from company $891,000 Chicago & Western Indiana general-mortgage 4 per cent bonds.

October 5, 1906. We made a loan to company $5,000,000 for six months. Associate: First National Bank.

April 4, 1907. We discounted $5,500,000 unsecured one-year notes.

April 4, 1908. We offered for account the company to the holders of the one-year notes due April 8, 1908, $5,500,000 three-year notes, 6 per cent, dated April 8, 1908.

April 6, 1908. We purchased another lot of $5,000,000 of the above notes.

May 27, 1909. We purchased $4,086,000 of the same notes.

June, 1908. Sold for account of company $847,000 of their extended Buffalo & Southwestern division second-lien fives.

February 23, 1911. Purchased from company $12,500,000 three-year 6 per cent collateral notes, dated April 8, 1911. Associate: First National Bank and National City Bank.

June 30, 1911. We loaned the company $700,000 for one year on notes of the Long Dock Co.

September 27, 1911. Purchased from the company $4,550,000 three-year 5 per cent collateral notes. Associates: First National Bank and National City Bank.

April 3, 1912. We purchased from the company $10,000,000 three-year 5 per cent notes of April, 1912. Associates: First National Bank and National City Bank.

Federal Steel Co.

September 9, 1898. Company organized. We bought 532,610 shares preferred and 464,843 shares common stock.

Florida East Coast Railway Co.

June 17, 1909. We purchased from company $10,000,000 first-mortgage 4½ per cent bonds. Associates: First National Bank and National City Bank.

General Electric Co.

September 5, 1912. Purchased from company $10,000,000 40-year 5 per cent debentures. Associates: Lee, Higginson & Co., First National Bank, National City Bank.

Hartford Carpet Corporation.

January 10, 1901. We underwrote the consolidation of the E. S. Higgins Carpet Co. with the Hartford Carpet Co. Associate: Kidder, Peabody & Co.

Hocking Valley Railway (Columbus, Hocking Valley & Toledo Railway Co. reorganization).

May 25, 1899. We bought $4,000,000 4½ per cent bonds of new company, 12,500 shares preferred stock, 51,420 shares common stock, $1,401,000 Columbus & Hocking Valley sevens (extended at 4 per cent).

August 18, 1899. Bought of Hocking Valley Railway Co. $1,000,000 4½ per cent bonds.

June 19, 1900. Bought from company $308,000 consolidated mortgage 4½ per cent bonds.

August 10, 1900. Bought from company $600,000 4½ per cent bonds.

December 18, 1900. Bought from company $162,000 consolidated mortgage 4½ per cent bonds; and on—

January 23, 1901. $1,000,000 additional.

July 15, 1901. Bought from company $2,750,000 Kanawha & Hocking Coal & Coke Co. first fives.

April 26, 1902. Bought from company $1,000,000 consolidated 4½ per cent bonds.

January 19, 1903. Bought from company $160,000 consolidated 4½ per cent bonds.

May —, 1903. Bought from company $760,000 consolidated four-and-a-halfs.

February 2, 1904. Bought from company $1,000,000 consolidated four-and-a-halfs.

March 13, 1905. We underwrote their offer to extend at 4 per cent $2,479,000 Columbus & Toledo Railroad Co. bonds due August 1, 1905.

February 13, 1906. Bought from company $1,000,000 consolidated mortgage 4½ per cent bonds.

January 17, 1908. Bought from company $382,000 4½ per cent bonds.

November 1, 1909. We sold for account of Hocking Valley Railway $2,250,000 Kanawha & Michigan Railway second mortgage fives; and we sold for account of Toledo & Ohio Central Railroad $250,000 Kanawha & Michigan Railway second mortgage fives.

March 31, 1910. We bought from the company $1,584,000 first consolidated 4½ per cent bonds. Associates: Kuhn, Loeb & Co., National City Bank.

Inspiration Consolidated Copper Co.

January 6, 1912. We underwrote $20,000,000 of this company's securities.

International Harvester Co.

July 25, 1902. Formed organization. Bought $25,500,000 stock.

