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CHILD LABOR—EDITORIAL NOTE.

In the article on Child Labor in the United States, in Bulletin No. 52, May, 1904, page 489, the statement was made that "In New York 14 years is the age under which children can not legally be employed in manufacturing and mercantile establishments during the sessions of the public schools, but children between 12 and 14 years of age can be employed in mercantile establishments during vacations." To this should have been added the further statement that such employment is permitted only in villages and cities of the third class (less than 50,000 population) and only to such children as have obtained employment certificates. The law appears in full on pages 608 to 613 of the above Bulletin.

C. D. W.

BUILDING AND LOAN ASSOCIATIONS IN THE UNITED STATES.

BY G. W. W. HANGER.

ORIGIN AND GROWTH.

No one class of provident institutions in this country, perhaps, has contributed more largely than have building and loan associations to the material welfare of that portion of our citizens dependent on a daily wage for support.

Including under this general title all those institutions having for their principal objects the encouragement of the systematic saving of small sums and the loaning of money to their members for the purpose of building homes, we have the most important and successful example of cooperation in the United States. This movement, destined to attain such enormous proportions and exert such a marked influence upon the economic and social conditions of the workingman, was begun as early as 1831, the first association in the United States having been organized at Frankford, Pa. (now a part of Philadelphia), on January 3, 1831, under the name of the Oxford Provident Building Association. This association was of the simplest form and its organization was doubtless due to the efforts of English workmen in the

factories and mills located at Frankford, who had brought with them a knowledge of the building societies of the mother country, in which similar associations had been in operation since 1789. The second association was organized in Brooklyn in 1836, and while the movement gradually grew in strength its present proportions were not approximated until many years later. The first authentic information published relative to the number and importance of these institutions was the result of a careful canvass of the country by the United States Department of Labor^(a) in 1893. Previous to this time no great body of facts was obtainable, although State leagues had been organized in Arkansas, California, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New York, Ohio, and Pennsylvania. For the purpose of bringing these associations into closer relations and to afford opportunity for the discussion of matters of mutual interest, the United States League of Local Building and Loan Associations was formed on April 14, 1892, since which date annual meetings have been held in various parts of the country. The objects of this national league were to promote the enactment of such laws as would secure the just and safe management of these associations; to devise and promote the adoption of systematic, equitable, and safe methods of conducting their business; to encourage and stimulate the building and owning of homes, and in a general way to promote the interests of mutual or cooperative building and loan associations in the United States. It should be said in this connection that the national league, under the control and guidance of able and enthusiastic officers, has most fully justified its existence.

Originating in a small way as a purely local cooperative movement for fostering self-help among the wage-earning classes, almost half a century elapsed before the possibilities and uniform success of these associations were fully demonstrated and they began that almost marvelous growth, the extent of which is shown by the report of the Department of Labor made in 1893, at what may safely be termed the end of the period of their most rapid numerical development. At the time of that report there were 5,598 local and 240 national associations in existence. Of the 5,579 local associations in existence in 1893 concerning which data could be secured, but 433 were organized prior to 1878 and were in existence in that year. During the next five years 589 of these associations were organized, making 1,022 in existence in 1883, or more than double the number in 1878. During the next five years 2,163 were organized, making 3,185 in existence in 1888, or more than three times the number in 1883. Two thousand three hundred and ninety-four were organized during the next five years, making the number in 1893, including the 19 associations which did not report as to date of organization, 5,598.

^a Now Bureau of Labor, Department of Commerce and Labor.

While these numbers do not include a comparatively small proportion of associations of which there is no available record, whose existence was terminated during the period from 1878 to 1893, they are indicative of the growth of this movement which was most rapid during the decade from 1880 to 1890. This conclusion is justified by the result of a careful examination of the figures available as to the number of associations in existence each year since 1893. These have been compiled from the reports of the various States which have established supervision over these associations, and have been estimated for the remainder of the country. They include not only the local associations, which constitute the great bulk of building and loan associations, but also the small proportion of these organizations which were national in character. The inclusion of the latter has been rendered necessary because of the impossibility of making a separate statement from the figures available. The table containing the result of this compilation shows the number of associations in each of the 19 States for which records were available for each year from 1893 to 1903. The estimated number of associations in the remaining States of the Union are shown in the same manner immediately following.

NUMBER OF BUILDING AND LOAN ASSOCIATIONS IN THE UNITED STATES, 1893 TO 1903.

State.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.
California	133	137	144	147	151	143	151	148	138	138	133
Connecticut	15	16	13	16	15	15	15	16	16	16	16
Illinois	669	698	726	718	682	637	599	572	546	514	500
Indiana	445	496	501	504	488	446	424	408	403	392	379
Iowa	89	100	110	115	108	106	100	85	82	72	α 72
Maine	29	30	33	33	33	32	32	33	34	34	35
Massachusetts	115	117	119	122	123	124	125	126	128	130	130
Michigan	75	74	74	73	74	73	70	66	63	60	58
Minnesota	97	92	89	84	80	53	52	40	21	21	18
Missouri	366	314	310	288	255	222	191	174	148	138	134
Nebraska	70	82	78	67	64	56	60	57	56	55	55
New Hampshire	17	18	18	18	18	17	18	17	17	16	17
New Jersey	288	306	301	316	316	324	335	342	341	351	361
New York	418	368	361	349	361	353	346	337	321	305	300
North Dakota	6	4	7	8	8	7	6	6	6	5	5
Ohio	721	747	745	756	761	768	773	763	757	737	731
Pennsylvania	1,079	1,105	1,131	1,173	1,197	1,182	1,174	1,155	1,168	1,178	1,196
Tennessee	78	74	70	58	45	40	34	28	25	22	21
Wisconsin	42	46	49	51	53	52	48	48	50	55	53
Other States	1,086	1,098	1,094	1,079	1,076	979	1,028	1,069	1,083	1,139	1,136
Total	5,838	5,922	5,973	5,975	5,908	5,639	5,581	5,490	5,403	5,373	5,350

α Figures for 1903 not being available, those for 1902 are used as being approximately correct.

The total, as given in the above table, shows that the number of associations increased by 84 in 1894 and by 51 in 1895, while it remained practically stationary in 1896. Since 1896 the number has steadily decreased each year from 5,975 in 1896 to 5,350 in 1903, a difference of 625, or 10.5 per cent. This decrease was distributed over the years since 1896 as follows: In 1897, 67; in 1898, 269; in 1899, 58; in 1900, 91; in 1901, 87; in 1902, 25, and in 1903, 28.

It has been quite generally supposed that a great decline in the number and importance of these associations had occurred during the

last decade. It is seen, however, that this is not the case. While the rapid increase in numbers which marked the decade previous to 1893 has not continued, the building association has almost held its own during the years of financial depression, and there is every reason to predict a steady, if slow, growth in future years.

Some estimate of the great financial importance of these institutions may be gained by an inspection of the following table, which shows the assets of building and loan associations for each year from 1893 to 1903, inclusive. The figures in this table have been compiled from the reports of the various States exercising supervision over these associations and have been estimated for the remainder of the country. These assets consist chiefly of loans secured by real estate owned by members of the associations, although a certain proportion consists of loans on other collateral, cash on hand, real estate, and property owned by the associations, etc.

ASSETS OF BUILDING AND LOAN ASSOCIATIONS, 1893 TO 1903.

State.	1893.	1894.	1895.	1896.	1897.
California.....	\$18,093,591	\$20,820,082	\$21,500,520	\$21,470,310	\$21,791,929
Connecticut.....	477,345	790,605	1,931,663	2,707,926	3,243,955
Illinois.....	75,771,559	81,796,350	82,639,258	80,105,574	73,399,198
Indiana.....	26,623,795	30,090,926	34,347,023	38,095,148	37,624,418
Iowa.....	7,365,002	9,500,000	11,000,000	11,877,312	11,506,982
Maine.....	1,375,227	2,193,956	2,469,884	2,691,446	2,912,964
Massachusetts.....	18,653,330	18,584,671	20,552,667	22,906,692	24,597,843
Michigan.....	7,399,865	9,500,000	10,000,000	11,584,316	11,192,783
Minnesota.....	15,739,680	15,837,910	14,891,796	11,747,055	10,363,952
Missouri.....	35,841,560	33,404,596	28,000,000	26,352,955	22,497,709
Nebraska.....	3,073,563	3,888,001	3,924,778	3,771,834	3,554,788
New Hampshire.....	1,447,489	1,445,411	1,666,921	1,853,070	1,963,058
New Jersey.....	31,714,681	39,341,081	38,882,110	43,379,195	46,614,092
New York.....	33,008,552	45,023,735	50,168,683	54,490,218	61,584,719
North Dakota.....	257,833	218,386	297,379	318,150	379,320
Ohio.....	67,626,374	86,047,104	92,121,651	96,906,524	99,770,161
Pennsylvania.....	81,870,964	90,700,000	99,519,918	107,008,101	111,714,871
Tennessee.....	12,897,365	13,150,000	13,425,765	14,880,752	7,464,891
Wisconsin.....	3,197,142	3,350,000	3,495,676	3,500,000	3,568,440
Other States.....	91,417,968	96,871,020	93,864,626	95,903,063	109,247,483
Total.....	528,852,885	602,553,834	624,700,318	651,544,641	664,993,531

State.	1898.	1899.	1900.	1901.	1902.	1903.
California.....	\$20,771,227	\$20,285,454	\$18,935,884	\$17,881,576	\$18,199,867	\$19,863,852
Connecticut.....	3,627,828	3,774,526	4,157,804	4,245,648	4,145,197	3,851,539
Illinois.....	63,451,758	54,104,602	47,896,148	43,684,290	40,303,852	39,432,282
Indiana.....	34,888,815	31,435,588	29,637,826	29,292,668	30,018,407	30,035,098
Iowa.....	11,529,393	10,189,634	8,208,406	6,910,866	5,656,469	a 5,656,469
Maine.....	3,009,999	2,975,716	2,862,179	2,865,331	2,854,627	2,932,206
Massachusetts.....	25,793,354	26,744,647	27,721,748	28,674,208	30,391,666	32,919,739
Michigan.....	10,840,610	10,108,471	10,118,876	9,386,764	9,906,074	10,746,299
Minnesota.....	6,300,592	5,616,152	4,469,004	2,963,839	2,409,275	1,548,933
Missouri.....	18,255,186	13,835,817	11,443,395	9,394,733	8,228,266	7,771,791
Nebraska.....	3,428,728	3,332,782	3,697,565	4,314,745	4,758,294	5,343,429
New Hampshire.....	1,939,788	1,955,567	1,857,506	1,874,219	1,805,117	1,753,560
New Jersey.....	48,789,328	46,100,000	51,125,050	52,891,594	52,870,672	54,767,637
New York.....	64,746,636	66,064,789	59,653,787	56,726,941	53,952,337	43,699,606
North Dakota.....	392,992	364,130	393,263	438,684	463,544	570,941
Ohio.....	101,089,277	102,409,700	105,602,112	105,374,307	110,951,257	101,221,442
Pennsylvania.....	112,665,767	112,120,437	110,493,510	110,817,231	113,886,020	117,861,779
Tennessee.....	6,406,925	5,241,551	3,778,571	3,419,319	3,186,577	3,066,696
Wisconsin.....	3,532,923	3,490,470	3,580,125	3,462,630	3,595,934	3,819,769
Other States.....	107,912,314	108,119,304	108,581,678	111,347,509	112,015,594	112,637,688
Total.....	649,423,380	623,239,337	614,119,175	605,966,842	609,599,096	599,550,855

a Figures for 1903 not being available, those for 1902 are used as being approximately correct.

Reference to the total of this table shows that in the year 1893 the assets of these institutions had reached the enormous figure of \$528,852,885. As was observed in the report which has been referred to and which covered the year 1893—

A business represented by this great sum, conducted quietly, with little or no advertising, and without the experienced banker in charge, shows that the common people, in their own ways, are quite competent to take care of their savings, especially when it is known that but 35 of the associations now in existence (1893) showed a net loss at the end of their last fiscal year and that this loss amounted to only \$23,332.20.

In 1894 the assets had increased by 74 millions of dollars to a total of nearly 603 millions; in 1895 they had increased by 22 millions to nearly 625 millions; in 1896 an increase of 27 millions brought the total up to nearly 652 millions; while in 1897, the year in which the greatest assets are shown, an increase of 13 millions of dollars brought the total up to nearly 665 millions. During the following four years, 1898 to 1901, the assets of these institutions had decreased by 59 millions of dollars, a relatively small amount, bringing the total down to approximately 606 millions, but in 1902 an increase of nearly 4 millions is shown—the assets for this year being \$609,599,096, or over 80 millions more than the assets shown for 1893, the first year of the decade, by the report of the Department of Labor. In 1903 there was a considerable decrease in the total assets, due to the failure of a large company in New York and to the fact that several large building and loan associations in Ohio were organized into trust companies.

Considering the figures shown for 1903 for the various States, it is seen that Pennsylvania ranks first with 1,196 associations, having assets of nearly 118 millions of dollars; Ohio follows closely with 731 associations, having assets of over 101 millions; New Jersey comes next in point of assets with 361 associations, having assets of nearly 55 millions, and is followed by New York with 300 associations, having nearly 44 millions; Illinois with 500 associations, having over 39 millions; Massachusetts with 130 associations, having nearly 33 millions; Indiana with 379 associations, having over 30 millions; California with 133 associations, having assets of nearly 20 millions, etc.

A further impression of the importance of these institutions may be gained by making a comparison of their assets with the population of the various States for which authentic data are obtainable. Taking the assets for the census year 1900, and the population as shown by the United States census, the table following is presented, showing for each of 19 States the per capita investment in these associations.

ASSETS PER CAPITA OF BUILDING AND LOAN ASSOCIATIONS IN NINETEEN STATES
IN 1900.

State.	Population.	Assets of associations.	Per capita assets.
California	1,485,053	\$18,985,884	\$12.75
Connecticut	908,420	4,157,804	4.58
Illinois	4,821,550	47,896,148	9.98
Indiana	2,516,462	29,637,826	11.78
Iowa	2,231,853	8,208,405	3.68
Maine	694,466	2,862,179	4.12
Massachusetts	2,805,346	27,721,748	9.88
Michigan	2,420,982	10,118,876	4.18
Minnesota	1,751,394	4,469,004	2.55
Missouri	3,106,665	11,448,395	3.69
Nebraska	1,066,300	3,697,356	3.47
New Hampshire	411,588	1,857,506	4.51
New Jersey	1,883,669	51,125,050	27.14
New York	7,268,894	59,653,787	8.21
North Dakota	819,146	393,263	1.23
Ohio	4,157,545	105,502,112	25.38
Pennsylvania	6,302,115	110,498,510	17.53
Tennessee	2,020,616	3,778,571	1.87
Wisconsin	2,069,042	3,580,125	1.73
Total	48,241,106	505,537,499	10.48

From the above table, which has been constructed from a suggestion of the secretary of the League of Local Building and Loan Associations in his report at the ninth convention of that body, it is seen that if the assets of building and loan associations were distributed in each State among its inhabitants the per capita amount in New Jersey would be \$27.14; that in Ohio, \$25.38; that in Pennsylvania, \$17.53; that in California, \$12.75; that in Indiana, \$11.78, etc. The 19 States for which data are given include a population of nearly 50 millions, while the investments in building and loan associations amount to over 500 millions of dollars, an average of over \$10 for each individual comprising their population. In the report alluded to above it is stated that in Ohio 1 in every 14 of its population is a shareholder of a local building and loan association, while in New Jersey the ratio is 1 in every 18; in Pennsylvania, 1 in every 22; in Indiana, 1 in every 23, etc. Considering the 19 States as a whole, 1 in every 40 of the population was a shareholder in a building and loan association in the census year.

As regards the membership of building and loan associations it is not possible to secure even approximate figures for the period. According to the report of the Department of Labor the membership in 1893 was 1,745,725, and it is probable that the membership closely followed the course of numbers and assets of associations as shown in the preceding tables. The membership of local associations as estimated for 1895 and succeeding years by Mr. H. F. Cellarius, the Secretary of the United States League of Local Building and Loan Associations is as follows: In 1895, 1,545,129; in 1896, 1,610,300; in 1897, 1,642,179; in 1898, 1,617,837; in 1899, 1,512,685; in 1900, 1,495,136; in 1901, 1,539,593; in 1902, 1,530,707, and in 1903, 1,566,700. As indicated, these figures

relate solely to local associations and do not include a relatively small membership belonging to national associations.

The wonderful growth of these institutions during the decade from 1880 to 1890 has been shown and it is not difficult to discover some of the many causes of their great popularity and increase in numerical and financial importance. The feature of cooperation always appeals strongly to men of small means, enabling them when associated under intelligent management to accomplish results impossible to the individual. Building and loan associations were established as purely cooperative societies and the accumulations of their members, which individually would have remained idle and unproductive, were united and directed into productive channels resulting in large profits in which each member shared in proportion to his interest. To the possibility of securing large profits on small accumulations, coupled with the greatest measure of financial safety, is doubtless due much of the early popularity of these institutions. Many forms of cooperation have failed to accomplish hoped-for results, but these institutions have been uniformly successful from their inception. Democratic in their influences they promoted a strong fraternal feeling among their members, while the simplicity of their methods rendered their organization and operation easy and safe. Then, too, they appealed most strongly to the prevalent spirit of home building and home owning. These and many other causes led to the rapid organizing of these institutions throughout the country, and it is probable that by 1893 the field of operation had been quite fairly covered in many of the States. To this fact and the growing competition of savings banks and trust companies as well as to the changes in industrial conditions is due to some extent, at least, the cessation in their growth during the last decade. Then, too, the success which had attended their operations from the beginning finally resulted in the organization of associations under their name but lacking the essential feature of cooperation. The failure of a number of large institutions of this character and the consequent financial loss of their shareholders no doubt had a certain unfavorable influence which was not dissipated for some years, when the exposure of their methods and the gradual increase of State activity in the way of special legislation regulating the operations of associations and the provision for official supervision of their business and conduct, made impossible the organization and operation of such institutions on other than safe and equitable plans.

LOCAL AND NATIONAL ASSOCIATIONS.

The terms local and national have been used in connection with these associations. The figures last given relating to membership are for local associations only, while the preceding tables include associa-

tions both local and national. It becomes necessary, therefore, at this point to define clearly the meaning of the two terms as applied to building and loan associations. While the business of these two classes of associations is conducted in a general way under substantially the same methods, the local association confines its operations to a small territory, while the national operates without reference to the residence of its shareholders or the location of the property on which loans are to be made. The distinction is a very important one. The primitive association was purely local in character and embodied the true cooperative principle. Usually the members were personally known to each other, and met at regular intervals at some convenient place in the neighborhood to pay their dues, transact such other business as might be necessary, and discuss the affairs of their association. Each member had in this way a thorough understanding of the affairs and transactions of the association, and contributed his influence, knowledge, and experience to its success. Its officers were personally known to each member, its expenses were small, its loans were made to members only, and the value of the security offered was readily ascertainable.

National associations, on the other hand, occupy a broader field of operations. Under the plan usually adopted they are accustomed to go into distant counties or even States and establish branch associations, each having perhaps its own board of directors and officers who are authorized to sell stock, make loans, and transact a general building and loan business, under the approval of the central association. In exercising these powers they can not avail themselves of the active cooperation on the part of their members which is practiced by local associations. This, coupled with other causes, such as heavy expenses resulting from the necessity of maintaining branch offices and the employment of several sets of officers, high salaries, incompetent and perhaps interested appraisers of property upon which loans are sought and in some cases dishonest administration have, in a number of instances, resulted in heavy losses to those who have invested in this class of associations. The ruinous experience met by these associations in their earlier days has resulted in a more careful, conservative and economical management, and in many cases to some restriction as to the territory in which loans are made. Under proper laws regulating, controlling, and supervising these associations, as they are in force in many of the States, there is no doubt that they can render valuable service and preserve to some extent the principles of cooperation which have rendered the economic service of their prototype so beneficent. It is quite clear, however, that national associations are compelled from their very nature to operate under many disadvantages which are not encountered by locals. An English judge som

years ago said: "Nothing is more clear than that these societies were intended to be local; and with regard to the place of meeting, there is good reason why they should be locally confined. The general meetings should be held in the county where the members reside."