January 11, 1912. We purchased from the company $15,000,000 three-year 5 per cent notes dated February 15. Associates: First National Bank, National City Bank.

International Mercantile Marine Co. (Steamship Lines Combination).

In 1902. New company formed, with 600,000 shares preferred stock, 600,000 shares common stock, and $50,000,000 25-year 4½ per cent debentures.

April, 1902. We underwrote the above securities.

January 24, 1903. We bought $6,330,000 International Navigation Co. first-mortgage bonds.

J. I. Case Threshing Machine Co.

January 2, 1912. We sold for company $8,000,000 preferred stock.

Lehigh Valley Railroad Co.

May, 1909. Purchased from company $3,000,000 general mortgage 4 per cent bonds Associates: Drexel & Co.

Long Dock Co.

July 1, 1912. We purchased from the Erie Railroad Co. $700,000 one-year 6 per cent notes of Long Dock Co.

Louisville & Nashville Railroad and Southern Railway Co.

May 20, 1902. We offered for account of above companies to Chicago, Indianapolis and Louisville stockholders to exchange their stock for the above companies' joint 4 per cent collateral bonds at 90 per cent bonds for preferred stock and 78 per cent bonds for common stock. We also purchased about $8,500,000 of those companies' joint Monon collateral 4 per cent bonds.

Louisville & Nashville Railroad Co.

February 24, 1903. Purchased from company $23,000,000 5 per cent collateral trust fours.

February 5, 1906. Purchased from company $10,000,000 Atlanta, Knoxville & Cincinnati Division 4 per cent bonds. Associate: First National Bank.

February 8, 1907. Purchased from company $6,500,000 three-year 5 per cent notes.

January 28, 1908. Sold account of company $3,000,000 Louisville & Nashville unified fours.

January 26, 1909. We purchased from the company the bonds held as collateral to the Louisville & Nashville 5-20-year collateral fours; $18,200,000 Louisville and Nashville unified 4 per cent; $4,619,000 Louisville & Nashville, Paducah & Memphis Division; $2,500,000 Louisville & Nashville Terminal Co. bonds; $4,045,000 South & North Alabama Cons. 5 per cent; $500,000 Pensacola & Atlanta 6 per cent bonds. Associates: First National Bank, National City Bank.

April 13, 1911. Purchased from company $10,000,000 Louisville & Nashville, Atlanta, Knoxville and Cincinnati division fours. Associates: First National Bank, National City Bank.

New Jersey & New York Railroad Co.

March 29, 1910. We sold for account Erie Railroad Co. $400,000 New Jersey & New York Railroad 5 per cent extended bonds.

Paterson Extension Railroad Co.

March 29, 1910. We underwrote for the New York, Susquehanna & Western the extension of $200,000 Paterson Extension Railroad first sixes maturing June 1, 1910.

Passaic & New York Railroad Co.

November 14, 1910. We underwrote for New York, Susquehanna & Western Railroad Co. extension of $70,000 of above company's first mortgage 6 per cent bonds maturing December 1, 1910.

Bergen County Railroad Co.

February 1, 1911. We underwrote for the Erie Railroad Co. the extension of $200,000 of above company's first mortgage 6 per cent bonds maturing April 1, 1911, for 10 years at 5 per cent.

New York Central & Hudson River Railroad Co.

May 11, 1904. Bought from company $30,000,000 30-year 4 per cent debentures.

January 5, 1907. Sold account of company $25,000,000 three-year 5 per cent notes.

January 11, 1908. Sold for account of vendors New York Central Lines 5 per cent equipment trust of 1907, $30,000,000, 15 series at $2,000,000 each, 1908 to 1922.

June 12, 1908. Bought of company $13,000,000 30-year 4 per cent debentures of 1934. Associates: First National Bank, National City Bank.

June 22, 1910. Sold for account of vendors $22,500,000 New York Central Lines 4½ per cent equipment trust of 1910, series of $1,500,000 maturing each year from 1911 to 1925, inclusive.