Judge Seymour Dexter, an ardent advocate of the local building and loan association, and an authority on all matters pertaining to these associations, in an address before the annual meeting of the United States League of Local Building and Loan Associations held at Cleveland in 1895, gave expression to the following views:

In my own thoughts and ideas, the building and loan association is a local institution, and the principles on which it is founded do not admit of unlimited extension. The unparalleled success of these associations in the past has been largely due to the fact that they were local and neighborhood institutions, and comparatively small in the aggregation of capital in each. The moment these associations become extended in the conduct of their business over large territory, that moment many of the elements of safety involved in the local association methods are necessarily eliminated, and dangerous ones substituted in their place. They are no longer genuine building and loan associations because no longer conducted on the methods on which these associations have won their success and grown into fame.

In an address before the American Economic Association Judge Dexter spoke concerning national associations as follows:

While these associations have assumed the name of the true building and loan association, they are no more entitled to use it as descriptive of their business than a western farm mortgage and trust company or an investment and loan company. The name assumed is a misnomer except the word "national." While they have assumed some of the methods of the true building and loan associations, as a whole their manner of doing business is entirely unlike them; they have, as a rule, eliminated from their scheme the modes and principles by which the success of the building and loan association has been secured.

The true building and loan association is a comparatively small affair; its operations are confined to the place where located, or the immediate vicinity; most of its officers serve without pay; each shareholder can know what the association is doing from month to month, and upon what securities his money is being invested. The shareholders can attend the annual meetings and vote in person for the officers of their choice. There are no official places with salaries of sufficient amount to entice the scheming and crafty, and no paid solicitors for business to mislead the ignorant and unwary.

These elements of safety are eliminated in the national; the motive for their organization is to furnish business and gain to those who organize and conduct them. No capital is required to be invested in the business. Their operations spread in time over many States; the shareholders can not know what the association is doing or how or where their money is being invested. They can not attend the annual meetings and vote in person for officers; they simply intrust their money to strangers to handle upon a promise that it will be returned at some time in the future with large interest.

Some of these associations will fall into the control of honest and capable men and be successful, but the greatest number will sooner or later come to failure and loss to the shareholders.

Whenever so fine a field of operations presents itself to the scheming and dishonest as the present system of the national building and loan association, we may rest assured that the scheming and dishonest will enter it and pluck their victims until restrained by proper legal restrictions.

Judge W. T. Dunmore, in an address at the first meeting of the United States League of Local Building and Loan Associations, expressed similar sentiments:

This system was intended as a means of enabling the wage-earner to become a home owner. It was not intended to be used as a system by which capitalists could deposit blocks of stock and thereby receive larger returns than could be received through the ordinary channels of investment. It was never intended to be perverted into land companies, which purchase real estate for the purpose of speculation. The building and loan association is a cooperative association, and from its very nature its membership should be confined to persons living in one neighborhood. The best results can not be attained unless a great part of the management is gratuitous. The main source of profit must be the receipts for the use of money loaned. The members should live so near that they can see upon what security their money is loaned. They should be personally acquainted with the officers and familiar with their business judgment. The investments should be made in the immediate neighborhood where the investors live.

THE LOCAL BUILDING AND LOAN ASSOCIATION AND ITS METHOD OF OPERATION.

The term building and loan association is the most common one applied to associations of this character, being used in a general sense to cover all institutions having similar purposes and methods, as mutual loan associations, savings fund and loan associations, cooperative savings and loan associations, cooperative banks, homestead aid associations, etc. While the term building and loan association is the most common one, the term mutual (or cooperative) savings and loan association more exactly states the purpose of these institutions. They do not engage, as a rule, in the work of building houses, but furnish their members a safe means for the gradual accumulation of savings, together with the opportunity of securing loans of money for the purpose of building homes. In his Treatise on Building Associations, Mr. Charles N. Thompson gives the following definition of these institutions:

The building association as now existing is a private corporation designed for the accumulation by the members of their money by periodical payments into its treasury, to be invested from time to time in loans to the members upon real estate for home purposes, the borrowing members paying interest and a premium as a preference in

securing loans over other members, and continuing their fixed periodical installments in addition, all of which payments, together with the nonborrower's payments, including fines for failure to pay such fixed installments, forfeitures for such continued failure of such payments, fees for transferring stock, membership fees required upon the entrance of the member into the society, and such other revenues, go into the common fund until such time as that the installment payments and profits aggregate the face value of all the shares in the association, when the assets, after payment of expenses and losses are prorated among all members, which, in legal effect, cancels the borrower's debt and gives the nonborrower the amount of his stock.

The methods of forming and operating these institutions in their simplest form may perhaps be made clearer and better understood by means of a concrete example, as follows:

One hundred men living in the same town or neighborhood agree to cooperate for the purpose of accumulating their savings and of building homes. Each of these is able to save one dollar or more each month, but none has sufficient money to purchase or build a home. In order to carry out their purpose a corporation is formed in which every member must be a stockholder to the extent of one or more shares. On each of these shares the sum of \$1 must be paid every month as dues until these payments together with the accumulated profits shall amount to \$200. If each member subscribes for one share it is seen that on monthly payments of \$1 per share, \$100 will be paid into the treasury of the association each month. If the operations of the association were confined purely to saving, two hundred months must elapse before each share will have reached its maturity value of \$200. As soon, however, as these compulsory payments, made at stated periods, amount to a sufficient sum, instead of allowing it to lie idle the association offers it as a loan on approved security. Such loans are usually confined to the members of the association. Among the hundred members there are several who desire to borrow for the purpose of purchasing or building homes, etc., and in order to determine to which one the loan shall be made the plan is adopted of allowing those interested to bid for the amount, the loan being made to the one who bids the highest premium in addition to the legal rate of interest. The money thus loaned must be used for the purpose above stated, the borrower securing the association against loss by a mortgage on the property purchased and on other real estate sufficient in value to insure the association against possible loss. At the same time the borrower must subscribe for or secure in some other manner a sufficient number of additional shares to make the maturing value of his holdings equal the amount of the loan, premiums, and interest.

The association thus secures two sources of profit on its accumulations—premiums on loans made and interest on the same. To the extent of this profit it is enabled to shorten the time that would

naturally elapse before the shares reach a maturity value of \$200. Nor are premiums and interest on loans the only sources of profit. Failure to pay his installment dues at the proper time results in the fining of the delinquent member. This fine operates both as a penalty on the member for delinquency and as a reimbursement to the association for any loss or inconvenience occasioned by such delinquency. Withdrawals are another source of profit to the association. Some members may find it impossible or undesirable to keep up their payments on account of lack of work, removal from the neighborhood, etc. These are allowed, after due notice, to withdraw the dues which they have paid on their shares, together with a portion of the profits earned by the same. These shares are canceled and the remaining portion of the profits is credited to the shares which remain in force. Finally, at the end of a certain number of months it is found that the installment dues paid in, added to the premiums on loans, interest, penalties for nonpayment of dues, and the portion of profits withheld from withdrawing members, amount to sufficient to give to each share a value of \$200—the maturity value. The business of the association is then terminated, each holder of a free or unpledged share receiving the sum of \$200, and each holder of pledged shares, or shares on which loans have been made, receiving in lieu thereof his canceled mortgage. The above description applies to the primitive plan of association, known as the terminating, under which the association carried but a single series of shares and disbanded at their maturity. While this plan has been almost entirely superseded by others, all of which will be described later on, it serves to illustrate the fundamental methods which obtain in all local building and loan associations, and shows the purely cooperative character of these institutions which furnish loans of money to those desiring to build or purchase homes, and at the same time afford the nonborrower not only a safe means of accumulating small savings, but also a greater profit on the same than could perhaps be secured by any other means equally safe.

FUNDAMENTAL PRINCIPLES.

In any consideration of the fundamental principles which underlie these institutions, it is necessary to keep in mind what has been said as to the purposes and methods of operation of the earlier associations. Many changes in method have been adopted from time to time in order to meet new conditions and new needs, but the purposes have remained the same in every important particular. In the language of the law of one of the States these are “to encourage industry, frugality, home building, and saving among its members; the accumulation of saving, the loaning of such accumulations to its

members, and the repayment to each member of his savings when they have accumulated to a certain sum, or at any time when he shall desire the same, or the association shall desire to repay the same."

The most important principle involved in the workings of the earlier associations is probably that of cooperation between men of limited means for the purposes above specified. The restriction of membership to persons residing in the city or town in which the association was located is an important principle, as is also the like restriction of loans. The localization of membership made possible a close cooperation and promoted individual interest in the financial success of the business of the association, while the localization of investments made possible a personal knowledge on the part of all members of the security offered for loans, and in this way contributed largely to the safety of their periodic contributions to the funds of the association. The interest of members was still further enhanced by the fact that their presence at all meetings of their directing officers was permitted and encouraged. The importance of this active cooperation in the work of the association should be emphasized. Not only was cooperation practiced in the distribution of the purely financial returns of the association, but all members were encouraged to cooperate, to some extent at least, in the administration of its business through their presence at the meetings of its officers. All these meetings were open to shareholders and were held at regular intervals at some place convenient to all. Another principle common to the earlier associations was the restriction of loans to their shareholders. It was required that borrowers either be shareholders or become so before a loan was made. The privilege of borrowing from the association belonged to every shareholder who could furnish adequate security. The funds of the association were loaned at stated times, and each member was given due notice of the same. In order to determine the right of one member over another to loans from the association, the funds were put up at auction and loaned to the member bidding the largest premium above the legal rate of interest. Members joining the association at any time after the date of issue of a series of shares were required to pay back dues and interest on such shares as were taken in order that each share in the series might be of equal value and mature at the same time. Fines for default in payment of dues on shares were also a feature of the association, and withdrawing shareholders were paid the dues paid in on the shares to their credit, together with a portion of the profits on the same, the remainder being retained by the association for distribution among those shareholders who remained in the association until such time as their shares matured. All of its officers, except the secretary-treasurer, served without pay, thus reducing the expenses to a minimum. In the dis-

tribution of profits every share participated equally and impartially in the funds in the treasury from whatever source derived.

The above are, in brief, the basic principles upon which the earlier associations carried on their business. As stated before, these fundamentals, to a great extent, underlie most of the modern associations, but in many cases variations have been adopted from time to time in order to meet the necessities which have arisen and give the same beneficent results under new conditions. The main features will be taken up in detail and their variations noted.

PLANS OF ISSUING SHARES.

A primary distinction between building and loan associations is based on their plans of issuing shares. The earlier associations operated under what is termed the terminating plan, but this has in modern associations given way almost entirely to the serial and permanent or perpetual plans. The following description of the terminating and serial plans has been taken from Judge Seymour Dexter's work, entitled "A Treatise on Cooperative Savings and Loan Associations:"

Terminating plan: In the primitive building associations of Philadelphia there was but a single series of stock issued; every person taking shares of stock, subsequent to the date of the first issue of shares, was obliged to pay back dues in order to be in the same position he would have been had he taken his stock at the date of the first issue, so that each shareholder paid the same amount per share into the association regardless of the time when he took his shares. The money was loaned only to shareholders. Inasmuch as only one series of stock was issued the lifetime of the association was limited to the time that it took for the shares to reach their matured value. This scheme necessarily involved the condition that every shareholder remaining in the association at the time the stock matured must be a borrower to the amount of the matured value of shares held by him. Let us make this clear. Suppose the charter of the association limited the number of shares it could issue to 500, and that during its lifetime it had issued that number. After the payment of its running expenses the funds received could be used for only two purposes, namely, the making of loans to its own members and paying shareholders who withdrew. Suppose that of the 500 shares issued 300 had been withdrawn, leaving 200 outstanding when attaining their matured value. Assume the shares were \$200 each at their matured value. Now, 200 shares at \$200 each is \$40,000. Before the shares can be matured the association must have \$40,000 of assets. The assets consist of the money due from the shareholders to the association upon loans. As no shareholder can borrow a larger sum than the matured value of the shares held by him, it follows that no shareholder can owe the association for borrowed money a larger sum than the association will owe him when his shares of stock have matured; therefore, each shareholder must owe the association a sum equal to that which the association will owe him upon his matured shares. The only limitation

or exception to this statement of the case will arise in reference to the dues paid at the last meeting. The amount of those dues will not have been borrowed and will be due to some shareholder or shareholders in excess of the amount owing by him or them to the association.

But as the association progresses from year to year toward the maturity of its stock, it might not happen that there are shareholders who desired to borrow. What then? It would not do to have the dues paid in from month to month remain uninvested; no profits would accrue, and the result would be unsatisfactory. Under the scheme of a single series the association has the power to compel shareholders to borrow the funds. They are called forced loans, and their articles of association and by-laws determine who should become the borrower when there are no shareholders wishing to borrow.

This scheme is known as the terminating plan. It involves three serious defects which it was very desirable to obviate, namely, the dissolution of the association when the stock matured, the large amount of back dues which the new stockholder would have to pay who took stock after the association had been running for some time, and, lastly, the making of forced loans—that is, compelling the shareholder to become a borrower whether he wanted to do so or not.

Serial plan: To overcome these defects the serial scheme was developed. Under this scheme a new series of stock was issued at the beginning of each fiscal year, or half-yearly. In some instances series have been issued quarterly, and even oftener.

This is known as the serial plan. This change in the scheme obviated two of the defects in the single-series scheme. It permitted the association to become perpetual, and it furnished a new series of stock so often that one taking stock at any time in the current series did not have a large amount of back dues to pay to place him in the same situation that he would have been had he taken his shares at the first. As a matter of practical experience the serial plan also obviates, except in rare cases, the third defect. It permits of the accession of new stockholders, who become such for the express purpose of becoming borrowers. In the single-series scheme, when an association had become two or more years old, the amount of back dues that they would have to pay on their stock in order to become shareholders, so that they might become borrowers, was a serious obstacle; while under the serial plan the amount was not large at any time. In a well-managed association, having the confidence of the community, there is usually no difficulty in finding those who wish to borrow the funds. But the scheme provides a mode to obviate an accumulation of funds that can not be loaned by providing a mode for compelling withdrawals. In the serial scheme it is deemed advisable, when a series matures, to have but comparatively few outstanding free shares.

Hence it is deemed a wise policy to encourage withdrawals in series approaching maturity. This is accomplished by increasing the percentage of profits which the withdrawing shareholder is allowed as the series approaches its maturity.

In addition to this policy many associations have provided that the withdrawal of stock may be compelled after a series has attained a certain number of years. In the case of a compulsory withdrawal the shareholder is allowed all the profits. The scheme of the Massachusetts cooperative banks has this provision, the number of years being

placed at four or more. The scheme of the New York cooperative savings and loan associations has the same provision, and places the age of the series at four years or more.

While it is wise to thus provide a mode for compelling withdrawals, if necessity requires it, to prevent the accumulation of uninvested funds, there will seldom be occasion for an association to avail itself of the provision.

The single series, or terminating plan, has been almost wholly abandoned in localities where these associations have been in operation long. Most of those that remain in such localities were formed years ago, and have not had time to run their course to a natural dissolution by the maturing of their stock.

In some cases where an association is formed upon the serial plan, each series has been conducted separately, as though it was the only series of stock the association had outstanding, thereby making, in effect, as many terminating associations running under one management as there are series issued. This cumbersome mode of conducting the business has arisen from the fact that those who organized and conducted the association did not fully comprehend the proper mode of conducting the business in cases where all the series are run together, forming, in effect, a partnership.

Permanent or perpetual plan: It has been seen that under the terminating plan but one series of shares is issued, each of which is at all times of equal value. When these have matured and been paid off, the business of the association is ended and it is disbanded. The serial association is composed of a series of issues made at stated intervals, and each shareholder in a given series is in practically the same position as regards the other shareholders in that series as if he were a member of a terminating association. In effect, a serial association is composed of a number of terminating associations beginning at stated intervals. Under the permanent or perpetual plan stock is issued whenever called for, and there is no necessity, therefore, for the payment of back dues and interest, as is the case in the terminating and serial plans. Each shareholder is in a class by himself and begins his periodic payments when his stock is issued and continues the same until its maturity. This plan in its latest development has been termed the "Dayton plan," owing probably to its origin in the city of Dayton, Ohio, where several of the largest and most successful associations in the country are conducted on that plan. At the date of the investigation of the Department of Labor relative to this subject in 1893 the general manager of one of these associations furnished the Department the following description of that plan:

In the first place it must be noted that the plan is applicable to permanent associations only, and can not be applied to either terminating or serial associations.

The plan differs from other plans in four main particulars, besides some minor ones.

First. New members may join at any time without paying back dues.

Second. Paid-up stock is issued.

Third. Premium is entirely abolished, each member being entitled to borrow money in the order of his application at such rate of interest as the board of directors may from time to time fix.

Fourth. Earnings are not only ascertained and divided semiannually, but when credited are subject to withdrawal the same as money payments.

I will take them in their order. As a preliminary observation, however, I might say that the main object of all these changes has been to simplify methods and to enable the association to more easily adjust itself to the situation and needs of the various people with whom it deals. All the older plans are more or less ironclad. Very little attempt is made at elasticity or to accommodate the individual member; on the contrary, the member is required to adjust himself to the association. He must join not when he wants to, but when he can. He can not pay his money in when he gets it, but when the association is ready to take it. If he wants to borrow money the association, through the medium of premium ascertained by competitive bids, so complicates matters that he is wholly unable to calculate the rate of interest he is to pay; and finally, if through misfortune or sickness he is compelled to quit before his shares mature, his rights are enveloped in mist, and he is generally compelled to suffer a forfeiture which embitters him ever after.

First. A member may join at any time. This is accomplished by substantially making each man's stock a separate series. The theory of this is plain enough, the difficulties which suggest themselves being merely the keeping of the books and the division of earnings, both of which will be explained later on.

Second. Paid-up stock is issued. This is a decided innovation. The old theory being that in all cases when stock matured the member was paid in cash and the stock canceled. It is not issued at all times, but only when the society can profitably loan the money. It may be called in also if a glut of money occurs. It is entitled to share in the earnings like other stock, but dividends when declared, instead of being credited on the book as in the case of running stock, are paid in cash. It may also be withdrawn the same as running stock. In fact, barring the fact that it pays no dues and receives dividends in cash, it has substantially the same rights and liabilities as running stock.

Paid-up stock, however, is an exceedingly useful adjunct to a building association. It gives the association command of a large additional amount of money to loan and thus reduces the rates to borrowers. This class of stockholders is also a little steadier than the bookholders. They are not so easily panicked, nor are they so needy as to require their money at once in case of a stringency in finance or a business depression.

Paid-up stock is also a sort of financial regulator to an association. When money is too plenty, not being obliged to issue it, the doors are closed and a large source of supply is thus shut off. If this does not suffice even outstanding stock may be called in. When, however, the demand for money becomes greater than the supply, paid-up stock being a favorite investment, the association has but to open the gates and money pours in until the equilibrium is restored. By these means the idle cash balance of the association is kept continually small, and yet all really desirable loans can be made, and all other demands promptly met. It must not be supposed, however, that this paid-up

stock is held entirely or even largely by capitalists. On the contrary, it is held almost entirely in small sums by the more frugal element in the working classes. In the annual report of the association heretofore referred to, made on January 1, 1893, 2,411 persons appear as holding \$867,700 of this stock, or an average of \$359.89 per person, while of the whole 2,411 certificates outstanding, 822 were for \$100 only.

Third. Probably the most pronounced difference, however, between the Dayton plan and others is in the method of loaning money. Instead of selling at auction to the highest bidder in open meeting the right to borrow money, it is loaned to members at a rate of interest fixed by the board of directors, on the principle of "first come, first served."

The following is a copy of the contract signed by the borrower, which I think will largely explain itself. (For convenience I make it a loan of \$100, and suppose the rate of interest agreed upon is 13 cents per week):

"\$100.00.

"DAYTON, OHIO, —, —.

"Received as a loan from the Mutual Home and Savings Association, of Dayton, Ohio, the sum of one hundred dollars, which sum I agree to repay with $7\frac{3}{4}\%$ dollars per week interest thereon, payable weekly, as follows:

"I hereby subscribe for one share of stock in said association, of one hundred dollars each, book No. 34,641, and I agree to pay to said association weekly, not less than the sum of $7\frac{3}{4}\%$ dollars, which sum is to be applied as follows:

"First. To the payment of any fines, insurance, taxes, or other assessments made against me in accordance with the by-laws of said association.

"Second. To the payment of the interest due on said loan.

"Third. The balance of said amount to be applied toward the payment of my said stock subscription. Said weekly payments shall be continued until said stock is fully paid up by the payments applied thereto as above stated, and the dividends declared thereon. I also hereby assign the stock aforesaid to said association as collateral security for said loan, and I authorize it, when said stock is fully paid up, or should I fail for eight weeks to make the payments above stated, at its option to withdraw said stock in accordance with the by-laws of said association, or any or all of the money paid thereon, and apply the amount withdrawn to the payment of said loan, or the interest thereon, or any of the assessments above stated.

"Should any part of said loan or the interest thereon or any of said assessments remain unpaid after the withdrawal value of said stock is so applied, they shall become due and payable at the option of said association.

"Signed: ——— ———." (a)

^aThis form of contract has been changed somewhat since the date of the above statement in 1893. The present form of contract is as follows:

"\$———

"DAYTON, OHIO, ——— ———, 190—.

"Received as a loan from the Mutual Home and Savings Association, of Dayton, Ohio, of which association I am a member, ——— ——— dollars, which, together with the interest and such taxes, assessments, and insurance as are in default, I promise and agree to repay at the office of said association in Dayton, Ohio, in installment payments of not less than ——— dollars per month, on or before the fifteenth

It will be seen that the loan, so far as it is concerned, is a plain loan at a definite rate of interest, and that the stock which the borrower subscribes for is used as a sort of sinking fund in which to accumulate the money with which to pay the loan. When the money in the fund is sufficient to pay the loan—that is, when the stock matures—the money is transferred from the stock to the loan and the latter is canceled. While the money is being accumulated on the stock it is entitled to its share of the earnings just as other stock.

It will be observed that the required weekly payment is even 25 cents on each share of \$100. The borrower does not pay as in the old associations 25 cents as his dues and an additional sum for interest, fines, etc. Twenty-five cents per week pays the whole bill. The interest, etc., is taken out of it, and the balance, whatever it is, becomes a credit on his stock. No matter what rate of interest is agreed upon or what fines or other assessments are made, the weekly payment remains the same. The rate of interest merely shortens or lengthens the time it will take to mature the stock and cancel the loan. A borrower therefore knows exactly what he has to pay from the start to the finish. You will observe also that the weekly payment required is a minimum payment. The borrower may therefore pay as much more as he is able. Whatever payment he makes draws dividends and shortens the time in which his loan will be paid up. It is not expected that every borrower will simply pay the required dues. The minimum payment is made as low as is consistent with safety, and the field is left open for each man to pay off his loan as soon as he can. He may, therefore, pay it up in five years, or one year, or even in one week, if he wishes. For the same reason he may pay off his loan at any time whatever. The minimum payment only being fixed, he may pay at the time the whole balance due on the loan and have it canceled, paying interest of course only up to the date of cancellation. A borrower may also, at any time pay up one or more of his shares, and have the amount credited on his loan and interest stopped to that extent.

Fourth. As to the distribution of earnings: Under this plan it is a very simple matter. Every six months the earnings are ascertained. As they consist almost entirely of interest paid, this is soon done. Out of this first comes the expenses. Then the Ohio law requires that 5 per cent be set aside to a fund out of which all losses are paid (when,

day of each calendar month, during its continuance, said payments by this agreement shall be entered on Loan Book No. O and the aggregate of the same applied on the last day of June and December during the continuance of the loan, as follows:

“First. To the payment of the interest on said loan for the six months, or fraction thereof, at the rate of _____ per centum per annum.

“Second. To the payment, at the option of said association, of such taxes, assessments, or insurance as may be in default on property pledged to secure this obligation.

“Third. The balance of said amount to the payment to that extent and as a credit of that date, on the principal of this note.

“All unpaid installments shall bear interest at the rate of seven per centum per annum from the time same are due until paid.

“After two monthly installments become due and are unpaid, then the whole amount of principal and interest shall become due and payable, at the option of the association, and the mortgage or other security enforced for the payment thereof.

“It is agreed and understood that at any time after one year from the date hereof the whole amount then unpaid on this loan shall, at the option of said association, become due and payable and the mortgage or other security enforced for the payment thereof.

“Signed: _____.”

however, this fund reaches 5 per cent of the outstanding loans this is no longer required). The balance is then divided among all the members in proportion to the amount standing to the credit of each member. The amount standing to the member's credit at the beginning of the six months, unless since withdrawn, is the basis of the distribution, but an allowance is also made to members on the required payments made since that time. On all running stock this dividend is credited to the member's account, and thereafter is regarded just the same as money paid. On all paid-up stock the dividend is paid in cash. The exact money value of each man's stock being thus ascertained at the close of each six months, the matter of withdrawals is also made easy. The amount in the loss fund represents the risk in the outstanding loans. Every man's account is therefore worth its face. He is, therefore, allowed to withdraw any or all of the amount standing to his credit, dividends and all, by giving two weeks' notice, provided the money is in the treasury. If it is not, his notice is filed and he is paid in his order as fast as the money comes in.

It will be further observed that in the above method of ascertaining and dividing the earnings the number of shares a man holds cuts very little figure. The money paid in on them is the basis of the calculation for dividends. This has a most important side effect. The money actually paid in by a member, not what he ought to have paid, as in the older plans, is the basis of dividends. It is, therefore, no longer necessary to insist that a member, not a borrower, should make the payments his shares call for. No attention is, therefore, paid as to whether a nonborrower pays up or not. If he does not it is his own affair; nobody but himself is the loser. Neither are fines ever assessed on the nonborrower. No attention is paid to him except to adjust his dividend in accordance with his payments. The effect of this has been surprising. Nobody can estimate the number of people who have been deterred from joining building associations by the fear that they might not be able to keep up their payments after they were in, and would be fined and otherwise mulcted in consequence. They were the very best and most prudent people, too. The ignorant and the thoughtless may be induced to assume burdens which they are not sure they can carry, but the intelligent and the thoughtful will hesitate. At any rate this fact, together with the ease and certainty with which money may be withdrawn, and also the further fact that no initiation fee is required, has led to a regular stampede to join building associations in the city of Dayton. Over 10 per cent of all the people in the city, men, women, and children, belong to this one association alone, and there are a number of other good associations also.

The popularity of these associations in Dayton can not be better illustrated than by comparing the population of the city with the number of members of the various associations. The population of the city in 1890 was 65,500. It has been growing rapidly since, but an outside estimate would hardly give it over 80,000. The membership in the various associations on January 1, 1893, was 19,886. Of course, in a few instances the same person is a member of more than one association, but, nevertheless, the figures are almost startling. Probably more people belong to such associations in the city of Dayton in proportion to its size than in any other city in the world.

The rule as to fines need not be so strictly enforced even against borrowers as is necessary under the old plans. The borrower gets credit

for only what he pays, and if the security is ample the society suffers no pecuniary loss if he does not pay promptly. Consequently, fines are seldom assessed to any great extent. The association before named collected only \$160.30 in fines in 1892, although its gross receipts were over \$1,800,000.

It only remains for me to answer some queries which will naturally arise as to the bookkeeping. It is undoubtedly true that in small associations the labor of keeping the books is somewhat increased under this plan, as an individual ledger account must be kept with each member. On the other hand the books are ever so much better even in a small association, and it is wholly impossible to keep correct books in an association of any size under the old plans. It is almost impossible to give any satisfactory explanation of the methods of bookkeeping in any reasonable space. They must be seen to be understood. In general, however, a weekly payment journal similar to those always in use is kept, in which is entered all payments in the proper column for the current week and opposite the name of the member. It is ruled to last six months, and at the end of that time the amount paid is transferred or posted to the individual account of the member in the ledger. There is, however, this difference: The weekly payment of the borrower is not separated into dues, interest, fines, etc., in this journal. Only the bulk sum paid is entered. The interest, fines, etc., are charged every six months to the borrower's individual account in the ledger, and when, at the end of the six months, the bulk sum of his payments is also posted to his account, a balance is struck. This is an enormous saving in bookkeeping and in handling cash. The weekly payment is the same for both borrower and nonborrower, being 25 cents on each share of stock. It is even money also, and avoids the handling of much small change as is necessary when the payment is separated each week, the interest nearly always comprising odd cents. The semiannual dividend is credited to each man's account in the weekly journal as the first payment of the six months. Of course many other minor details are not touched upon, but they are only such as would naturally suggest themselves to a bookkeeper. In a large association a greater subdivision of accounts can be made, each with its appropriate book, and intricacy be thus further avoided.

In 1893 it was found that of the 5,598 local associations 13.6 per cent were operating under the terminating, 56.6 per cent under the serial, and 29.8 per cent under the permanent plan; while of the 240 national associations, 0.4 per cent were operating under the terminating, 57.5 per cent under the serial, and 42.1 per cent under the permanent plan. Combining the figures for both local and national associations, it was found that 13 per cent of all associations were operating under the terminating, 56.6 per cent under the serial, and 30.4 per cent under the permanent plan. While no figures are available from which similar information for later years can be gained, it is probable that the terminating plan has practically disappeared and that the proportion of associations operating under the permanent plan has increased to some extent.

PLANS OF MAKING LOANS.

The membership of building and loan associations, so far as the investment of their funds is concerned, is composed of two classes—borrowers and nonborrowers. Borrowing members, however, are usually in the minority. The Department of Labor in its investigation in 1893 found that about 30 per cent of the shareholders in local associations were borrowers, the remainder holding their shares purely as an investment. These loans made to shareholders are of two kinds—real estate and stock loans. Real-estate loans are those made upon real estate, and are usually secured by a first mortgage on the property in addition to the pledge of his stock by the borrowing member. Stock loans are those made upon shares of the association, such shares being held by the association as security for the repayment of the loan, together with such other security as may be demanded and given. Loans on real-estate security are by far the most numerous in these associations. Practically all associations have loans of this character, while a large number of associations have no stock loans. Of the 5,598 local associations covered by the investigation of 1893, but 21 had no real-estate loans, while 2,450 reported that they had made no loans on shares. This investigation also developed the fact that in some associations a third class of loans was made—those on other securities than real estate or stock. It was there shown that of the \$443,861,241 of loans made by local associations, \$422,313,725, or 95.1 per cent, were on real estate; \$15,880,663, or 3.6 per cent, were on stock of the association; while \$5,666,853, or 1.3 per cent, were on other securities. It is seen from these figures that a very large proportion of the loans made by these associations are for the purpose of enabling their members to acquire homes. Of the 5,598 local associations found to be in operation in 1893, 4,272 reported as to the number of homes acquired, while 4,250 reported as to the number of other buildings acquired by borrowers during the existence of the associations. The number of homes reached the very large figure of 290,803, while the number of other buildings acquired was 26,061.

Loans are almost invariably confined by associations to their own shareholders. In some cases, however, where there is no demand for money on the part of their shareholders, associations provide for loaning their funds to persons other than shareholders upon such terms and conditions as may be approved by their boards of directors. An effort was made by the Department of Labor in 1893 to ascertain the extent to which this practice obtained. It was found that in the 2,200 local associations reporting as to this feature, but 76, or 3.5 per cent, carried loans of this character. The number of loans so made was

2,056, and the amount involved \$2,328,621, the average size of the loans being \$1,133.

The repayment of loans is secured to associations by mortgages on real estate and by a pledge of the stock held by borrowing members, or by any other security acceptable to their boards of directors. When a loan is for the purpose of erecting a house, the security required is in the nature of a mortgage upon the lot (which must usually be owned in fee simple by the borrower) and the house to be built upon it. The regular periodic payment of dues on his shares and interest on his loan is required of the borrower. In addition to this he is also required to pay regularly such proportion of the premium as the rules of the association require, unless under these rules it has been paid entirely in advance, or has been deducted in advance from the loan. Usually, the plans of associations require borrowers to acquire and pledge a number of shares of stock, the maturing value of which will equal the loan. The loan is then allowed to run to the maturity of these shares, at which time the maturing value of the shares satisfies the loan. The shares are then canceled, the mortgage released, and the real estate upon which the loan has been made becomes the property of the borrower without incumbrance. In most associations a loan may be terminated at any time by repayment, although in some it is required that the loan stand until the maturity of the shares upon the security of which it is made. Stock loans, or loans on shares held by a stockholder, are made by associations under such regulations as they may have adopted. Usually, associations will advance the full maturing value of the shares pledged, provided the borrower pledges other security acceptable to the officers of the association. In some associations, however, only the withdrawal or present value of such shares will be advanced.

The term "premium" as just used is an amount which is required of the borrower in addition to the legal interest, partly for the privilege of obtaining the immediate use of a sum equal to the ultimate maturity value of his stock and partly for the purpose of determining priority in the use of the sum which the association desires to loan. In the very beginning of the movement this method was adopted as the most satisfactory for determining to which one of a number of members a loan should be made when each one with equal right was desirous of borrowing. An association, for example, had \$1,000 which it desired to loan. If two or more members were desirous of borrowing it the amount was put up at auction and the member bidding the largest bonus in addition to the legal rate of interest was awarded the loan. If, however, but one member was desirous of borrowing, it was the general practice to make the loan without any premium whatever. While competitive bidding was the usual method adopted some

associations established a fixed premium rate, and, in these cases, loans were awarded to the members in the order of their application or by lot. Very many methods for the liquidation of this premium or bonus have been evolved, and these are usually termed "premium plans." Sixty-eight such plans relating to real estate loans were found to be in vogue in 1893 at the time of the investigation of the Department of Labor. The plans in most common use at that time will be briefly described. It is probable, however, that the greatly reduced rates of interest during recent years, together with the competition of banks, trust companies, and other large financial institutions, as well as individual capitalists, have resulted in the practical abolition of the premium in a considerable number of the largest and most active associations. In the smaller cities and towns, where money seeking investment is not so plentiful, the premium is still found in force.

Most of the sixty-eight premium plans in vogue in the 5,598 local associations covered by the report of the Department of Labor in 1893 were modifications of five or six distinct plans. Those in general use were as follows, the numbers given being those used in that report:

Plan 27: Of the 5,598 local associations in existence in 1893, 1,227, or 21.9 per cent, according to the report of the Department of Labor, were operating under this plan, which is one of the varieties of what is popularly known as the "installment plan." The earliest form of this plan consisted in dividing the premium, whether fixed or determined by bid, into a certain number of parts, usually into as many as the number of months or other periods of time the scheme of the association assumed it would take for shares to mature. These premium installments were paid periodically, usually at the same time as dues and interest. They were continued until the entire amount of the premium had been paid, after which the borrower paid only dues and interest until the loan had been settled by repayment or by the maturity of the shares. The borrower received the full amount of the loan and paid interest on the same, but the principal was reduced periodically by the dues paid in and interest was charged on the balance only. Under another variation of this plan the premium was divided into a certain number of equal parts, payable at such times as the rules of the association might require. Usually the premium was divided into a certain number of annual payments, each of which was subdivided and paid periodically, with dues and interest as an added interest rate. An arbitrary reduction in the interest rate was then made annually.

Many other variations of the installment plan were found, but the most popular was that designated as plan 27, whose operations were described as follows: Loans were awarded to shareholders bidding the highest premium. The premium bid was in the form of a certain rate per cent per annum, or a certain amount each month or at such periods

of time as the rules of the association required. The payment of premiums either continued during the entire term of the loan or ceased at the end of a fixed period. The borrower received the whole amount of the loan and paid interest on the same. For example, a member secured a loan of \$2,000, requiring ten shares of stock, on which he had bid a premium of 10 cents per share per month. His monthly payments were as follows: Dues, at \$1 a share, \$10; interest on \$2,000, at 6 per cent per annum, \$10; premium, \$1; total payments each month, \$21. These payments continued until the loan was settled by the maturity of the shares or by repayment.

Plan 7: A plan almost equally popular, under which 1,220, or 21.8 per cent, of the local associations were operating, was that known as the "gross plan." This plan was a modification of that in vogue in the earliest associations, under which the amount of premium bid per share was deducted from its maturity value (the amount of the loan), the borrower receiving the remainder, but giving security for the gross amount and paying interest thereon. The whole of this premium was credited on the books of the association as a profit and was distributed to the shares in force at the time. No part of the premium paid in advance was returned to the borrower in case of the repayment of the loan before the maturity of the shares. As many as 575 local associations were found operating under this form of the plan (plan 6) in 1893 at the date of the investigation of the Department of Labor. Its manifest unfairness, as it affected the interests of the borrower who might desire to repay his loan before the maturity of his shares or who might desire a loan when his shares were near maturity, was a great source of dissatisfaction, the result of which was the gradual evolution of the plan involving a scheme of rebates to borrowers who repaid their loans before maturity and also to those who secured loans as their shares were approaching maturity. Plan 7 involved the correction of but one of these inequalities and is briefly described as follows:

Loans were awarded to shareholders bidding the highest premium. The premium bid was deducted from the maturing value of the shares (the total amount of the loan), the borrower receiving the remainder. He was required to give security for the gross amount and to pay interest thereon. A part of the premium deducted in advance was returned to the borrower in case of the repayment of the loan before the maturity of the shares, the amount so repaid being determined by the length of time it was assumed would be required for shares to mature under the scheme of the association. For example, a shareholder securing a loan on ten shares of a maturing value of \$2,000, at 10 per cent premium, received \$1,800 in cash and paid interest on \$2,000 at 6 per cent until his loan was satisfied. His monthly payments were as follows: Dues, \$10; interest, \$10. Assuming that his shares would mature in

one hundred months, if he repaid his loan before maturity he would be allowed a rebate of one one-hundredth part of the premium paid by him in advance for each remaining month.

Plan 1: The plan coming next in popularity, which was found in operation in 586, or 10.5 per cent, of the associations in existence in 1893, combines simplicity with the utmost fairness. Under this plan there was no auction of money or bidding for loans by members. Loans were awarded to members in the order of their applications or by lot. The borrower either made his periodic payments of dues and interest on his loan until the shares pledged for such loan reached maturity, unless the loan was previously settled, or the number and the amount of his payments were fixed by the rules of the association.