November 25, 1910. We sold $7,500,000 more of these equipments. Associates: First National Bank, National City Bank.

November 3, 1911. Sold account of company $25,000,000 three-year 4½ per cent notes.

March, 1911. Sold account of company $5,000,000 additional 3-year 4½ per cent notes. Associates: First National Bank, National City Bank.

May 1, 1912. Sold for account of company $15,000,000 three-year 4½ per cent notes. Associates: First National Bank, National City Bank.

May 24, 1912. We bought from company $2,000,000 one-year 4½ per cent notes. Associates: First National Bank, National City Bank.

June 17, 1912. We sold for the company's account $1,050,000 Merchants' Despatch Transportation Co. equipment trust certificates. Associates: First National Bank, National City Bank.

June 28, 1912. We bought $2,000,000 one-year 4½ per cent notes. Associates: First National Bank, National City Bank.

October 14, 1912. We bought $2,000,000 one-year 5 per cent notes. Associates: First National Bank, National City Bank.

July 1, 1912. We sold $5,000,000 three-year 4½ per cent notes. Associates: First National Bank, National City Bank.

New York Central Line equipments, 1912.

December 21, 1911. We sold for New York Central & Hudson River Railroad Co., Lake Shore & Michigan Southern Railway Co., Michigan Central Railroad Co., Cleveland, Cincinnati, Chicago & St. Louis Railway Co. $15,000,000 New York Central Line equipments, 1912, maturing in series, $1,000,000 each, from January 1, 1913, to 1927. Associates: First National Bank, National City Bank.

New York, Chicago & St. Louis.

February 15, 1906. Purchased from company $10,000,000 25 4 per cent debenture bonds.

Rome, Watertown & Ogdensburg Railroad Co.

June 10, 1901. Bought from New York Central & Hudson River Railroad Co. $500,000 of above company's first mortgage 3½ per cent bonds.

July 15, 1910. Sold for account of the New York Central $419,000 Rome, Watertown & Ogdensburg consolidated, convertible 4 per cent bonds.

Utica & Black River Railroad Co.

April 15, 1898. Bought of New York Central & Hudson River Railroad Co. $200,000 first mortgage fours of the above company.

Mohawk & Malone Railway Co.

December —, 1901. Bought from New York Central & Hudson River Railroad Co. $3,900,000 Mohawk & Malone Railway Co. consolidated 3½ per cent bonds.

New York & Harlem Railroad Co.

May 1, 1900. Bought from company $12,000,000 consolidated mortgage 3½ per cent bonds.

Michigan Central Railroad Co.

July 3, 1901. Bought from company $2,000,000 Saginaw division 3½ per cent bonds.

November 27, 1901. Bought from company $10,000,000 first mortgage 3½ per cent bonds.

February 18, 1903. Bought from company $2,000,000 additional first mortgage 3½ per cent bonds.

April 22, 1904. Bought from company $1,000,000 first 3½ per cent bonds.

May 20, 1905. Bought from company $1,000,000 first 3½ per cent bonds.

January 5, 1907. Sold account of company $10,000,000 three-year 5 per cent notes.

April 23, 1907. Sold account of company $1,500,000 Joliet & Northern Indiana fours.

March 19, 1909. Sold account of company $7,634,000 4 per cent debenture bonds. Associates: First National Bank, National City Bank.

October 25, 1910. Sold in Paris for account of company 50,000,000 francs one-year notes. Associates: National City Bank, First National Bank.

March 2, 1912. Sold for account of company $4,000,000 one-year 4 per cent notes, dated March 1. Associates: First National Bank, National City Bank.

Michigan Railroad—Grand River Valley.

February 21, 1910. Sold for account of Michigan Central $1,500,000. Grand River Valley 4 per cent bonds. Associates: First National Bank, National City Bank.

Lake Shore & Michigan Southern Railway Co.

January 8, 1903. Bought from company $25,000,000 Lake Shore & Michigan Southern Railway Co. one-year 5 per cent notes.