Plan 28: In 418 local associations the following plan was used: Loans were awarded to shareholders in the order of their applications or by lot. The borrower received the full amount of his loan and paid interest on the same. The premium was a certain rate per cent per annum, or a certain amount each month or at such periods of time as the rules of the association might require. For example, a member secured a loan of \$2,000 at 6 per cent interest per annum and at a fixed premium of \$6, payable monthly. He pledged ten shares of stock upon which was paid monthly \$1 per share to be applied to the payment of the loan. In some cases he was also required to carry a sufficient number of additional shares, called premium stock, to be applied to the payment of the premium. This latter requirement does not, however, appear essential, as it did not in any way affect the amount or method of payments, which were each month as follows: Dues, \$10; premium, \$6; interest, at 6 per cent per annum, \$10; total payments each month, \$26. Special interest attaches to this plan, as it was found in use by 136 of the 240 national associations covered by the Department of Labor in 1893.

Plan 31: An excellent plan, confined almost entirely to associations operating in the State of Ohio, provided that the premium, whether fixed or determined by bid, should be in the form of either a certain rate per cent per annum or a certain amount payable each month or at such periods of time as the rules of the association might require. The borrower received the full amount of the loan and paid interest on the same, but the principal was reduced periodically by the amount of dues paid in, and interest was charged on the balance only. For example, a member secured a loan of \$2,000 on ten shares, at a premium of 10 cents per share per month. He received the full amount of the loan and paid interest on the same. The payments each month during the first year were as follows: Dues on ten shares, \$10; interest on \$2,000 at 6 per cent per annum, \$10; premium, \$1; total payments each month during the first year, \$21. Payments each month

during the second year were: Dues, \$10; interest on \$1,880 at 6 per cent per annum, \$9.40; premium, \$1; total payment each month during the second year, \$20.40; and so on, the interest being reduced each year until the settlement of the loan. The number of associations found operating under this plan was 267, of which 224 were located in the State of Ohio. This plan, modified in some respects, was found in operation in 48 other associations.

It is but natural to assume that the ten years which have elapsed since the report of the Department of Labor, to which reference has frequently been made, have brought many changes and improvements in premium plans. The "gross plan," with its many inequalities, has practically disappeared, its use having been forbidden by the laws of many of the States. In many sections a fixed premium has obtained recognition and approbation, while the movement for the entire abolition of premiums has gradually grown in strength, some of the largest and most successful associations having adopted the plan of requiring no premium whatever.

DISTRIBUTION OF PROFITS.

More important even than the premium plan, so far as the welfare of all the stockholders of an association is concerned, is the plan adopted for the distribution of profits. The profits realized by associations at the present time consist largely of the interest on loans. Previous to the practical abolishment of some of the inequitable premium plans that obtained in the earlier years of the movement, the premiums on loans also constituted a large proportion of the profits. The exorbitant exactions from borrowers under the guise of premiums for loans has resulted, however, as has been previously stated, in the gradual lessening of this source of profit, and in many cases to its entire removal. The profits from interest on loans and from premiums are augmented to some extent by those derived from entrance fees, fines, and the proportion of profit withheld from members withdrawing before the maturity of their shares. In the enumeration of the various sources of profit, the element of careful management of the affairs of the association should not be omitted. In two associations operating under exactly similar conditions, so far as interest, premiums, etc., are concerned, it very often occurs that one will earn much larger profits for its stockholders than the other solely because of the superiority of its business management.

The investigation of the Department of Labor in 1893 disclosed the fact that as many as twenty-five different rules or methods of distribution of profits were in vogue in the associations of the country. Before proceeding to a consideration of the principal plans then found

in operation, some description of the different kinds of shares seems desirable. The following description of kinds of shares, as well as the matter descriptive of the principal plans, have been taken from the above-mentioned report:

The amount of interest which a member has in a building and loan association is indicated by the number of shares which he holds, the age of the shares, and their maturing value.

Shares are of three kinds, called installment or running shares, prepaid shares, and paid-up shares. When a member desires to make weekly, monthly, or other periodical payments, he subscribes for installment shares and indicates the amount of the periodical payments he desires to make by the number of shares for which he subscribes. These payments are continued until the installments and the profits on the shares have caused them to reach their maturing or par value, when they are wound up by returning to the nonborrowing members the value of their shares in cash, and to the borrowing members their mortgages and canceled obligations.

Prepaid shares, known also as partly paid-up shares, are issued by some associations at a fixed price per share in advance; such shares usually participate as fully in the profits as the regular installment shares, and when the amount originally paid for such shares, together with the dividends credited thereon, reaches the maturing or par value, then such shares are matured and are disposed of in the same manner as regular installment shares. A few associations, however, instead of crediting all the profits made on this class of shares, allow a fixed rate of interest on the amount paid therefor at each dividend period, which is paid in cash to the holders thereof. This interest is then deducted from the profits to which the shares are entitled, and the remainder is credited to the shares until such unpaid portion of the profits, added to the amount originally paid, equals the maturing or par value.

Some associations allow their members to pay in the full maturity or par value of their shares at any time, and a certificate of paid-up stock is then issued, and the owners thereof are entitled to receive in cash the amount of all dividends declared thereon, subject to such conditions or limitations as the board of directors of each particular association may have adopted.

In some instances these shares participate as fully in the profits as the regular installment shares; but in most cases a fixed rate of interest only is allowed, the holders of the shares usually assigning to the association all right to profits above that amount.

In some cases the holders of regular installment shares that have arrived at maturity value do not desire to withdraw their money, but prefer to leave it with the association as an investment. Associations allowing this to be done issue to holders of matured shares what are known as certificates of matured shares, which are usually governed by the same conditions as are attached to paid-up shares.

It is stated in the report that the most common as well as the most important difference between local and national associations, so far as the methods of distribution of profits are concerned, is in respect to the proportion of dues which serves as a basis for such distribution.

In local associations the total amount of dues paid in serves as this basis, while in most national associations the distribution of profits is based on only a portion of the dues, a certain portion having been carried to an expense fund which is lost to the shareholders, except in the case of such associations as transfer unexpended balances of the expense fund to the profit and loss account. In such cases there is a distribution of these unexpended balances, and these are apportioned—as is the case with profits—on only the amount of dues credited to the loan fund.

Some conception of the relation of profits to the amount of dues paid in on installment shares in force and the amount of paid up and prepaid stock may be gained by an examination of the figures given in the report. It should be borne in mind that the figures given for dues generally include divided profits and the figures for profits indicate only undivided profits—presumably profits earned during the fiscal year covered by the report. The 5,598 local associations are shown to have had liabilities of \$339,244,259 on account of dues paid in on installment shares in force and \$23,798,519 on account of paid-up and prepaid stock, a total of \$363,042,778—while their liabilities on account of profits amounted to \$74,402,969. Undivided profits of over \$20 are thus shown for every \$100 of dues and paid-up and prepaid stock. The 240 national associations, on the other hand, are shown to have had liabilities of \$30,759,219 on account of dues paid in on installment shares in force and \$9,976,847 on account of paid-up and prepaid stock—a total of \$40,736,066—while their liabilities on account of profits amounted to \$6,261,147. Undivided profits of over \$15 are thus shown for every \$100 of dues and paid-up and prepaid stock in these associations.

The description of the principal plans of distribution of profits follows, and in this description only the distribution on regular installment shares has been considered. The numbers given are those used in the report.

Plan 1. Of the 4,736 local associations in 1893 which reported as to their plans of distribution of profits 1,280, or 27 per cent, according to the report of the Department of Labor, were operating under this plan, which is described as follows:

This plan apportions the profits among series just as profits among partners are apportioned in a firm where the partners enter at different dates, each series representing a partner.

1. Multiply the dues paid in on the shares in force in each series by the equated time of investment.

2. Take the sum of these products and then find what fractional part each product is of the sum.

3. These fractions are the parts of the total net profits belonging to each series.

To illustrate the rule, let us suppose that an association whose monthly dues are \$1 per share had three series in force at the end of the third year, and that the number of shares in each series and their value per share were as follows:

First series, 500 shares, value per share \$38.87; second series, 600 shares, value per share \$25.27; third series, 400 shares, value per share \$12.32; that a fourth series of 500 shares is then issued; the net profits for the fourth year are \$3,000, and the total net profits for the four years are \$5,325. Required: The value of a share of each series at the end of the fourth year.

The first series above alluded to has run four years, or forty-eight months. Forty-eight \$1 payments have therefore been made on each share of stock. The first dollar paid has been invested forty-eight months; the second dollar paid, forty-seven months; the third dollar paid forty-six months, etc., the last dollar of the forty-eight having been invested one month. The times of investment thus form a decreasing arithmetical series, with forty-eight for the first term, one for the last term, and forty-eight for the number of terms. The total investment is thus equal to \$1 invested for 1,176 months (the sum of the series), equivalent to \$48 invested for $24\frac{1}{2}$ months.

Treating the other series in the same way, we find that \$36 paid per share in the second series has been invested for $18\frac{1}{2}$ months; \$24 paid per share in the third series, for $12\frac{1}{2}$ months; and \$12 paid per share in the fourth series, for $6\frac{1}{2}$ months; then—

$$\begin{aligned} \$48 \times 500 \times 24\frac{1}{2} &= \$588,000, \text{ first series' investment for one month.} \\ \$36 \times 600 \times 18\frac{1}{2} &= \$399,600, \text{ second series' investment for one month.} \\ \$24 \times 400 \times 12\frac{1}{2} &= \$120,000, \text{ third series' investment for one month.} \\ \$12 \times 500 \times 6\frac{1}{2} &= \$39,000, \text{ fourth series' investment for one month.} \end{aligned}$$

\$1,146,600, total investment for one month.

Hence the total net profits are divided as follows:

$$\begin{aligned} \frac{588000}{1146600} \text{ or } \frac{280}{1911} \text{ of the total profits belong to the first series.} \\ \frac{399600}{1146600} \text{ or } \frac{566}{1911} \text{ of the total profits belong to the second series.} \\ \frac{120000}{1146600} \text{ or } \frac{200}{1911} \text{ of the total profits belong to the third series.} \\ \frac{39000}{1146600} \text{ or } \frac{65}{1911} \text{ of the total profits belong to the fourth series.} \end{aligned}$$

Total profits to be divided are \$5,325.

$$\begin{aligned} \frac{280}{1911} \text{ of } \$5,325 &= \$2,730.77, \text{ first series' share of the profits.} \\ \frac{566}{1911} \text{ of } \$5,325 &= \$1,855.81, \text{ second series' share of the profits.} \\ \frac{200}{1911} \text{ of } \$5,325 &= \$557.30, \text{ third series' share of the profits.} \\ \frac{65}{1911} \text{ of } \$5,325 &= \$181.12, \text{ fourth series' share of the profits.} \\ \$2,730.77 \div 500 &= \$5.46, \text{ profit of a share of the first series.} \\ \$1,855.81 \div 600 &= \$3.09, \text{ profit of a share of the second series.} \\ \$557.30 \div 400 &= \$1.39, \text{ profit of a share of the third series.} \\ \$181.12 \div 500 &= \$0.36, \text{ profit of a share of the fourth series.} \end{aligned}$$

$$\begin{aligned} \$48.00, \text{ dues paid, } +\$5.46, \text{ profit, } &= \$53.46, \text{ value of a share of the first series.} \\ \$36.00, \text{ dues paid, } +\$3.09, \text{ profit, } &= \$39.09, \text{ value of a share of the second series.} \\ \$24.00, \text{ dues paid, } +\$1.39, \text{ profit, } &= \$25.39, \text{ value of a share of the third series.} \\ \$12.00, \text{ dues paid, } +\$0.36, \text{ profit, } &= \$12.36, \text{ value of a share of the fourth series.} \end{aligned}$$

In the above example, all the net profits made during the four years have been apportioned to the several series, but some associations

apportion only each year's profits in this way. Other associations using this plan simplify the process, but obtain the same results, by dividing the total investment for one month (or for one week as the case may be), into the profits to be apportioned, for the profit on \$1 invested for one month, which is then multiplied successively by the sum of the number of weeks, months, or other periods of time for which each dollar of dues in each series has been invested. The products will be the amount of the profits belonging to a share in each series.

A few associations have been found that arrive at the same results by using the following method, which is known as Clark's plan:

1. Multiply the number of shares in force in each series by the quotient obtained by dividing the sum of the number of weeks, months, or other periods of time for which each dollar of dues in each series has been invested by the product obtained by multiplying the dues paid in on one share during the first year by the average time of investment, for the equalized results for each series.

2. Take the sum of these results and divide it into the total profits since the beginning of the association, for the rate per cent of profit.

3. Multiply the quotients already found by the rate per cent of profit, for the profit of a share in each series.

We have before seen that \$48 dues per share in the first series have been invested for $24\frac{1}{2}$ months, which is equal to \$1 invested for 1,176 months. In like manner \$36 dues per share in the second series have been invested for $18\frac{1}{2}$ months, which is equal to \$1 invested for 666 months; \$24 dues per share in the third series for $12\frac{1}{2}$ months, which is equal to \$1 invested for 300 months; and \$12 dues per share in the fourth series for $6\frac{1}{2}$ months, which is equal to \$1 invested for 78 months. The average time of first year's payments is simply half the time of investment, which is 6 months. Twelve dollars invested for an average period of six months is equal to \$1 invested for 72 months.

Then:

$$1,176 \div 72 = 16.333.$$

$$666 \div 72 = 9.250.$$

$$300 \div 72 = 4.166.$$

$$78 \div 72 = 1.083.$$

$$500 \times 16.333 = 8,166.50, \text{ equalized result for the first series.}$$

$$600 \times 9.250 = 5,550.00, \text{ equalized result for the second series.}$$

$$400 \times 4.166 = 1,666.40, \text{ equalized result for the third series.}$$

$$500 \times 1.083 = 541.50, \text{ equalized result for the fourth series.}$$

15,924.40, equalized result for all series.

\$5,325, the total profits, $\div 15,924.40 = 33.4392$, the rate per cent of profit.

$\$0.334392 \times 16.333 = \5.46 , profit of a share of the first series.

$\$0.334392 \times 9.250 = \3.09 , profit of a share of the second series.

$\$0.334392 \times 4.166 = \1.39 , profit of a share of the third series.

$\$0.334392 \times 1.083 = \0.36 , profit of a share of the fourth series.

For the value of each share, add the dues as above.

There is a modification of plan 1, which follows the same general method as that shown in the first illustration, but differs in certain particulars and gives a different result. The modification is as follows: Instead of finding the exact equated time of investment, many associations arrive at an approximate equated time by taking one-half the

number of months a series has run. Using the same data as in the above illustration, we get 24, 18, 12, and 6 as the average number of months the series have run. It is this modification that is commonly, but erroneously, called the partnership plan.

ILLUSTRATION.

$\$48 \times 500 \times 24 =$	$\$576,000$, first series' investment for one month.
$\$36 \times 600 \times 18 =$	$\$388,800$, second series' investment for one month.
$\$24 \times 400 \times 12 =$	$\$115,200$, third series' investment for one month.
$\$12 \times 500 \times 6 =$	$\$36,000$, fourth series' investment for one month.
	<hr style="width: 20%; margin: 0 auto;"/>
	$\$1,116,000$, total investment for one month.

The total net profits are then divided in proportion to each series' investment for one month, thus:

$\frac{\$776,000}{\$1,116,000}$ or $\frac{8}{15}$ of $\$5,325 =$	$\$2,748.39$, first series' share of the profits.
$\frac{\$388,800}{\$1,116,000}$ or $\frac{8}{15}$ of $\$5,325 =$	$\$1,855.16$, second series' share of the profits.
$\frac{\$115,200}{\$1,116,000}$ or $\frac{1}{15}$ of $\$5,325 =$	$\$549.68$, third series' share of the profits.
$\frac{\$36,000}{\$1,116,000}$ or $\frac{1}{15}$ of $\$5,325 =$	$\$171.77$, fourth series' share of the profits.
$\$2,748.39 \div 500 =$	$\$5.50$, profit of a share of the first series.
$\$1,855.16 \div 600 =$	$\$3.09$, profit of a share of the second series.
$\$549.68 \div 400 =$	$\$1.37$, profit of a share of the third series.
$\$171.77 \div 500 =$	$\$0.34$, profit of a share of the fourth series.

This modification of plan 1 has been simplified, the principle consisting in casting out common factors in the process of multiplication.

The first series has run 48 months; the second, 36 months; the third, 24 months; and the fourth, 12 months. The average time of investment, as we have before seen, is 24, 18, 12, and 6, respectively. Then we proceed thus:

48, age in months, $\times 24$, average time, $\times 500$ shares.
36, age in months, $\times 18$, average time, $\times 600$ shares.
24, age in months, $\times 12$, average time, $\times 400$ shares.
12, age in months, $\times 6$, average time, $\times 500$ shares.

It will be readily seen that 12 is a factor common to all the numbers of the first column, and that 6 is a factor common to all the numbers in the second column. Casting out these factors we have—

$4 \times 4 \times 500 = 8,000$.	Hence $\frac{8}{15}$ of the total profits belong to the first series.
$3 \times 3 \times 600 = 5,400$.	$\frac{8}{15}$ of the total profits belong to the second series.
$2 \times 2 \times 400 = 1,600$.	$\frac{1}{15}$ of the total profits belong to the third series.
$1 \times 1 \times 500 = 500$.	$\frac{1}{15}$ of the total profits belong to the fourth series.

Total, 15,500.

Briefly put, then, the simplification is as follows: Multiply the number of shares in force in each series by the square of the time of investment expressed in terms or periods corresponding to the intervals between the series, and then divide the profits in proportion to these products.

The foregoing simplification has been still further simplified by finding the profit of a share in each series directly, instead of finding each series' share of the profit, as follows:

1. Multiply the number of shares in force in each series by the

square of the time of investment expressed in terms or periods corresponding to the intervals between the series.

2. Divide the sum of these products into the results obtained by multiplying the total net profit by the square of the time of investment expressed as above.

The total of the products as in the last illustration is 15,500; then—

\$5,325, total profits, $\times 4 \times 4 \div 15,500 = \5.50 , profit of a share of the first series.

\$5,325, total profits, $\times 3 \times 3 \div 15,500 = \3.09 , profit of a share of the second series.

\$5,325, total profits, $\times 2 \times 2 \div 15,500 = \1.37 , profit of a share of the third series.

\$5,325, total profits, $\times 1 \times 1 \div 15,500 = \0.34 , profit of a share of the fourth series.

A share of the first series receives 16 times as much profit as a share of the fourth series; a share of the second series, 9 times as much; and a share of the third series, 4 times as much. This method, therefore, reveals the fact that, by multiplying the number of shares in force in each series by the square of the time each series has been invested, expressed in years, half years, quarter years, etc., corresponding to the intervals between the series, a correct basis of calculation is reached. These simplifications, however, are practicable only where series are issued at regular intervals, as fractions complicate the operation. This simplification is known as Rice's rule.

A few associations arrive at the same results by dividing the total investment for one month into the profits, for a rate per cent of profit, and then applying the rate to each series' investment for one month for each series' share of the profits. The process is also varied in the following manner: Find what annual rate of interest the profits are equivalent to on the amount of dues paid for one-half the time that all the dues have been invested, and apply this rate on the dues paid per share for one-half the time of the investment, for the profit of a share in any series.

Plan 9: A plan almost equally popular, in use by 1,062 or 22.4 per cent of the 4,736 local associations which reported as to their plans of distribution of profits, involved simply the equal division of the profits among all the shares in force. This plan was in use principally in terminating associations.

Plan 3: Under the plan coming next in extent of use, nearly one-half of the associations of Ohio were operating, and of the 4,736 local associations in 1893 which reported to the Department of Labor, 851, or 18 per cent, were distributing profits under this plan. Following is a description of this plan:

1. To the value of all the shares in force as declared by the last report add one-half the dues paid in during the term.

2. Divide the profits for the term by this sum for the rate per cent of profit.

3. To the value of each share as declared by the last report add one-half the dues paid in during the term and multiply the sum by the rate per cent of profit, for the profit of each share.

4. To the value of each share as declared by the last report add the dues paid in on the same during the term and the profit of each share, for the present value.

Using the same data as in the previous illustrations, the result is as follows:

ILLUSTRATION.

\$38.87 × 500 = \$19,435, value of first series at last report.

\$25.27 × 600 = \$15,162, value of second series at last report.

\$12.32 × 400 = \$4,928, value of third series at last report.

\$39,525, value of all series at last report.

\$12 ÷ 2 × 2,000 = \$12,000, one half the dues paid during the year.

\$39,525 + \$12,000 = \$51,525, total dividend-bearing capital.

\$3,000, the profits for the term, ÷ \$51,525 = 5.8224, the rate per cent of profit.

(\$38.87 + \$6) × .058224 = \$2.61, profit of a share of the first series.

(\$25.27 + \$6) × .058224 = \$1.82, profit of a share of the second series.

(\$12.32 + \$6) × .058224 = \$1.07, profit of a share of the third series.

\$6 × .058224 = \$0.35, profit of a share of the fourth series.

\$38.87, previous value, + \$2.61, profit for term, + \$12, dues, = \$53.48, present value of a share of the first series.

\$25.27, previous value, + \$1.82, profit for term, + \$12, dues, = \$39.09, present value of a share of the second series.

\$12.32, previous value, + \$1.07, profit for term, + \$12, dues, = \$25.39, present value of a share of the third series.

\$0.35, profit for term, + \$12, dues, = \$12.35, present value of a share of the fourth series.

The above rule is known in some sections of the country as the third-dividend rule.

Among the numerous variations of this rule is one largely used throughout the New England States known as the Eldredge plan. It differs from the rule in that the rate per cent of profit is not computed in the usual way, but instead the division of profits is based on an assumed rate per cent. This assumed rate of profit is distributed to each share as under the rule. If a portion of the profits still remains undistributed the profit per share is increased by one-half per cent, one-fourth per cent, etc., according to the amount of profit remaining.

To illustrate the plan, suppose the last annual report shows a share of a given series to be worth \$38.87, and that a rate of 6 per cent is assumed.

\$38.87 × .06 = \$2.33, profit on previous value at the assumed rate.

\$6.00 × .06 = \$0.36, profit on one-half of the dues at the assumed rate.

\$2.69, total profit of the share at the assumed rate.

The same computation is made upon all the shares in force of the existing series, which gives the total profit of all shares in force at the assumed rate, 6 per cent. If, after deducting this profit from the total profits, it is found that the profits are sufficient to allow 6½ per cent instead of 6 per cent, the profit per share is increased one-twelfth; if sufficient to allow 7 per cent the profit per share is increased one-sixth, etc.

Plan 6. Under this number is described the plan in use by 449, or 9.5 per cent of the 4,736 local associations which reported as to their plans of distribution. This plan was especially popular in the State of New York, a very large proportion of the associations of that State distributing profits in accordance therewith.

1. Divide the net profits for the term by the total amount of dues paid in on all the shares in force, for the rate per cent of profit.

2. Multiply the total dues paid in on one share of each series by the rate per cent of profit, for the profit on one share.

Using the same data as before the result is as follows:

ILLUSTRATION.

$\$48 \times 500 = \$24,000$, total dues paid in first series.

$\$36 \times 600 = \$21,600$, total dues paid in second series.

$\$24 \times 400 = \$9,600$, total dues paid in third series.

$\$12 \times 500 = \$6,000$, total dues paid in fourth series.

$\$61,200$, total dues in all series.

$\$3,000$, the profits for the term, $\div \$61,200 = 4.9019$, the rate per cent of profit.

$\$48 \times .049019 = \2.35 , profit of a share of the first series.

$\$36 \times .049019 = \1.76 , profit of a share of the second series.

$\$24 \times .049019 = \1.18 , profit of a share of the third series.

$\$12 \times .049019 = \0.59 , profit of a share of the fourth series.

$\$38.87 + \$2.35 + \$12 = \53.22 , value of a share of the first series.

$\$25.27 + \$1.76 + \$12 = \39.03 , value of a share of the second series.

$\$12.32 + \$1.18 + \$12 = \25.50 , value of a share of the third series.

$\$0.59 + \$12 = \$12.59$, value of a share of the fourth series.

$\$2.00$, profits undivided.

This rule is known in some sections of the country as the second dividend rule.

Plan 4: Of the 4,736 local associations reporting, 287, or 6.1 per cent, distributed their profits under the plan which is described as follows:

1. To the value of all the shares in force as declared by the last report, add the equated amount of dues paid in during the term.

2. Divide the profits for the term by this sum, for the rate per cent of profit.

3. Multiply each share's investment by the rate per cent of profit, to find the gain on one share.

Using the same data as before the result is as follows:

ILLUSTRATION.

$(\$38.87 + \$6.50, \text{equated dues}) \times 500 = \$22,685$, dividend bearing capital of 1st series.

$(\$25.27 + \$6.50, \text{equated dues}) \times 600 = \$19,062$, dividend bearing capital of 2d series.

$(\$12.32 + \$6.50, \text{equated dues}) \times 400 = \$7,528$, dividend bearing capital of 3d series.

$\$6.50, \text{equated dues} \times 500 = \$3,250$, dividend bearing capital of 4th series.

$\$52,525$, dividend bearing capital of all series.

$\$3,000$, the profits for the term, $\div \$52,525 = 5.7115$, the rate per cent of profit.

$(\$38.87 + \$6.50) \times .057115 = \$2.59$, profit of a share of the first series.

$(\$25.27 + \$6.50) \times .057115 = \$1.81$, profit of a share of the second series.

$(\$12.32 + \$6.50) \times .057115 = \$1.07$, profit of a share of the third series.

$\$6.50 \times .057115 = \0.37 , profit of a share of the fourth series.

$\$38.87 + \$12 + \$2.59 = \53.46 , value of a share of the first series.

$\$25.27 + \$12 + \$1.81 = \39.08 , value of a share of the second series.

$\$12.32 + \$12 + \$1.07 = \25.39 , value of a share of the third series.

$\$12 + \$0.37 = \$12.37$, value of a share of the fourth series.

$\$6.00$, profits undivided.

This rule is known as Dexter's rule.

Some associations arrive at the same results by using the following method: (1) To the value of the shares in force in each series as declared by the last report, add the equated amount of dues paid in each series during the term, and multiply each sum by the number of months in the term, for each series' investment for one month. (2) Find the sum of these products, which gives the entire capital invested for one month, and then divide the profits of the term in the same proportion that each series' investment for one month bears to the entire capital invested for one month, for each series' share of the profits. (3) Divide the profits of each series by the number of shares therein, for the profit of one share.

The process is also varied in the following way: The total investment for one month is divided into the total net profits for a rate per cent, which is applied to each series' investment for one month, for the profit of each series.

Plan 2: Of the 4,736 local associations reporting, 256, or 5.4 per cent, distributed their profits under the following plan:

1. Give to each series, except the last, interest at the legal rate upon the value of the shares in force as declared at the last report.

2. Deduct this interest from the profits for the term and divide the remainder equally among all the shares.

Assuming that 6 per cent is the legal rate, and using the same data as in the illustration of plan 1, the plan is worked out as follows:

ILLUSTRATION.

$\$38.87 \times .06 = \2.33 , interest on one share of the first series.

$\$25.27 \times .06 = \1.52 , interest on one share of the second series.

$\$12.32 \times .06 = \0.74 , interest on one share of the third series.

$\$2.33 \times 500 = \$1,165$, interest belonging to the first series.

$\$1.52 \times 600 = \912 , interest belonging to the second series.

$\$0.74 \times 400 = \296 , interest belonging to the third series.

$\$2,373$, total interest belonging to the old series.

$\$3,000$, the profits for the term, $-\$2,373 = \627 , profits remaining to be divided.

$\$627 \div 2,000$, total shares in force, $= \$0.31$, profit of each share.

$\$38.87$, previous value, $+$ $\$2.33$, interest, $+$ $\$0.31$, profit, $+$ $\$12$, dues, $= \$53.51$, value of a share of the first series.

$\$25.27$, previous value, $+$ $\$1.52$, interest, $+$ $\$0.31$, profit, $+$ $\$12$, dues, $= \$39.10$, value of a share of the second series.

$\$12.32$, previous value, $+$ $\$0.74$, interest, $+$ $\$0.31$, profit, $+$ $\$12$, dues, $= \$25.37$, value of a share of the third series.

$\$0.31$, profit, $+$ $\$12$, dues, $= \$12.31$, value of a share of the fourth series.

Undivided profits, $\$7$.

This is known as Wrigley's rule.

Many associations using this plan of distributing profits allow a higher or a lower rate of interest than the legal rate, but no separate classification of such associations has been made.

Plan 5. Of the 4,736 local associations reporting, 203, or 4.3 per cent, distributed profits under this plan, which is described as follows:

1. To the previous value of a share in each series add the dues paid in during the term, and multiply the sum by the number of shares in the series.

2. Add these products and then divide the sum into the profits for

the term for the rate per cent of profit. Using the same data as in the preceding illustrations, the rule is worked out as follows:

$$\begin{aligned}(\$38.87 + \$12) \times 500 &= \$25,435, \text{ dividend bearing capital of the first series.} \\(\$25.27 + \$12) \times 600 &= \$22,362, \text{ dividend bearing capital of the second series.} \\(\$12.32 + \$12) \times 400 &= \$9,728, \text{ dividend bearing capital of the third series.} \\\$12 \times 500 &= \$6,000, \text{ dividend bearing capital of the fourth series.}\end{aligned}$$

\$63,525, dividend bearing capital of all series.

\$3,000, the profits for the term, \div \$63,525 = 4.7225, the rate per cent of profit.

$$\begin{aligned}\$25,435 \times .047225 &= \$1,201.17, \text{ the first series' share of the profits.} \\ \$22,362 \times .047225 &= \$1,056.05, \text{ the second series' share of the profits.} \\ \$9,728 \times .047225 &= \$459.40, \text{ the third series' share of the profits.} \\ \$6,000 \times .047225 &= \$283.35, \text{ the fourth series' share of the profits.} \\ \$1,201.17 \div 500 &= \$2.40, \text{ profit of a share of the first series.} \\ \$1,056.05 \div 600 &= \$1.76, \text{ profit of a share of the second series.} \\ \$459.40 \div 400 &= \$1.15, \text{ profit of a share of the third series.} \\ \$283.35 \div 500 &= \$0.57, \text{ profit of a share of the fourth series.} \\ \$38.87 + \$12 + \$2.40 &= \$53.27, \text{ value of a share of the first series.} \\ \$25.27 + \$12 + \$1.76 &= \$39.03, \text{ value of a share of the second series.} \\ \$12.32 + \$12 + \$1.15 &= \$25.47, \text{ value of a share of the third series.} \\ \$12 + \$0.57 &= \$12.57, \text{ value of a share of the fourth series.} \\ &= \$0.03, \text{ profits undivided.}\end{aligned}$$

Plan 7: Of the 4,736 local associations reporting, 172, or 3.6 per cent, distributed profits under the following plan, which was especially popular in the State of Ohio:

1. To the amount of dues paid in on one share in each series up to the last report add one-half the dues paid in during the term, and multiply these sums by the number of shares in each series, for the dividend bearing capital of each series.

2. Add these products and divide the sum into the profits for the term, for the rate per cent of profit.

3. Multiply the dividend bearing capital of each series by the rate per cent of profit, for the profit of each series.

4. Divide the profit of each series by the number of shares in the series, for the profit of one share in each series.

Using the same data as before, we proceed thus:

ILLUSTRATION.

$$\begin{aligned}(\$36 + \$6) \times 500 &= \$21,000, \text{ dividend bearing capital of the first series.} \\(\$24 + \$6) \times 600 &= \$18,000, \text{ dividend bearing capital of the second series.} \\(\$12 + \$6) \times 400 &= \$7,200, \text{ dividend bearing capital of the third series.} \\\$6 \times 500 &= \$3,000, \text{ dividend bearing capital of the fourth series.}\end{aligned}$$

\$49,200, dividend bearing capital of all series.

\$3,000, the profits for the term, \div \$49,200 = 6.0975, the rate per cent of profit.

$$\begin{aligned}\$21,000 \times .060975 &= \$1,280.48, \text{ the first series' share of the profits.} \\ \$18,000 \times .060975 &= \$1,097.55, \text{ the second series' share of the profits.} \\ \$7,200 \times .060975 &= \$439.02, \text{ the third series' share of the profits.} \\ \$3,000 \times .060975 &= \$182.93, \text{ the fourth series' share of the profits.} \\ \$1,280.48 \div 500 &= \$2.56, \text{ profit of a share of the first series.} \\ \$1,097.55 \div 600 &= \$1.83, \text{ profit of a share of the second series.} \\ \$439.02 \div 400 &= \$1.10, \text{ profit of a share of the third series.} \\ \$182.93 \div 500 &= \$0.37, \text{ profit of a share of the fourth series.} \\ \$38.87 + \$12 + \$2.56 &= \$53.43, \text{ value of a share of the first series.} \\ \$25.27 + \$12 + \$1.83 &= \$39.10, \text{ value of a share of the second series.} \\ \$12.32 + \$12 + \$1.10 &= \$25.42, \text{ value of a share of the third series.} \\ \$12 + \$0.37 &= \$12.37, \text{ value of a share of the fourth series.} \\ &= \$0.02, \text{ profits undivided.}\end{aligned}$$

The other 176 local associations distributed their profits under 17 different plans, some of which were grossly inequitable, and as none of these possesses any features of special merit they are not deemed of sufficient importance to be described here.

A large proportion of the associations which distributed profits under the foregoing plans modified the general rule or plan in some measure to meet the special conditions surrounding them. This was done either to simplify the work of bookkeeping or for the purpose of altering the proportion of profits to be credited to the various classes of shares. These variations are readily classified under the general rules given, and are not considered sufficiently important to be reproduced here.

Of the 176 national associations which reported their plans of distribution of profits to the Department of Labor in 1893, 81, or 46 per cent, were operating under the plan numbered 1, which has been described; 26, or 14.8 per cent, under plan numbered 6; 24, or 13.6 per cent, under plan numbered 3; 16, or 9.1 per cent, under plan numbered 4, and 13, or 7.4 per cent, under plan numbered 5. The publication of the somewhat extended descriptions of these plans taken from the above-mentioned report appears justified by the numerous inquiries for information concerning this special feature of the report, which has been out of print for several years. Further, it seems quite fair to assume that but little change in the methods of distribution of profits has occurred since 1893, in view of which fact it would appear that the value of the descriptions to interested readers would be almost as great at the present time as when they were first prepared.

WITHDRAWAL PLANS.

The principle upon which shares of building and loan associations are issued involves the regular payment of dues thereon, until they, together with the profits, amount to the maturing value of the shares. At maturity the holders of free shares, or those which have not been pledged for loans, are paid the full value of their shares, while the holders of pledged shares have their loans canceled and, if the maturing value of their shares exceeds the amount of their loan, they receive in addition in cash the difference between the value of their shares and the amount of their loan. In many cases, however, and for various reasons, shareholders find it necessary or desirable to withdraw from an association before the maturity of their shares. To meet this condition most associations have established widely varying rules under which members can retire from the association and withdraw their dues and at least a portion of the profits earned thereon. In the earlier days of the movement withdrawals were not permitted by most associations, and failing in the regular payment of dues, a member forfeited all payments as well as profits. Greater liberality in the matter

of withdrawals, however, very soon resulted in the establishing of rules under which all dues and a varying proportion of the profits might be withdrawn. In many associations of the present day, notably those operating under the Dayton plan, shareholders are permitted to withdraw not only all the dues which have been paid in on their shares, but also all of the profits credited to them. In most associations, however, a certain proportion of the profits on the shares of withdrawing members is retained, probably for the double purpose of discouraging frequent withdrawals and of adding to the profits of those members who continue their payments until the maturity of their shares.

To facilitate operations in connection with withdrawals associations have established two values for shares not yet matured—one being termed the holding or book value and the other the withdrawal value. The former value is calculated by adding to the dues paid in the profits which have been earned thereon, while the latter is the amount which the association under its particular plan of operation is willing to pay to withdrawing members. Provision relative to withdrawals is usually made in the constitutions or by-laws of associations. Notice of a certain number of days is usually required under withdrawal plans, but many associations do not enforce it, provided sufficient idle funds are available. It is sometimes provided as an additional safeguard that only a certain portion of the receipts shall be available for the payment to withdrawing members, in which case they are generally paid in the order of the priority of their notices of withdrawal.

At the time of the extensive investigation of the Department of Labor in 1893, twelve principal withdrawal plans were in use by associations, and while there has been since that time a growing increase in the liberality of associations in this respect, it is believed that a statement of the leading plans in use at that time will apply in all important particulars to the condition at the present time as regards this feature. Before proceeding with these descriptions of withdrawal plans it may be worth while to mention the system of forced withdrawals found in many serial associations. Under this system the accumulation of idle capital is used from time to time to arbitrarily retire the stock of nonborrowing members in the older series. This is done largely to obviate the difficulty of accumulating a large amount of funds at any one time for the purpose of paying off a series which is to mature. Inasmuch as members subject to such forced withdrawals are usually paid the full holding value of their shares, and have the privilege of subscribing to later series, no injury is done to the shareholder, and the operations of the association are greatly facilitated. These forced withdrawals have been authorized by the laws of some of the States in which associations are greatest in number and have been longest in existence.

In the descriptions of the principal withdrawal plans in vogue in 1893, taken from the ninth annual report of the Department of Labor, the payment of an annual interest on dues in lieu of a portion of the profits is involved in certain of the plans. The report describes the two methods in use in calculating this interest as follows:

First. The interest is calculated on the total amount of dues paid in for one-half the time during which they have been paid, commonly called the average time of investment; for example, in an association requiring monthly payments of dues, at the rate of \$1 per share, if 6 per cent per annum is allowed upon withdrawal, a member withdrawing at the end of one year would receive his dues, \$12, and 6 per cent interest thereon for six months, or 36 cents, making a total of \$12.36 per share. This method, on account of its simplicity, is the one ordinarily used. A few associations, however, use the following method: - Second. The interest is calculated on the total amount of dues paid in for the true average, or equated time of investment, which is ascertained by taking one-half of the sum of the extremes of the arithmetical series representing the periods of time during which the periodical payments of dues have been invested. Thus, using the illustration given above, monthly dues having been paid for twelve months, the extremes of the series representing the periods of investment of the monthly payments are 1 and 12. One-half of the sum of the extremes is $6\frac{1}{2}$, which is the true average time of investment, in months, and 6 per cent on \$12 for $6\frac{1}{2}$ months amounts to 39 cents, which, added to the dues paid in, gives a withdrawal value of \$12.39 per share at the end of one year.

Plan 2: Of the 5,501 local associations reporting as to their withdrawal plans, 1,740, or 31.6 per cent, were operating under this plan, which is described as follows:

Withdrawing shareholders receive the dues paid in and a fixed rate of interest per annum on such payments.

Under this plan withdrawing shareholders receive the dues paid in on the shares upon which withdrawal is made with a fixed rate of interest thereon per annum, which varies in different associations.

Illustration: In an association in which the dues are \$1 per month per share 6 per cent interest on the dues paid in is allowed withdrawing shareholders. If a shareholder withdraws when his shares are four years old he will receive on each share upon which withdrawal is made \$48, the dues paid in thereon, with 6 per cent interest on the same for two years, the average time of investment, or \$5.76, making the total amount he will withdraw on each share \$48 plus \$5.76, or \$53.76.