November 13, 1903. Bought from company $40,000,000 4 per cent debentures. Associates: National City Bank, First National Bank.

May 10, 1905. Bought from company $10,000,000 debentures, fours.

February 15, 1906. Bought from company $35,000,000 25-year 4 per cent debentures of 1906.

January 5, 1907. Sold account of company $15,000,000 three-year 5 per cent notes.

April 17, 1908. Sold for account of company $15,150,000 Chicago, Indiana & Southern Railroad Co. 4 per cent bonds. Associates: First National Bank, National City Bank.

February 28, 1910. Sold for account of company $15,000,000 4 per cent debentures of 1931. Associates: First National Bank, National City Bank.

March 17, 1910. We discounted in Paris $8,500,000 one-year French notes for account of the company. Associates: First National Bank, National City Bank.

February 6, 1911. We sold in Paris for account of company 60,000,000 francs, one-year notes. Associates: First National Bank, National City Bank.

February 19, 1912. We sold in Paris 25,000,000 francs, one-year notes. We sold in London £1,400,000 one-year notes. Associates: First National Bank, National City Bank.

Detroit River Tunnel Co.

May 25, 1911. We sold for account of Michigan Central Railroad Co. $14,000,000 Detroit River Tunnel Co.'s terminal and tunnel first mortgage 50-year 4½ per cent bonds. Associates: First National Bank, National City Bank.

Jamestown, Franklin & Clearfield Railroad Co.

February 28, 1910. Sold for account of Lake Shore $11,000,000 first 4 per cent bonds of the above company. Associates: First National Bank, National City Bank.

Louisville & Jeffersonville Bridge Co.

April 27, 1909. Sold for Cleveland, Cincinnati, Chicago & St. Louis Railway Co. $1,000,000 of above company's 4 per cent bonds.

Beech Creek Extension Railroad Co.

March 22, 1901. Bought from New York Central & Hudson River Railroad Co., $3,500,000 of the above company's first mortgage 3½ per cent bonds.

Boston & Albany Railroad Co.

December 19, 1901. Bought of New York Central & Hudson River Railroad Co., $3,858,000 Boston & Albany 3½ per cent refunding bonds.

November 17, 1902. Bought from New York Central, $1,000,000 Boston & Albany 3½ per cent terminal bonds.

Canada Southern Railway Co.

March 7, 1906. Bought from above company, Toledo, Canada Southern & Detroit Railway Co., $1,600,000 50-year first 4 per cent bonds.

Cleveland, Cincinnati, Chicago & St. Louis Railway Co.

January 4, 1897. Bought from company, $1,000,000 general 4 per cent bonds.

January 5, 1900. Bought from company, $1,000,000 general mortgage fours.

April 21, 1902. Bought from company, $800,000 general mortgage 4 per cent bonds.

April 7, 1904. Bought from company, $1,000,000 general mortgage 4 per cent bonds.

May 4, 1904. Bought from company, $3,000,000 Chicago, Indianapolis & St. Louis Short Line first fours. Associates: Harvey Fisk & Sons.

May 9, 1904. Bought from company, $1,000,000 general mortgage fours.
June 29, 1905. Bought from company, $1,000,000 general mortgage 4 per cent bonds.
June 27, 1906. Bought from company, $1,075,000 general mortgage 4 per cent bonds.
May 21, 1907. Sold account of company, $5,000,000 4-year 5 per cent notes.
May 21, 1907. Sold account of company, $1,079,000 general mortgage fours.
June 7, 1908. Bought from company, $1,083,000 general mortgage fours.
February 17, 1910. Sold account of company, $1,151,000 general fours.
April —, 1910. Sold for account of company, in Paris, 50,000,000 francs 4 per cent French debentures. Associates: First National Bank, National City Bank.
May 25, 1911. Sold for account of company, $5,000,000 4½ per cent debentures, 1911. Associates: First National Bank, National City Bank.
November 24, 1911. Bought from company, $1,077,000 general mortgage fours.
December 6, 1911. Bought from company, $29,000 general mortgage fours.