Plan 11: Of the 5,501 local associations reporting, 1,640, or 29.8 per cent, were operating under this plan, described as follows:

Withdrawing shareholders receive the dues paid in and all the profits.

Under this plan withdrawing shareholders receive the dues paid in on the shares upon which withdrawal is made and, in addition, all the profits earned by or credited to such shares. In some cases interest is allowed on the dues paid in since the date of the last apportionment of

profits at rates varying in the different associations as follows: 3 per cent; 4 per cent; 6 per cent; 10 per cent.

Illustration: In an association in which the dues are \$1 per month per share and the profits are apportioned semiannually all the profits credited are allowed on withdrawal. A shareholder withdraws when his shares are four years old; he has paid in on each share during said four years \$48 in dues, and the profits apportioned to each share are \$8; said shareholder will therefore receive, on each share upon which withdrawal is made, \$48 plus \$8, or \$56. In case interest is allowed on the dues paid in since the last distributing period, suppose the rate of such interest to be 6 per cent per annum, and the shares upon which withdrawal is made to be four years and three months old; the dues paid in on each share are \$51, and the profits shown as credited at the end of four years, date of last apportionment, are \$8. The shareholder will then receive on each share upon which withdrawal is made \$51, dues paid in thereon; \$8, profits last apportioned, and 6 per cent interest on \$3 paid in as dues since last apportionment, which, for one and one-half months, the average time of investment, would be 2 cents, making a total of \$59.02.

Plan 10: Of the 5,501 local associations reporting, 558, or 10.1 per cent, were operating under this plan, described as follows:

Withdrawing shareholders receive the dues paid in and an arbitrary allowance of profits.

Under this plan withdrawing shareholders receive the dues paid in on the shares on which withdrawal is made with such rate of interest, portion of the profits, or specific amount as the management of the association may from time to time determine.

Illustration: In an association requiring monthly payment of dues at the rate of \$1 per share the board of directors decides, at the end of the sixth year, that the earnings have been sufficient to justify the payment to withdrawing shareholders of 6 per cent interest per annum on the dues paid in for the average time of investment. A member then withdrawing would be paid his dues, \$72, and 6 per cent interest thereon, \$12.96, making a total of \$84.96. If, instead of interest, a part of the apportioned profits is allowed and at the end of the sixth year the board of directors decides to allow 75 per cent thereof, the entire profits amounting to \$20 per share, the withdrawing shareholder would receive \$87 per share, and if, instead of either interest or a part of profits, it should be decided to pay a specific amount, as, for instance, \$10 per share, he would receive \$82.

Plan 4: Of the 5,501 local associations reporting, 347, or 6.3 per cent, were operating under this plan, described as follows:

Withdrawing shareholders receive the dues paid in and a fixed portion of the profits.

Under this plan withdrawing shareholders receive the dues paid in on the shares upon which withdrawal is made and a fixed portion, varying in different associations, of the profits apportioned to said shares.

Illustration: The maturing value of a share is \$200 and the dues per month \$1. A member whose shares are two years old has paid in on each share in dues \$24, and the profits apportioned each share are \$2; 50 per cent of such profits can be withdrawn; therefore, if

the member withdraws at the end of said two years he will receive on each share the dues paid in, \$24, plus 50 per cent of the \$2 profits, or \$1, which makes the total amount that may be withdrawn on each share \$25.

The portion of the profits allowed on withdrawal ranges in different associations from 5 to 95 per cent.

Plan 5. The plan described below was found in operation in 321, or 5.8 per cent, of the local associations reporting.

Withdrawing shareholders receive the dues paid in and a graduated portion of the profits or a graduated amount.

Under this plan withdrawing shareholders receive the dues paid in on the shares upon which withdrawal is made, with a portion of the profits apportioned to such shares, such portion being graduated according to the age of the shares. Or, instead of a graduated portion of the profits, withdrawing shareholders receive, in addition to dues, an amount which increases periodically according to the age of the shares, regardless of profits.

Illustration I: A member desires to withdraw at the end of the third year after having paid \$36 in dues. The scheme of the association provides that a member withdrawing during the first twenty-four months shall receive, in addition to the dues paid in, 75 per cent of the profits apportioned to his shares; after twenty-four months, 80 per cent; after thirty months, 85 per cent; after thirty-six months, 90 per cent; and after forty-two months, 95 per cent. The profits earned by a share at the end of the third year are \$4.06, of which the withdrawing member would receive 90 per cent, or \$3.65, which, added to the dues, gives the share a withdrawal value of \$39.65.

Illustration II: An association paying the withdrawing shareholder a graduated amount per share instead of a graduated portion of the profits allows the following rates: If the withdrawal takes place during the first year no profits are allowed; during the second year, 50 cents; during the third year, \$1; during the fourth year, \$3; during the first six months of the fifth year, \$5; during the second six months of the fifth year, \$6.50; during the first six months of the sixth year, \$8; during the second six months of the sixth year, \$10; during the first six months of the seventh year, \$12; during the second six months of the seventh year, \$14; during the first six months of the eighth year, \$16; during the second six months of the eighth year, \$18; and after the eighth year, \$20. A member withdrawing from this association at the end of the fifth year, after having paid \$60 in dues, would receive \$8 in addition to his dues, or a total of \$68.

Plan 3: This plan was found in operation in 270, or 4.9 per cent of the local associations reporting.

Withdrawing shareholders receive the dues paid in and a graduated rate of interest per annum on such payments.

Under this plan withdrawing shareholders receive the dues paid in on the shares upon which withdrawal is made, with interest thereon at various increasing rates per cent per annum, graduated according to the age of the shares.

Illustration: A member holding shares which are six years old, four years old, and two years old, respectively, desires to withdraw from

the association. He has paid \$72 per share as dues in the first class, \$48 per share as dues in the second class, and \$24 per share as dues in the third class. The conditions governing withdrawals are as follows: Shares withdrawn during the first two years receive 3 per cent per annum on the average investment; during the third year, 4 per cent; during the fourth and the fifth years, 5 per cent, and after the fifth year, 6 per cent. On each share six years old the withdrawing shareholder would receive the dues paid in by him, \$72, with interest thereon at the rate of 6 per cent per annum for the average time of investment, amounting to \$12.96, making a withdrawal value of \$84.96. On each share four years old he would receive the dues paid in by him, \$48, with interest thereon at the rate of 5 per cent per annum for the average time of investment, amounting to \$4.80, making a withdrawal value of \$52.80. On each share two years old he would receive the dues paid in by him, \$24, with interest thereon at the rate of 3 per cent per annum for the average time of investment, amounting to 72 cents, making a withdrawal value of \$24.72.

Plan 1: This plan was found in operation in 221, or 4 per cent of the local associations reporting.

Withdrawing shareholders receive the dues paid in without interest or profit.

Under this plan withdrawing shareholders receive only the dues paid in on the shares upon which withdrawal is made, the profits earned by said shares being retained by the association.

Plan 7. This plan was found in operation in 139, or 2.5 per cent, of the local associations reporting.

Withdrawing shareholders receive the dues paid in, with a fixed rate of interest thereon during a fixed period and a fixed or a graduated portion of the profits thereafter.

Under this plan withdrawing shareholders receive the dues paid in on the shares on which withdrawal is made and, if withdrawal is made within a fixed period from the date of issue of the shares, interest thereon, both the rate of interest and the length of the period varying in different associations; if withdrawal is made after the expiration of said period, shareholders receive instead of interest either a fixed portion of the profits apportioned to the shares or a portion of such profits graduated according to the age of the shares.

Illustration: In an association in which the dues are \$1 per share per month interest at the rate of 6 per cent per annum on the dues paid in is allowed the withdrawing shareholder if withdrawal is made on shares less than four years old, and thereafter, in lieu of said interest, a fixed portion of 50 per cent of the profits apportioned is allowed. If a shareholder withdraws when his shares are three years old he will receive on each share \$36, dues paid in, with interest at 6 per cent per annum thereon, amounting for the average time of investment to \$3.24, making the total amount he will withdraw on each share \$36 plus \$3.24, or \$39.24. If said shareholder withdraws when his shares are five years old, the profits earned by each share being \$15, he will receive on each share \$60, dues paid in on same, together with 50 per cent of the \$15, or \$7.50, making the total amount he will withdraw on each share \$60 plus \$7.50, or \$67.50. If instead of a fixed a graduated por-

tion of the profits is allowed after a fixed period, which is, say, 50 per cent of the profits when share is four years old, 60 per cent when five years old, 70 per cent when six years old, etc., then, at the end of the five years, he will receive on each share \$60, dues paid in on same, plus 60 per cent of \$15, or \$9, making the total amount he will withdraw \$60 plus \$9, or \$69.

The withdrawal plans of a large proportion of these associations are modified by various regulations, which in most cases reduce to some extent the amount paid to withdrawing members. Many associations require a withdrawal fee to be paid by its withdrawing members, this fee ranging in different associations from 5 cents to \$8 per share, the amount of the fee being deducted from the withdrawal value of the stock. Other modifications place a limit upon the classes of shares that are entitled to withdrawal profits, and also upon the proportion of the profits that may be withdrawn in a given year:

Of the 223 national associations reporting as to their withdrawal plan, 67, or 30 per cent, were operating under plan 2; 64, or 28.7 per cent, under plan 3; 24, or 10.8 per cent, under plan 11; 18, or 8.1 per cent, under plan 7; 14, or 6.3 per cent, under plan 4, and but a small per cent under any of the other plans described.

MATURING AND PAYING OFF SHARES.

To a serial association the liquidation of a series of shares upon maturity is one of the difficult problems that has been met in a variety of ways. The financial loss involved in the carrying for a considerable time of a large amount of idle capital in anticipation of the maturity of a series has been the principal objection to this method of disposing of the matter. The provision in some associations for the gradual liquidation of matured shares by their payment in some order, usually determined by lot, has met with great criticism because of the necessity under this plan of delaying the payment to some shareholders for many months. Unless the income of an association be extremely large it must, under this method, practically discontinue its regular loan business and set aside its entire receipts for the purpose of paying off matured stock or prolong the period of waiting for settlement for some shareholders to such an extent as to cause great dissatisfaction among stockholders and consequent injury to the association.

One of the members of the League of Local Building and Loan Associations explains the method in vogue in the Pennsylvania associations for many years as follows: As the maturity of a series approaches such portion of the funds in the treasury as is not needed for borrowing members is devoted to the purpose of paying off in advance the shares approaching maturity. The shares of nonborrowing members of the series are called in, paid off, and canceled, an opportunity being

given such members to invest in a later series. Usually in such cases the member receives the amount of dues paid in and his full share of the profits to the date of the paying off of his shares. This method is stated to have been quite satisfactory and has been mentioned heretofore in this paper as the method of forced withdrawal.

In one association the difficulty has been overcome as follows: Remembering that the pledged stock will always take care of itself, being canceled at maturity in settlement of the loan which has been made upon it, a year or more before the date of maturity the free shareholders in the series are notified that if they wish the maturity of their shares anticipated without loss of their profits, the association will make loans on the pledge of their stock. By this means a considerable portion of the free or unpledged shares are converted into pledged shares and thus taken care of. In the particular association under consideration the maturity value of the shares represented \$120,000. Of this amount \$55,000 was represented by pledged stock, leaving but \$65,000 to be taken care of. Loans of \$12,000 were made as the result of the notice to shareholders just mentioned, leaving \$53,000 to be provided for in some other manner. It was then decided to offer certificates of paid-up stock receiving its share of the earnings of the association to such shareholders in the series as did not desire payment on maturity. About \$20,000 paid up stock was thus subscribed to and issued. The balance of \$33,000 was paid in cash at the maturity of the series without disturbing the business of the association, the amount being borrowed on the security of city bonds for \$50,000 carried by the association for this purpose, the loan to be repaid out of the first surplus funds of the association.

MANAGEMENT.

One of the greatest essentials to success in a building and loan association is the good management of its business affairs. The primary consideration is of course a good plan, equitable and fair alike to the borrower and nonborrower, but an association operating under a thoroughly good plan may fail of success by reason of poor management. The government and management of the affairs of an association are usually reposed in a board of directors composed of the president of the association, its treasurer, secretary, attorney, and a certain number of its members. These officers and other members of the board of directors are elected by the shareholders at their annual meeting and their terms of office vary according to the rules of the association. This board is charged with the entire business management of the association. Upon it devolves the important duty of deciding upon security values as the basis of the association's loans, and upon its good

judgment, intelligence, integrity, and attention to duty depends the safety of the funds of the association as well as its prosperity. Experience in the larger business affairs of the community is not so important as willingness to give the necessary time and attention to the smaller business affairs of the association.

Of the duties devolving on the various members of this board, not the least important are those of the secretary and of the attorney. The secretary is brought into closer contact with the shareholders than is any other officer. In addition to the bookkeeping and the general management of the association, the routine business between shareholders and the association, such as the payment of dues, etc., is conducted by him, and upon his courtesy, intelligence, knowledge of human nature, familiarity with the affairs of the association, and readiness in giving all necessary information as to the affairs and workings of the association depend not only the satisfaction of the members of the association, but also very often the action of prospective shareholders. The importance of the duties of this officer are becoming more and more recognized, and he is consequently more adequately paid for his important services by the associations of the present time than was the case formerly. Upon the attorney devolves important duties in connection with the making of loans on real estate, which constitutes the greater part of an association's loans. The examination of the titles of properties upon which loans have been asked, the preparation of the legal papers securing the loans, and the recording of the same after execution must be done with the greatest carefulness and integrity. Upon his judgment as to the validity and sufficiency of the security offered for loans depends the safety of the funds of the association, and upon his experience and familiarity with the laws and decisions relating to building and loan associations rests its safety from ill-advised legal controversies which may prove hurtful to its interests. Much depends, also, upon the regular auditing of the accounts of an association, which is usually performed by a committee of the directors appointed for that purpose.

The question very naturally arises as to the basis for the selection of the officers of the association upon whom such important duties rest—that is, the voting power of shareholders. The report of the Department of Labor in 1893 showed that out of 4,887 local associations, from which information as to this point was obtained, 2,483, or 50.8 per cent, allowed 1 vote to each shareholder, and only 1 regardless of the number of shares held; 2,394, or 49 per cent, allowed 1 vote for each share held, while a very small number, 10, or 0.2 per cent, allowed 1 vote for every 5 or 10 shares held. In the 195 national associations reporting, 164, or 84.1 per cent, allowed 1 vote for each share held, 30, or 15.4 per cent, allowed 1 vote to each shareholder, and 1 allowed 1 vote for every 5 shares held. In practically one-half

of the associations it is seen on the one hand that under their rules but 1 vote was allowed to a shareholder, the object being to prevent the control of the association from resting in the hands of a few large holders of shares; while on the other hand in the other half of the associations reporting 1 vote was allowed for each share of stock held, each shareholder under this plan being given a voting power proportionate to his financial interest in the association. The objection raised by the advocates of the former plan is largely overcome, however, by the practice of associations under which the number of shares which can be held by any one person is limited. The report just referred to shows that while 2,211, or 39.8 per cent of the total number of local associations reporting (5,553), allowed an unlimited number of shares to be held by one person, 1,180, or 21.2 per cent of the associations allowed less than 25 shares to be held by one person; 682, or 12.3 per cent, allowed 25 but under 50, and 569, or 10.2 per cent, 50 but under 75. Upon the whole, there seems to be every reason to believe that the interests of the shareholder in respect to his voting privileges have been fairly conserved.

LEGISLATION AND STATE SUPERVISION.

For many years the building and loan associations in most of the States of the Union were incorporated and carried on their affairs under the general laws governing corporations. As the movement grew, however, and gained a position of financial importance, there arose the necessity for special laws to govern the organization and conduct of these institutions, and also to provide for State supervision of their operations. Quite naturally such a movement had early attracted the attention of those who saw the possibility of organizing associations without regard to the true cooperative principle under which success had been attained, purely for the purpose of enriching themselves at the expense of their shareholders. The great losses sustained by the stockholders of such associations which were organized under attractive but impossible plans, and which eventually came to certain financial wreck, greatly injured the business and reputation of the many associations which were operating under wise and equitable regulations. It was largely to meet the demands of the latter that special acts were passed in various States, not only for the purpose of encouraging the formation of these associations by granting special privileges and protecting the interests of their members by the enactment of wise and equitable rules of government, but also with a view to providing an adequate supervision of their affairs.

At the present time specific provisions are made in most of the States of the Union for the incorporation and control of both local and national building and loan associations. The law of the State of

Michigan is reproduced in full, in order to furnish the reader with a fairly complete and detailed representative statement of the provisions enacted on the subject of local or domestic associations. As that State has no specific regulations as to the admission of national or foreign associations (i. e., those incorporated outside the State) to carry on business within the State, the law of the State of New Jersey relating to the latter class of associations, is presented.

MICHIGAN.

AN ACT to provide for the incorporation and regulation of certain corporations generally known as building and loan associations.

(Act approved March 29, 1887: Amended March 12, 1901.)

SECTION 1. Any number of persons, not less than five, who are residents of this State, desiring to organize a building and loan association for the purpose of building and improving homesteads, removing incumbrances therefrom, and loaning money to the members thereof, may, by complying with all the provisions of this act and entering into articles of association, become a corporate body. Said articles of association shall be signed by the persons associating, and acknowledged before some person authorized by the laws of this State to take acknowledgments of deeds, and shall set forth:

First, The name assumed by the association, which shall not be the same assumed by any other association incorporated under this act, nor so similar as to be liable to mislead;

Second, The purposes for which the association is formed;

Third, The amount of its authorized capital stock; the number of shares into which it is divided; the par value of each share; and the number of shares subscribed for, which shall not be less than fifty in number;

Fourth, The names of the incorporators; their respective residences, and the number of shares subscribed for by each;

Fifth, The term of its corporate existence, which shall not exceed thirty years;

Sixth, The name of the town, village or city in which such association is to be located.

Sec. 2. When executed as aforesaid, said articles of association shall be approved by, and filed with the secretary of state, and a copy thereof, duly authenticated under his hand and seal of State, shall be recorded in the office of the register of deeds in the county in which the principal office of such association is located. Upon the recording of said copy, the persons named in the articles of the association, their associates and successors, shall become a corporate body for the period for which they are organized, and shall exercise such powers as are herein granted, and such other powers as are necessary to enable such association to carry out the purpose of its organization, not inconsistent with the provisions of this act: *Provided*, That before such association shall proceed to business it shall adopt by-laws for the regulation and management of its business. Said by-laws shall not become operative until a copy thereof, duly certified by the president and secretary of the association, shall have been approved by and filed with the secretary of state.

Sec. 3. The corporate powers of every building and loan association heretofore organized under the laws of this State, or which may be incorporated under this act, shall be exercised by a board of directors of not less than five members, who shall elect from their own number the officers of the association. The mode of electing members of said board of directors and officers, and their respective terms of office, shall be prescribed in the by-laws.

Sec. 4. The secretary and treasurer of such association, and all other officers who sign or endorse checks, have charge of money or securities of such association, shall, before entering upon the duties of their office, each give such bond for the faithful performance of the same as shall be required and approved by the board of directors. Additional sureties, or such increase of said bonds as they may deem necessary, may be required at any time by the board of directors. Directors shall not be accepted as surety, and shall be individually liable for any loss sustained through their negligence or failure to comply with the provisions of this section.

Sec. 5. The authorized capital stock of such association shall be divided into shares having a par value of not less than twenty-five dollars, nor more than two hundred

dollars each, payable in periodical installments, called dues, not exceeding two dollars per month on each share: *Provided*, That the by-laws may provide for the advance payment of installment dues and for which there may be issued an advance payment certificate. The shares may be issued in series, or at any time as the by-laws shall determine, and subscriptions therefor shall be made payable to the association. Said shares shall be deemed personal property, transferable upon the books of the association in the manner prescribed in the by-laws, and shall be paid off and retired as the by-laws shall direct. Every share shall be subject to a lien for the payment of unpaid dues and such other charges as may be lawfully incurred thereon under the provisions of this act, and the by-laws may prescribe the manner of enforcing such lien. New shares may be issued in lieu of shares matured, withdrawn, retired or forfeited; but at no time shall the shares issued and in force exceed the aggregate number of shares into which the authorized capital stock is divided as designated in the articles of association: *Provided further*, That any building and loan association heretofore or hereafter incorporated under the laws of this State may, by a resolution adopted by a two-thirds vote of shares represented and voting at any annual meeting, or at any meeting called for that purpose, increase its authorized capital stock and shares, or amend its articles of association, or by-laws, in any manner not inconsistent with the provisions of this act; but no such increase of authorized capital stock nor amendments shall have effect until a copy of such resolution, certified by the president and secretary of the association, shall be filed and recorded in the same manner as is provided in section two of this act for the filing and recording of original articles of association and the filing of by-laws.

SEC. 6. Any shareholder desiring to withdraw his unpledged shares from any association shall have the privilege to do so by giving thirty days' written notice of such intention, and shall then be entitled to receive the full amount of dues paid in by him or her upon the shares to be withdrawn, and such interest thereon, or such proportion of the profits apportioned thereto, as the by-laws may prescribe, less all fines unpaid, and a pro rata share of losses sustained during the term of his or her membership, and upon shares less than one year old there may be deducted the actual expense incurred in writing such shares, not to exceed fifty cents per share: *Provided*, That the rate of interest or profits paid on withdrawals shall not exceed the rate of net earnings of the association: *Provided further*, That not more than one-half of the funds received by the association in any one month shall be applicable to the payment of withdrawing shareholders unless otherwise ordered by the board of directors; and when the demands of withdrawing shareholders exceed the funds applicable to their payment they shall be paid in the order in which their notices of withdrawal were filed with the association. Within sixty days after the death of a shareholder his or her legal representative shall be entitled to receive the withdrawal value of the unpledged shares of such decedent. No fines shall be charged to a shareholder's account after his or her decease unless his or her legal representative assumes the future payments of dues on such shares: *Provided further*, That not more than two-thirds of the funds received by any association in any one month, which shall include the funds applicable to the payment of withdrawals, shall be applicable to the payment of matured shares without the consent of the board of directors.

SEC. 7. Married women may become subscribers to the capital stock of such corporation, and hold, control and transfer their stock in all respects as femmes soles, and their stock shall not be subject to the control of or liable for the debts of their husbands. Minors may become subscribers to and owners of the stock of such corporations by guardian or trustee, and such guardian or trustee may withdraw the stock of such minor, as provided in section six of this act: *Provided, however*, That such guardian or trustee shall give bonds to the probate court in double the amount of the withdrawal value of such stock, for the use of such minor on his or her becoming of age; but it is hereby provided that the owner or legal representative of the stock of such association shall be entitled to vote at any election, when the stockholders are called upon to vote, in the manner provided in the by-laws of such association: *And provided further*, That no stockholder shall cast more than forty votes.

SEC. 8. At such times as the by-laws shall designate, not less frequently than once a month, the board of directors shall hold meetings, at which the funds in the treasury applicable for loans shall be loaned to the member who, in open competition, shall bid the highest premium for priority of right to a loan; or in lieu thereof, such funds may be loaned either with or without premium as the borrower may, in writing, agree to pay, in which case the priority of right to a loan shall be decided by the priority of the applications therefor. The manner in which said premium may be paid shall be prescribed in the by-laws. No loans shall be made by such association to anyone not a member thereof (except as hereinafter provided), nor to any member for an amount greater than the par value of the shares held by such member.

Borrowers shall be required to give real estate security, unincumbered except by the prior liens held by such association, accompanied by a transfer and pledge to the association of the shares borrowed upon as collateral security for the repayment of the loan: *Provided*, That no loan made upon real estate security shall exceed in amount two-thirds of the appraised valuation of such real estate: *Provided further*, That the shares of such association may be received as security for the loan of an amount not to exceed ninety per cent of the withdrawal value of such shares: *Provided further*, That, subject to the approval of the secretary of state, the number of payments of dues, interest and premium required from the borrowing stockholder to pay off his loan and secure a release of his incumbrance may be limited to such a definite number as the by-laws may provide.

SEC. 9. If the borrower neglects to offer security satisfactory to the board of directors within the time prescribed by the by-laws, his or her right to the loan shall be forfeited, and he or she shall be charged with interest or premium, if any, for one month, together with any expense incurred, and the money appropriated for such loan may be relented at the next or any subsequent meeting.

Whenever a borrowing shareholder shall be in arrears in the payment of dues, interest or premium for more than four months, the board of directors may, at their discretion, declare the pledged shares forfeited, and the whole amount of the loan due and payable, and its collection, together with the arrears of interest, premium and fines, may be enforced by proceedings upon the security held by the association, in accordance with law: *Provided*, That the withdrawal value of the pledged shares, at the time of commencement of foreclosure proceedings, shall be credited upon the loan.

SEC. 10. Any borrowing shareholder desiring to repay his loan shall have the privilege of doing so at any time, by giving the association thirty days' written notice of such intention. The borrower shall be charged with the amount of the original loan, together with all arrearages of interest, premium and fines, and shall be given credit for the withdrawal value of his shares pledged as security; and the balance shall be received by the association in full satisfaction of said loan: *Provided*, That in cases where the premium is deducted from the loan in a gross sum, and the borrower repays the loan before the expiration of the tenth year from the date upon which said loan was made, such borrower shall be given credit for one-tenth of the premium paid for every year of the said ten years then unexpired: *Provided further*, That any borrower desiring to retain his or her shares and membership may repay his loan without claiming credit for the withdrawal value of said shares, whereupon said shares shall be retransferred to him or her, and shall be free from any claim by reason of said loan.

SEC. 11. Corporations organized under this act being of the nature of cooperative associations, therefore no premium, fines, nor interest on such premiums that may accrue to the said corporation, according to the provisions of this act, shall be deemed usurious, and the same may be collected as other debts of like amount may be collected by law in this State.

SEC. 12. No corporation or association created under this act shall cease or expire from neglect on the part of the corporation to elect officers at the time mentioned in their by-laws, and all officers elected by such corporations shall hold their offices until their successors are duly elected and qualified.

SEC. 13. Any loan or building association incorporated by or under this act is hereby authorized and empowered to purchase at any sheriff's or other judicial sale, or at any other sale, public or private, any real estate upon which such association may have or hold any mortgage, lien or other incumbrance, or in which said association may have an interest, and the real estate so purchased to sell, convey, lease or mortgage at pleasure to any person or persons whomsoever.

SEC. 14. Any loan or building association incorporated under this act, or any prior act, may extend the duration of time for which such association was organized by a vote of two-thirds of the capital stock of such association at any annual meeting of the stockholders of such association; thereupon the board of directors shall transmit a copy of the proceedings of such annual meeting, duly attested, to the secretary of state, who shall make a duly authenticated copy thereof, as provided in said section three of this act, certifying to the extensions of time of such corporation, and the same shall be recorded as provided in said section three of this act, and any building and loan association incorporated under any prior act, and extending the duration of the time for which it was incorporated, in the manner herein provided, shall be deemed as incorporated under and be vested with all of the power given in this act, the same as though such corporation had been originally incorporated under it.

SEC. 15. Each association formed under the provisions of this act shall, at the close of its first year's operations, and annually at the same period in each year there-

after, publish in at least two newspapers published in the same place where their business may be located, or if no newspaper be published in such place, then in any two newspapers published nearest such place, a concise statement, verified by the oaths of its president and secretary, showing the actual financial condition of the association, and the amount of its property and liabilities, specifying the same particularly.

Sec. 16. The shares held by any member, being a householder, of any association incorporated under the provisions of this act shall be exempted from levy and sale on execution or attachment to the amount of one thousand dollars in such shares, at the par value thereof: *Provided*, That such exemption shall not apply to any person who shall have a homestead exempted under the general laws of this State.

Sec. 17. The shares held by any member of any such association incorporated under the provisions of this act, and all mortgages or other securities held by such associations, shall be exempted from all municipal or other tax under the laws of this State.

Sec. 18. The secretary of state shall have supervision of all building and loan associations doing business in this State, and shall be charged with the execution of the laws of this State relating to such associations: *Provided*, That during the absence or disability of the secretary of state and deputy secretary of state, the chief of the building and loan division in the department of state shall be authorized to perform all the duties relating to the control and supervision of such associations and the execution of the laws above described. Said chief of the building and loan division shall receive a salary of fifteen hundred dollars per year. He shall also receive necessary traveling expenses connected with the duties of his office, which, when audited by the board of State auditors, shall be paid by the State treasurer on the warrant of the auditor general.

Sec. 19. Every building and loan association doing business within this State shall, on the first day of July of each year, or within sixty days thereafter, file with the secretary of state a full and detailed statement of its financial condition on the thirtieth day of the preceding June, and the business transacted during the preceding year. Said statement shall set forth the amount and character of its assets, liabilities, receipts and disbursements, and shall contain such other information, and be in such form as the secretary of state may prescribe, and shall be subscribed and sworn to by the secretary and treasurer of such association. Any such association refusing or neglecting to file the annual statement herein required within the period hereinbefore prescribed shall forfeit five dollars per day for each and every day such statement shall be withheld; and the secretary of state may maintain an action in the name of the State to recover such penalty, which upon its collection shall be paid into the State treasury.

Sec. 20. Once in each year, or oftener, if in the opinion of the secretary of state, it shall be necessary, the secretary of state shall make, or cause to be made, an examination into the affairs of all building and loan associations doing business in this State. Such examinations shall be full and complete, and in making the same the examiner shall have full access to, and may compel the production of all books, papers, and moneys, etc., of the association under examination, and may administer oaths to and examine the officers of such association, or any other person connected therewith, as to its business and affairs.

The secretary of state may appoint such special examiners as may be necessary to carry out the provisions of this act. Such examiners shall each be paid at the rate of five dollars per day; they shall also receive necessary traveling expenses connected with the duties of their office, which, when audited by the board of State auditors, shall be paid by the State treasurer on the warrant of the auditor general.

Sec. 21. Whenever it shall appear to the secretary of state that the affairs of any such association are in an unsound condition or that it is conducting its business in an unsafe or unlawful manner, the secretary of state shall at once notify the board of directors of such association, giving them twenty days in which to restore its affairs to a safe and sound condition or to discontinue its illegal practices. If after twenty days such restoration shall not have been made, or such illegal practices shall not have been discontinued, the secretary of state shall order one of the examiners, appointed to examine such associations, to take possession of all books, records and assets of every description of such association, and hold and retain possession of same pending the further proceedings hereinafter specified. Should the board of directors, secretary, or person in charge of such association, refuse to permit the said examiner to take possession as aforesaid, the secretary of state shall communicate such fact to the attorney-general, whereupon it shall become the duty of the attorney-general at once to institute such proceedings as may be necessary to place such examiner in immediate possession of the property of such association. Upon taking possession

of the effects of the association as aforesaid, said examiner shall prepare a full and true statement of the affairs and conditions of such association, including an itemized statement of its assets and liabilities, and shall receive and collect all debts, dues and claims belonging to it, and may pay the immediate and reasonable expense of his trust. Said examiner shall be required to execute to the secretary of state a good and sufficient special bond conditioned upon the faithful discharge of his duties as custodian of such association, which said bond shall be approved by the secretary of state.

The secretary of state shall, within fifteen days next after said examiner has acquired possession of the property of such association, convene a special meeting of the shareholders for the purpose of considering and acting upon the examiner's report of the affairs and condition of such association as found by him from his examination thereof. The shareholders may, at said special meeting, by the votes of those owning two-thirds of the shares in force, resolve to go into liquidation, and for that purpose may, by a majority vote of those present, elect from among their number a conservator and fix his compensation. A copy of said resolution, duly certified by the presiding officer and secretary of said special meeting, together with the name and address of the conservator thus elected, shall be filed with the secretary of state. Said conservator shall be charged with a proper distribution of the assets, discharge of all liabilities and final closing up of the business of such association, and before he shall enter upon the duties of his office he shall be required to execute to the association a good and sufficient bond, conditioned upon the faithful discharge of his duties, which bond shall be approved by and filed with the secretary of state. Upon the election and qualification of said conservator as aforesaid, the said examiner shall, when so ordered by the secretary of state, turn over and deliver to said conservator all the books, papers, money and effects of every description in his hands belonging to such association. Said conservator shall, upon the completion of the duties intrusted to him, prepare a statement to that effect, reciting therein that all the liabilities of such association have been completely discharged, and its assets and property distributed among all the persons entitled thereto. Said statement shall be subscribed and sworn to by said conservator and filed with the secretary of state, and a notice of such a dissolution shall be published for three successive weeks in any newspaper published in the county wherein the principal office of such association is located. Upon the filing of said statement and making publication as aforesaid, such association shall be deemed dissolved.

Sec. 22. If, after having called a meeting of the shareholders as herein provided, the secretary of state shall find that liquidation by the shareholders can not be had, or consummated, he shall communicate such fact, together with a statement of the condition of the association, to the attorney-general, who shall thereupon institute the necessary proceedings to enjoin such association from doing any further business, and for the appointment of a receiver therefor.

Sec. 23. If a shareholder be in arrears in the payment of dues upon unpledged shares, the board of directors may, if the shareholder fails to pay the amount in arrears within thirty days after notice, declare said shares forfeited. The withdrawal value of said shares at the time of forfeiture shall be ascertained and paid to such shareholder upon such notice as shall be required of a withdrawing shareholder: *Provided*, That fines for the nonpayment of dues, interest or premium shall not exceed one per cent per month on each dollar in arrears.

Sec. 24. The gross earnings of every building and loan association shall be ascertained at least once in each year, from which shall be deducted a sufficient amount to meet the operating expenses of such association, and from said earnings only shall such expenses be paid. From the balance of the earnings there shall be set aside at least one per cent annually as a reserve fund, until such fund reaches five per cent of the outstanding loans, at which rate it shall thereafter be maintained and held by annual appropriations from the earnings. From said reserve fund shall be paid all losses sustained by such association from depreciation of securities or otherwise. After providing for the expenses of the association, and the reserve fund as aforesaid, the residue of such earnings shall be transferred and apportioned to the credit of shareholders as the association by its by-laws shall provide.

Sec. 25. At the annual meeting, or at any meeting called for that purpose, any two or more building and loan associations organized under the laws of this State may, by a majority vote of all the shareholders of each of the different associations, resolve to consolidate into one, upon such terms as shall be mutually agreed upon by the directors of such associations. Any shareholder not consenting to such consolidation shall be entitled to receive the withdrawal value of his stock in settlement, or, if a borrower, to have such value applied in part settlement of his loan: *Provided*, That such consolidation shall not take effect until a copy of said resolution, certified by a majority of the board of directors of each association, shall be filed with the secretary of state.

Sec. 26. At the annual meeting, or at any meeting called for that purpose, any building and loan association of this State may, by the votes of shareholders owning two-thirds of the shares in force, resolve to liquidate and dissolve the corporation. In order to facilitate such dissolution, the board of directors may, if they deem it advisable, sell and transfer the mortgage securities and other property of such association to another corporation, person or persons, subject, however, to the vested and accrued rights of the mortgagors: *Provided*, That before said resolution shall have effect, a copy thereof, certified by the president and secretary of such association, together with an itemized statement of its assets and liabilities, sworn to by a majority of the board of directors, shall be filed with the secretary of state. After filing a copy of the resolution as aforesaid, it shall be unlawful for such association to issue stock or make any loans, but all of its income and receipts, in excess of the actual expenses of management, shall be applied to the discharge of its liabilities.

Sec. 27. Every officer, director, member of any committee, clerk or agent of any building and loan association doing business in this State, who embezzles, abstracts or misapplies any of the moneys, funds or credits of such corporation, who issues or puts into circulation any warrant or other order, who assigns, transfers, cancels or delivers up any note, bond, draft, mortgage, judgment, decree, or any other written instrument belonging to such association; who certifies to or makes any false entry in any book, report or statement of or to such association, with intent in either case to deceive, injure or defraud such association, or any member thereof, or to deceive anyone appointed to examine the affairs of such association, shall be deemed guilty of a felony, and on conviction thereof shall be imprisoned in the State prison, or in the State house of correction and branch of State prison, or in the State house of correction and reformatory, for a period of not less than one year nor more than ten years. Any officer, whose duty it is, failing to make the reports required by this act, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be fined not less than twenty-five dollars nor more than two hundred dollars, or shall be imprisoned not less than one month nor more than six months.

Sec. 28. The secretary of state shall annually, at the earliest possible date after the statements required of such associations are received, make a report to the governor of the general conduct and condition of all building and loan associations doing business in this State, including the information contained in such statements, arranged in tabular form, together with such suggestions as he may deem expedient. There shall be printed of said report as many copies as the secretary of state shall deem necessary.

Sec. 29. Every building and loan association organized under the laws of this State shall be subject to and shall pay to the secretary of state the following fees, which fees shall be paid into the State treasury, to wit: For filing articles of association, by-laws, amendments, or any other paper, one dollar; for making and certifying to articles of association, by-laws, or any other papers required to be filed with the secretary of state, twenty cents per folio of one hundred words; for making the annual examination herein provided, one seventy-fifth part of one per cent of the gross amount of assets of such association, which fee shall be paid at the time of filing its annual statement: *Provided*, That the examination fee of any association shall not be less than twenty dollars nor more than one hundred dollars in any one year: *Provided further*, That the expenses incurred and services, other than examinations, performed especially for such association shall be paid in full by such association.

NEW JERSEY.

AN ACT concerning building and loan associations. As to building and loan associations of other States.

(Act of 1903.)

28. A building and loan association of another State may be admitted to transact business in this State in the manner hereinafter provided and no such association not so admitted shall transact business in this State.

29. Application for authority to transact business in this State shall be made to the commissioner of banking and insurance, and on making such application every such association shall file in the department of banking and insurance a duly authenticated copy of its charter or certificate of incorporation, its constitution and by-laws, and thereafter certified copies of all amendments thereto; the names and addresses of its officers and directors, the compensation paid each officer, and a report of its condition, in such form as may be prescribed by the commissioner of banking and insurance, which shall be verified by the oath of such officers and other persons as

said commissioner shall designate, and said commissioner shall furnish blank forms for the report required, and may call for additional reports at such other times as may seem to him expedient.

30. If it shall appear to the commissioner of banking and insurance by the report aforesaid, and by an examination of said association, that it has good assets of sufficient value to cover all its liabilities, and that its methods of doing business are safe and not contrary to the laws governing building and loan associations of this State, it may be admitted to transact business in this State upon a certificate of authority to be issued by the commissioner of banking and insurance, which shall only be issued when said association shall have complied with the further requirements of this act.

31. The commissioner of banking and insurance, before issuing the certificate of authority as aforesaid, shall require every such association to deposit with him such securities as he may approve, amounting to at least thirty thousand dollars, which securities shall be held by him in trust for the exclusive benefit and security of the creditors and shareholders of such association resident in this State, and he shall have authority to require it to deposit additional securities, and to order a change in any of the securities so deposited at any time, and no change or transfer of the same shall be made or be effectual without his assent; such deposit shall be maintained intact in the full sum required at all times, but the association making such deposit, so long as it shall continue solvent and comply with all the provisions of this act applicable to it, may receive the dividends or interest on the securities deposited, and may, from time to time, with the assent of said commissioner, withdraw any of such securities on depositing with said commissioner other like securities the par value of which shall be equal to such as may be withdrawn.