New York, New Haven & Hartford Railroad Co.

August, 1904. We purchased from the above company, $10,000,000 New England consolidated mortgage bonds. Associate: Harvey Fisk & Sons.
December, 1904. We purchased for account of the New York, New Haven & Hartford Railroad Co., $218,000 Central New England Railway general mortgage income bonds; 293 shares Central New England Railway preferred stock; 195 shares Central New England Railway common stock.
January 19, 1905. We purchased from the company, $10,000,000 4 per cent notes.
February 24, 1905. We purchased from the company, $15,000,000 4 per cent debentures, 1905.
April 7, 1906. We purchased from the company, $15,000,000 4 per cent debentures of 1906.
January 21, 1911. We purchased from the company $10,000,000 one-year 4½ per cent notes. Associate: Lee, Higginson & Co.
January 5, 1912. We purchased from the company $30,000,000 1-year 4 per cent notes dated January 15. Associates: Lee Higginson & Co., First National Bank, National City Bank.

Danbury & Norwalk.

October 25, 1905. We purchased from the New York, New Haven & Hartford Railroad Co., $350,000 first refunding mortgage 4 per cent bonds of above company.

Concord & Montreal Railroad.

October 6, 1910. We purchased from the Boston & Maine Railroad Co. $500,000 Concord & Montreal consuls 5 per cent bonds due 1920. Associate: Lee, Higginson & Co.

Newport & Richford Railway Co.

October 7, 1910. We purchased from the Boston & Maine Railroad Co. $350,000 Newport & Richford first 30-year 5 per cent bonds dated January 1, 1911. Associate: Lee, Higginson & Co.

Central New England Railway Co.

May, 1911. We sold for account of New Haven & Hartford Railroad Co. $11,927,000 first mortgage 4 per cent bonds of the above company. Associates: First National Bank, National City Bank.

New York, Westchester & Boston Railway.

July 20, 1911. We sold for account of the New York, New Haven & Hartford Railroad Co. $17,200,000 New York, Westchester & Boston first mortgage 4½ per cent bonds. Associates: First National Bank, National City Bank.
October 23, 1912. We sold for account of the New York, New Haven & Hartford Railroad Co. $2,000,000 first mortgage 4½ per cent bonds of New York, Westchester & Boston. Associates: First National Bank, National City Bank.

Maine Central Railroad.

February 19, 1912. We purchased from the company $12,000,000, 1-year 4 per cent notes dated March 15. Associates: First National Bank, National City Bank.

Boston & Maine Railroad.

May 17, 1912. We purchased from the company $12,000,000 1-year notes dated June 10. Associates: First National Bank, National City Bank.

New York, Ontario & Western.

September 13, 1905. We purchased from the company $2,000,000 general mortgage 4 per cent bonds. Associates: Kuhn, Loeb & Co.

Northern Pacific Railway Co.

Jan. 20, 1898. We purchased from company $2,535,000, prior lien 4s. Associate: Deutsche Bank.

February 4, 1898. We purchased from company 40,863 shares preferred stock trust certificates. Associates: J. S. M. & Co., Deutsche Bank.

June 29, 1898. We purchased from company $672,000 prior lien 4s. Associate: Deutsche Bank.

November 1, 1898. We purchased from company $1,500,000 prior lien 4s. Associate: Deutsche Bank.

May 16, 1899. We purchased from company $1,000,000 prior lien 4 per cent bonds. Associate: Deutsche Bank.

May 2, 1900. We purchased from company $9,215,000 St. Paul & Duluth Div. 4 per cent mortgage bonds. Associate: Deutsche Bank.

December 28, 1900. We purchased from company $4,107,000 prior lien 4s. Associate: Deutsche Bank.

September 21, 1901. We purchased from company $2,500,000 prior lien 4 per cent bonds. Associate: Deutsche Bank.

May 9, 1902. We purchased from company $2,024,000 prior lien 4s. Associate: Deutsche Bank.

October 6, 1902. We purchased from company $1,341,000 prior lien 4s. Associate: Deutsche Bank.

July 17, 1903. We purchased from company $1,500,000 prior lien 4s. Associate: Deutsche Bank.

Chicago, Burlington & Quincy Railraod Co.

April 26, 1901. We purchased from the Great Northern and Northern Pacific $215,-155,000 of those companies joint 4s, secured by Chicago, Burlington & Quincy stock as collateral.

Pennsylvania Coal Co. purchase.

December, 1900. We purchased for account of Erie Railroad Co. 100,000 shares Pennsylvania Coal Co. stock. We purchased from the company $32,000,000 Erie Railroad Pennsylvania collateral trust 4 per cent bonds.

Buffalo & Southwestern Railroad Co.

June —, 1908. We underwrote the Erie Railroad Co. offer to extend the above-named company's $1,500,000 first-mortgage 6 per cent bonds.

Jefferson Railroad Co.

November 30, 1908. We underwrote the offer to extend $2,800,000 5 per cent bonds, due January 1, 1909.

Midland Railroad Co. of New Jersey.

January 26, 1910. We underwrote for the New York, Susquehanna & Western the offer of that company to extend $3,500,000 of the above company's first-mortgage 6 per cent bonds.

Pennsylvania Railroad Co.

March 29, 1905. We underwrote $100,000,000 Pennsylvania 3½ per cent 10-year convertible bonds, due October 1, 1915. Associates: Kuhn, Loeb & Co.

Pere Marquette Railroad Co.

February 27, 1911. Purchased of company $8,000,000 five-year 6 per cent collateral notes.

Reading Co.

December 9, 1898. Purchased from company $2,100,000 general mortgage 4 per cent bonds.

January 31, 1901. Purchased $23,000,000 Reading Co. Jersey Central collateral fours which were issued to pay for 145,000 shares Central Railroad of New Jersey stock deposited as collateral against the bonds. Associates: Drexel & Co.

January, 1911. Sold for account of company $18,811,000 general mortgage fours. Associates: Drexel & Co., First National Bank, National City Bank.

St. Louis & San Francisco Railroad Co.

February 6, 1903. Purchased of company $2,500,000 refunding 4 per cent bonds.
February 26, 1903. $2,500,000 additional bonds.
April 25, 1903. $1,265,000 additional bonds.

Southern Railway Co.

June 30, 1898. Bought of company $1,000,000 first consolidated fives.
March 30, 1899. Bought of company $1,000,000 first consolidated fives.
April 25, 1900. Bought of company $1,396,000 consolidated fives.
June, 1900. Bought of company $3,123,000 consolidated fives.

Louisville, Evansville & St. Louis Railroad Co.

Under an agreement with the Southern Railway dated June 21, 1900, we secured under a plan of reorganization the following bonds by deposit or purchase from holders:

Louisville, Evansville & St. Louis Consolidated Railroad Co. consolidated fives	$3,797,500
Louisville, Evansville & St. Louis Consolidated Railroad Co. general fours	2,977,000
Louisville, Evansville & St. Louis Railroad Co. first mortgage sixes	2,000,000
Louisville, Evansville & St. Louis Railroad Co. second mortgage sixes	670,000
Evansville, Rockport & Eastern Ry. first mortgage sixes	900,000
Huntingburg, Tell City & Cannelton R. R. first sixes	290,000

The Southern Railway Co. delivered in exchange $7,462,630 of its St. Louis division first mortgage fours, of which $4,735,555 went to holders of the old bonds, and the remaining $2,727,075 belonged to the company for old bonds purchased.

On January 17, 1901, we sold for account of the Southern Railway $6,015,000 St. Louis division fours (which included the above $2,727,075 bonds), this being the remainder of the $10,750,000 new bonds issued for reorganization purposes.

January 31, 1901. For account of the Southern Railway, we offered to holders of Mobile & Ohio Railroad Co. general mortgage fours the privilege of exchanging for a like amount of Southern Railway Mobile & Ohio collateral fours; and to Mobile & Ohio stockholders the privilege of exchanging for a like amount of Mobile & Ohio stock trust certificates. $7,856,000 old bonds were deposited, and 48,985 shares of stock.

November 22, 1901. Bought of company $500,000 St. Louis division first mortgage fours.

August 20, 1902. Bought of company $1,500,000 first consolidated fives.

August 23, 1903. Sold for account of company $1,000,000 first consolidated fives.

September 10, 1903. Sold for account of company $933,000 first consolidated fives.

December 23, 1903. Bought of company $2,000,000 consolidated fives.

August 3, 1904. Bought of company $1,000,000 consolidated fives.

December 15, 1904. Bought of company $500,000 consolidated fives.

December 15, 1904. Bought of company $500,000 St. Louis Division first fours.

February 21, 1905. We loaned the company $2,000,000 at 5 per cent, payable in six semiannual installments. Associate: First National Bank.

November 13, 1905. We loaned the company $2,750,000 on its 5 per cent notes running for nine months. Associate: First National Bank.

December 18, 1905. Bought of company $2,000,000 consolidated fives. Associate: First National Bank.

February 5, 1906. Bought from company $500,000 consolidated fives.
January 20, 1906–June 17, 1907. Bought of company $20,000,000 development fours.
June 13, 1906. Bought of company $500,000 St. Louis Division first fours.
June 18, 1906. Bought of company $1,000,000 consolidated fives.
October 15, 1906. $1,000,000 additional.
December 20, 1906. $1,350,000 additional.
October 28, 1907. $1,950,000 additional.
November, 1906. We underwrote the offer of the Southern Railway to extend $5,500,000 Atlanta & Charlotte Air Line Railway bonds; $4,250,000 first mortgage sevens; $500,000 preference mortgage; 750,000 incomes.
January 2, 1907. Bought of company $15,000,000 three-year 5 per cent notes.
May 11, 1908. We underwrote $15,000,000 three-year convertible 6 per cent notes, dated May 1, 1908.
February 23, 1909. Bought of company $21,333,000 development and general mortgage fours.
April 15, 1909. Bought of company $5,000,000 development and general mortgage fours.
May 1, 1909. $15,000,000 development and general mortgage fours. Associates: First National Bank, National City Bank.
March, 1909. We arranged with the company to exchange—

Richmond & Danville 6 per cents, 1915	$1,173,000
Western & North Carolina, 1914	87,000
Columbia & Greenville, 1916	50,000
Virginia Midland 6 per cent, Series "B," 1911	68,000
	1,378,000

For a like amount of Southern 5 per cent bonds—
September 20, 1909. Bought from company $5,000,000 5 per cent consolidated bonds. Associates: First National Bank, National City Bank.
January 13, 1910. Bought of company $10,000,000 three-year 5 per cent notes, dated February 1, 1910.
February 7. Bought of company $1,500,000 first consolidated fives.

Terminal Railroad Association of St. Louis.

September 15, 1902. Purchased of company $8,000,000 general mortgage refunding 4 per cent sinking-fund bonds.
January —, 1903. $5,000,000 general mortgage refunding 4 per cent sinking-fund bonds. Associates: Redmond, Kerr & Co.
October 28, 1902. Purchased of company $400,000 first consolidated mortgage fives.
March 2, 1908. We sold for the company $300,000 refunding mortgage 4 per cent bonds.
March 16, 1908. We sold for the company $300,000 more.
May 18, 1908. We sold for the company $700,000 more.

United Dry Goods Cos.

May —, 1909. We purchased 100,000 shares preferred, and also 22,500 shares common.
June 24, 1910. We bought for account of the United Dry Goods Cos. 9,750 shares of Lord & Taylor second preferred stock. We also bought 19,394 shares United Dry Goods Cos. stock.

United States Motor Co.

August 30, 1910. We sold $1,750,000 6 per cent notes, due August 30, 1911.

United States Rubber Co.

March 1, 1908. Purchased from company $8,000,000 collateral funding 5 per cent notes. Associates: First National Bank, Blair & Co., Kidder, Peabody & Co.

United States Steel Corporation.

February 26, 1901. We formed a syndicate to underwrite the acquisition of the following securities:

	Preferred.	Common.
Carnegie Steel Co	.....	160,000
Federal Steel Co	532,314	464,734
National Steel Co	269,772	319,643
National Tube Co	399,964	399,324
American Steel & Wire Co	399,947	498,879
American Tin Plate Co	183,216	279,948
American Sheet Steel Co	244,970	244,475
American Steel Hoop Co	139,965	189,950
American Bridge Co	313,447	309,359
Lake Superior Consolidated Iron Mines	.....	294,064.0459
Oliver Iron Manufacturing Co	.....	2,000
Pittsburgh Sheet Steel Co	.....	2,217
	2,483,595	3,165,593

Carnegie steel bonds, $160,000,000, and also to advance $25,000,000 cash capital for the corporation. The Steel Corporation delivered in exchange for the above. 5,083,364 plus preferred shares, 5,061,100 plus, common shares, $304,000,000 bonds.

The syndicate received the stock which remained after all exchanges had been effected and later became a participant in the United States Steel preferred-stock retirement syndicate.

United States Steel Corporation.

March 12, 1902. We formed a syndicate of $100,000,000 to underwrite $250,000,000 10/60 years 5 per cent sinking-fund bonds to provide for the retirement of $200,000,000 preferred stock. These bonds were paid for in 80 per cent preferred stock and 20 per cent cash.

Tennessee Coal, Iron & Railroad Co.

October 27, 1909. For account of the United States Steel Corporation we received Tennessee Coal, Iron & Railroad Co. stock in exchange for United States Steel Corporation sinking fund 5 per cent bonds.

Exchanged 290,862.15 shares full paid, 205,625 shares 20 per cent paid, for $35,624,476.19 bonds.

Illinois Steel Co.

June 27, 1911. Purchased from the United States Steel Corporation $10,000,000 Illinois Steel Co. 4½ per cent debentures. Associates: First National Bank, National City Bank.

United States Steel Corporation.

March 26, 1912. Purchased from corporation $15,000,000 Indiana Steel Co. first fives, $10,000,000 National Tube Co. first fives, $5,500,000 Illinois Steel Co. 4½ per cent debentures. Associates: First National Bank, National City Bank.

Virginia-Carolina Chemical Co. loan.

August 10, 1903. Formed syndicate to buy $7,000,000 1-year 6 per cent notes.

EXHIBIT 236, JANUARY 24, 1913.

SUPPLEMENTAL LIST OF INTERSTATE CORPORATIONS, THE SECURITIES OF WHICH HAVE BEEN OFFERED PUBLICLY BY J. P. MORGAN & CO., FROM NOVEMBER 1, 1912, TO JANUARY 22, 1913, TOGETHER WITH THE AMOUNTS OF SUCH OFFERINGS AND THE DATES OF THEIR RESPECTIVE ISSUES, AND ALSO THE NAMES OF THOSE WHO PUBLICLY PARTICIPATED THEREIN.

Portland Terminal Co.

November 7, 1912. We sold $4,500,000 first mortgage 4 per cent bonds of that company. Associates: First National Bank, National City Bank.

Boston & Albany Equipment Trust of 1912.

November 12, 1912. We sold for account of the New York Central $5,220,000 Boston & Albany 4½ per cent equipments. Associates: First National Bank, National City Bank.

New York, New Haven & Hartford Railroad Co.

November 18, 1912. We purchased from the company $40,000,000 of its 1-year 5 per cent notes dated December 2. Associates: First National Bank, National City Bank.

Canada Southern Railway Co.

November 29, 1912. We sold $22,500,000 consolidated guaranteed 50-year 5 per cent bonds, series "A." Associates: First National Bank, National City Bank.

Kansas City Terminal Railway Co.

December 31, 1912. We purchased from the company $10,000,000 first mortgage 4 per cent bonds. Associates: Lee, Higginson & Co., Illinois Trust & Savings Bank, Chicago.