32. Every such association shall pay for filing a certified copy of its charter or certificate of incorporation, twenty dollars; for filing original and annual reports, twenty dollars; for certificate of authority, annually, two hundred and fifty dollars; for certificate for each agency, five dollars, and shall defray all expenses incurred in making any examination of its affairs as herein provided for; and the commissioner of banking and insurance may maintain an action, in the name of the State, against such association, for the recovery of such expenses, in any court of competent jurisdiction.

33. Such certificate of authority shall be for the current year only and shall not be issued until such association shall by a duly executed instrument, filed in the department of banking and insurance, constitute the commissioner of banking and insurance and his successor in office its true and lawful attorney, upon whom all original process in any action or legal proceeding against it may be served, and therein shall agree that any original process against it which may be served upon said commissioner shall be of the same force and validity as if served on the association, and that the authority thereof shall continue in force irrevocable so long as any liability of the association remains outstanding in this State; the service of such process shall be made by leaving a copy of the same in the office of the commissioner of banking and insurance with a service fee of two dollars to be taxed in the plaintiff's costs; when any original process is served upon the commissioner he shall forthwith notify the association of such service by letter directed to its secretary, and shall, within two days after such service, forward to the secretary, in the same manner, a copy of the process served on him, and such service shall be deemed sufficient service upon the association; said commissioner shall keep a record of all such process showing the day and hour of service.

34. If any such association itself, or by its agents, attorneys, solicitors, surveyors, canvassers, collectors or other representatives of whatever designation, or if any agent, attorney, solicitor, surveyor, canvasser, collector or other representative, or any individual or firm, whether on behalf of such association or not, shall solicit, negotiate or in anywise transact any business in this State, except in the enforcement of contracts by legal process, without having complied with the requirements of this act, such association and such persons shall respectively be liable in a penalty of two hundred and fifty dollars and all costs of suit, to be sued for and collected in the name and for the benefit of the State, by the commissioner of banking and insurance; the first process against any person may be by *causas ad respondendum*, and any person against whom judgment may be obtained shall be committed to any county jail until such penalty and costs are paid, and the necessary expenses incurred by the said commissioner in carrying out the provisions of this act, when not otherwise provided for, shall be paid out of the fees collected as herein provided for.

35. Every such association doing business in this State shall annually in the month of January file in the department of banking and insurance a report of its condition at the close of business on the thirty-first day of December last preceding, and of its transactions for the year ending on that day, in such form and verified by such

officers and other persons as the commissioner of banking and insurance shall designate, and the said commissioner shall furnish blank forms for the report required, and may call for additional reports at such other times as may seem to him expedient; if any such association shall fail to file such annual report prior to the first day of February, or to furnish such additional reports as may be called for by the commissioner of banking and insurance within such reasonable time as shall be fixed by said commissioner, it shall be liable in a penalty of two hundred and fifty dollars and costs of action, to be sued for and collected by said commissioner in the name and for the benefit of the State.

36. The funds received by any such association from shareholders in this State shall be invested in the same manner and no other as provided in this act for associations of this State.

37. The commissioner of banking and insurance is hereby authorized to refuse to renew the annual certificate of authority to do business in this State to any such association, if in his judgment the affairs of such association are in an unsound condition, or its investments are illegal or unsafe, or its liabilities exceed its assets, or is not complying with all the provisions of this act.

Following is a digest, under principal heads, of the legislation of the various States. Where no specific provision is made the subject is controlled by the articles of incorporation or the constitution and by-laws of the associations, or by the general corporation laws of the State.

DIGEST OF LAWS RELATING TO BUILDING AND LOAN ASSOCIATIONS.

INCORPORATION AND PRELIMINARY REQUIREMENTS.

1. Any number of persons, the minimum ranging from three (Ala., Colo., Del., etc.) to twenty-five (Kans., Mass., Mo., etc.), may sign articles of incorporation, setting forth the name, purposes, period of existence, principal offices, etc., of the association.

Citizenship or declared intention thereof, and residence in the State of a part or all the incorporators are required in many States.

2. The name is required to be distinctive and in some States must include designated words, as "Building association," "Building and loan association," "Savings and loan association," etc.

3. The period of incorporation shall not exceed 20 years (Ala., Colo., N. Dak.); 30 years (Mich.); 40 years (Md., N. Mex.); 50 years (Kans., Mo., Okla., Utah); 50 years unless another term is stated in the articles (Cal.). Unless the term is limited, the charter shall be perpetual (Del., D. C.)

4. The amount of capital of an association is, in general, stated in the articles of incorporation or determined by its by-laws. In some States a statutory limit is fixed.

The capital of any association shall not exceed \$500,000 (Okla.); \$1,000,000 (Conn., Fla., Me., N. H., Pa., Vt.); \$2,000,000 (Ala., Cal.); \$5,000,000 (Ky., Wis.); \$10,000,000 (Kans., Mo.). The capital of an association shall not be less than \$50,000 (La.); \$1,000,000 (Oreg.); \$2,000,000 (Minn., Wash.).

An initial and an ultimate capital may be named, the former as a basis of incorporation and organization (S. C.).

The authorized capital stock may be increased within the limits fixed by law by a vote of the members holding a majority of the stock (Ala.); two-thirds of the stock (Mich.); three-fourths (Oreg.); may be increased by the board of directors to any sum thought desirable (Ind.); by a three-fourths vote of the board if three-fourths of the capital stock previously authorized has been issued, but such increase shall not exceed the amount previously issued (Minn., Wash.).

5. Preliminary to incorporation, subscriptions to stock must be made to the amount of 50 shares (Mich.); 100 shares (Ill., Ind., Iowa); 30 shares, on which one month's dues have been paid (Kans., Mo.); 200 shares, on which an entrance fee of not less than 25 cents per share has been paid (N. Mex.); stock to the amount of \$7,500 must be subscribed for (La.); \$10,000 (N. J., Oreg.); 5 per cent of the authorized capital (Mont., Ohio, Utah, Wyo.); 50 per cent of the initial capital, on which 50 per cent of the first installment has been paid (S. C.).

6. By-laws must be adopted within one month of filing the articles of incorporation (Cal.); 60 days (Oreg.). By-laws and amendments thereto must be filed in a designated county office of the county in which the principal place of business is situated (Colo., N. Mex.); in a State office or offices (Ill., Iowa, Kans., Mass., Mich., Minn., Mo., Nebr., N. Y., R. I., Wis.). All by-laws shall be subject to the approval of a State official before going into effect (Wash.).

7. After compliance with the legal requirements, a certificate or license authorizing associations to do business is granted by the officer of the county charged with such duty (Colo.); by a State officer (Cal., Del., Ga., Iowa, Minn., Nebr., N. Mex., N. C., N. Dak., Oreg., S. Dak., Vt., Va.); by a State officer before doing business outside of the county of domicile (Tenn.).

Such license or certificate is valid for 6 months (Colo.); one year (Cal., Del., Ga., Iowa, Minn., N. Mex., N. C., N. Dak., Oreg., S. Dak.); after the expiration of which period it must be renewed.

8. Specific provisions as to fees, designated as fees for incorporation, charter fees, fees for filing the articles of incorporation, license fees, etc., are as follows:

The incorporation fee of an association having a capital of \$50,000 or less is \$25, and ranges upward to \$250 when the capital exceeds \$1,000,000 (Ala.). The charter fee is \$25 (S. C.); \$100 (Fla.). The fee for filing articles is \$25 (N. C.); \$5 for each \$50,000 capital, or fractional part thereof (Ind.); 20 cents per 100 words (Mich.); for filing amendments, \$5 (Wis.)

The fee for certificate or license is \$5 (Me., Mass., S. Dak.); \$10 (Wis.).

A license fee or privilege tax of \$25 is payable annually (Iowa); \$25 if monthly dues received do not exceed \$500, ranging to \$200 where such receipts amount to \$3,000 or more per month (Miss.); \$1

for each \$1,000 assets (N. Mex.); \$10 for a capital of \$50,000 or less, and an additional \$5 for each added \$50,000 or fractional part thereof, but no annual fee shall exceed \$50 (Vt.); \$20 where capital is not more than \$10,000, ranging to \$843.50 for a capital of \$500,000, and \$92.50 additional for each added \$100,000 or fractional part thereof (Tenn.); \$5 for corporations doing business within the State exclusively, and \$25 for those operating also outside the State (Del.); \$50 for a paid-up capital of \$25,000 or less, ranging to \$250 for a paid-up capital of \$400,000, and \$50 additional for each \$100,000 in excess thereof, but purely mutual associations doing business in the city or county of domicile only are required to pay the sum of \$50 and no more (Va.). An annual payment of \$50 to the depository holding securities for an association shall be accepted as its license fee (Ga.).

Each agent must have a certificate renewable annually, the fee for which is 50 cents (N. C.); \$10 for each county in which an agent operates (Fla.).

9. In some States it is required that mortgages taken in the course of business, and other securities, be deposited with a State official or other designated depository. The depositing association collects the interest on such mortgages, bonds, etc., and may exchange the same or withdraw them for settlement or foreclosure, etc., so long as the association remains solvent and faithfully discharges its obligations.

The following provisions appear with reference to deposits:

All mortgages and other securities received in the regular course of business shall be deposited; if the same do not amount to \$25,000, additional approved securities must be deposited to make up that amount (Mont., Oreg., Wash.); 75 per cent of all mortgages, etc., must be deposited, the total to be not less than \$25,000, or if deposits must be made in other States, those within this State shall equal 75 per cent of the loans outstanding therein, and shall not be less than \$25,000 (Ga.); associations having \$500,000 permanent stock subscribed and not less than \$200,000 paid in shall keep on deposit securities of a value of \$200,000 (Minn.).

The above requirements do not extend to associations doing business in the county of domicile only (Mont., Oreg.); in the county of domicile and the counties adjacent thereto (Minn., Wash.); in the county of domicile and not more than two adjacent counties (Ga.).

If domestic corporations doing business in other States are required by law to deposit within such States the securities taken therein, a certificate of such fact will be accepted (Wash.).

10. No association shall do business outside of its home and the immediately adjoining counties unless it has a capital of at least \$100,000 (Kans.); assets equal to liabilities, of at least \$100,000, based on dues paid in (Mo.); must have accumulated securities of a value of \$25,000 before doing business outside the county of domicile (Tenn.).

The establishment of branch offices and the employment of agents to solicit members or sell shares for a compensation are forbidden (N. J.).

Each incorporation shall be created by special act (R. I.).

Failure to incorporate involves a penalty of \$1,000 (Mass.).

In the laws of Iowa, provision is found for the control of unincorporated associations, similar in general to the requirements as to incorporated associations, except that a deposit of \$50,000 in first mortgages or negotiable notes is required.

MANAGEMENT.

Matters of management, including mode of choosing directors and officers, the number, qualifications, and duties of the same, and the qualifications for voting are in many States regulated by the general corporation law or are fixed by the articles of incorporation or by the constitution and by-laws of the associations.

The following specific provisions appear:

1. Officers of the association who handle funds or who sign or indorse checks or drafts shall give bonds (Ala., Colo., Conn., Ga., Ill., Iowa, Kans., La., Me., Mich., Minn., Mo., Mont., N. J., N. Mex., Ohio, Okla., R. I., Tenn., Utah, Wash.). The secretary and treasurer may be one person (Me., Mass.).

No officer or agent or other person shall receive compensation by salary, fees, expenses, or otherwise for soliciting the sale of shares (N. Y.).

2. Members have one vote each (Conn., Me., Mass., N. H., N. J., R. I.); one vote for each share held (Cal., Del., Ill., Mich., Minn., N. Dak., Ohio, Oreg., S. Dak., Utah, Vt., Wis.); one vote for each \$100 of stock held (Iowa); but no member may cast more than 40 votes (Mich.); not more than 20 in his own right (Ohio).

MEMBERSHIP.

In general, membership is open to persons capable of making contracts who take one or more shares of stock and subscribe to the constitution and by-laws of the association.

Specific provisions as to married women and minors are made by a number of States, as follows:

1. Minors may hold shares by their parents, guardians, or trustees (Cal., Iowa, Me., Mich., N. Mex., N. Y., Pa., Vt.); minors hold in their own names, but subject to the control of parents or guardians (Conn.); minors hold in their own names with the same rights and liabilities as other members (Idaho, Ill., Ind., Ky., La., Mass., Mont., Nebr., N. J., N. C., Ohio, Okla., Wis., Wyo.). Minors must be above 14 years of age to hold in their own right (Ky., Nebr., Okla., Wis.); must be above 16 to vote (N. J.).

2. Married women holding stock have all the rights and liabilities of other members (Fla., Idaho, Ill., Ky., La., Mich., N. J., N. Mex., N. C., Okla., Pa., Tenn.); must be of full age (Fla.).

SHARES.

The value of shares is, in general, fixed by the by-laws, but a number of States determine the value or the limits of value by statute. The number of shares that may be held, entrance and membership fees, exemption from execution, provisions as to transfer, withdrawal, maturity, etc., are also subjects of legislation in various States.

1. Shares shall have a maturing value of \$100 (Ill., Minn.); \$200 (Conn., Me., Mass., N. H., Vt.); \$100 or \$200 as may be fixed by the articles of incorporation and by-laws (Cal., Okla.); not less than \$100 (Oreg.); \$200 (N. Mex.); shall not exceed \$200 (Idaho, Tenn., Wyo.); \$500 (Fla., Ind., Pa.); \$1,000 (Kans., Mo.); shall be not less than \$25 nor more than \$200 in value (Mich., Wis.); not less than \$25 nor more than \$500 (La.); not less than \$50 nor more than \$250 (N. Y.).

In determining the amount of the capital stock of an association each share shall be valued at \$50 (Ala.).

All shares shall be of the same par or maturity value (N. J.).

No series of any issue shall exceed \$100,000 (Ind.); \$500,000 (Fla., Pa., Wis.); nor one-tenth of the capital stock (Wis.).

Not more than 10,000 shares shall be outstanding at any time (Vt.).

2. No person shall hold more than 25 shares in any association (Me., Mass., N. H., Vt.); 100 shares (Wis.); 100 shares of a par value of \$200 (Tenn.); \$5,000 of stock (Nebr.); \$10,000 (Iowa).

If the capital is \$100,000 or less, no member shall hold more than 2½ per cent of the whole number of shares; if above \$100,000 and not more than \$500,000, 2 per cent; \$500,000 to \$1,000,000, 1½ per cent, and if the capital exceeds \$1,000,000, 1 per cent (Ky.).

Each association shall determine by its by-laws the number of shares that may be held by one person (N. Y.).

3. An entrance fee may be charged (D. C., Md., Oreg.). The entrance fee may not exceed 10 cents on each share of stock (Cal.); 25 cents (Ill., N. Y., Vt.). A membership fee of 50 cents per \$100 of stock may be charged (Ind.). In lieu of share fees a membership fee not exceeding \$1 may be charged (N. Y.).

4. Two shares of each member are exempt from attachment or execution (Me.); shares to a value of \$500 (Vt.); \$600 (N. Y.); \$1,000 (Cal.); \$1,000 to householders not having an exempted homestead (Mich.).

Shares are subject to execution (Mo.).

5. In order to be binding on an association, transfers must be recorded on its books (Ala., Ill., Mich., N. Mex., N. Y., S. Dak., Vt.).

Borrowing members can not transfer shares until their debt is paid, unless the board of directors gives its consent (Colo.).

The transfer of a certificate of stock shall constitute the transferee a member of the association (Okla.).

A transfer fee may be charged not exceeding 10 cents on each share of stock (Cal.); 25 cents (Ill., N. Y., Vt.); or in lieu thereof a fee for the transaction not exceeding \$1 (N. Y.).

6. Members desiring to withdraw their shares may do so on giving required notice (Minn., N. J., N. Mex.); 30 days' notice (Cal., Kans., Ky., Me., Mass., Mich., Mo., Mont., Nebr., N. H., N. Y., N. Dak., Okla., Pa., R. I., S. Dak., Tenn., Utah, Vt., Wis., Wyo.); 60 days (Fla., Oreg., Wash.); 3 months (Ind.); not to exceed 30 days (N. J.); but notice may be waived by the directors (N. Y.).

Stock must have been in existence 3 months (Nebr.); 1 year (N. Mex., Oreg., R. I., Wash.); 2 years (Minn.); 3 years (Wyo.); but the board of directors may buy in the shares of a member wishing to withdraw at an earlier date at a discount not exceeding 8 per cent on the amount of dues paid in (Minn.).

Withdrawing members receive the amount paid in and accumulated profits (Tenn.); less fines and a proportionate part of losses and other charges (D. C., Ill., Ind., Ky., La., Me., Mass., Mich., Mont., N. H., Ohio); but a portion of previously credited profits may be deducted (Me., N. H.); receive the amount paid in, together with a reasonable share of the profits (N. J.); such part of the earnings as may be provided by the by-laws or fixed by the board of directors (Cal., Fla., Pa., Va., W. Va.); less fines and other charges (Nebr., N. Dak., Okla., S. Dak., Utah, Wis., Wyo.); shall receive not less than the amount paid in, unless losses in excess of profits have been incurred during their term of membership, in which case they shall be charged with their proportionate share of loss only (Iowa); receive the amount of dues paid in, less 50 cents for each certificate of issue and for canceling the same, a rebate of 2 per cent to be held by the association as a reserve fund, and any unpaid fines; to this remainder shall be added three-fourths of the net profits credited to the stock withdrawn; if losses exceed profits and must be charged against capital actually paid in, only the sums due after adjustment of losses among all members shall be paid (Minn., Nebr.); shall receive the withdrawal value of shares as determined at the last distribution, plus the dues paid in since, less unpaid fines, authorized deductions for expenses and a proportionate share of unadjusted losses (N. Y.), plus interest as determined by the by-laws (Vt.).

Members withdrawing within 60 days shall receive dues paid in, less 10 per cent and any sum which may have been received from the association (Mont.); within 1 year from date of issue of stock they shall receive dues, less fines and charges (Fla., Ind., N. H., N. J., Pa.). Shares of

stock on which payments have been made for one year or more shall have a definite withdrawal value which shall be set out in the by-laws, which shall not be less than 8 per cent per annum on dues for the average time, less fines and penalties and a proportionate share of expenses and losses (Ala.). Members withdrawing shares not more than 2 years old receive all amounts paid in except membership fees and fines and the amounts deducted for expenses; if shares are more than 2 years old they receive in addition at least three-fourths of all profits credited thereto (Oreg., Wash.). Members withdrawing shares between 1 and 3 years old receive the amount paid in, not including membership premiums or fines, and less a withdrawal fee of not more than 1 per cent of the maturity value of the shares held and such amounts as may have been deducted for expenses and the guaranty fund; if between 3 and 4 years old, they receive the amount paid in less withdrawal fee, with 5 per cent interest; after 4 years, the interest shall be 6 per cent; and if 100 months or more have elapsed and the shares have not yet matured, they shall receive the amount paid in, less withdrawal fee, together with at least 75 per cent of the apportioned profits; these rates of interest to be payable only if the net profits of the association at the time justify the same (R. I.). The rate of interest or profits on any withdrawal shall not exceed the rate of net earnings of the association (Mich.).

In determining withdrawal values, salaries, commissions, and current expenses shall not be considered losses sustained (N. J.).

The stock of deceased members may be withdrawn as other stock (Fla., Me., N. H., N. Mex., Wash.); 60 days after the death of the stockholder (Mich.). Withdrawn shares of deceased members shall be credited with the full amount paid in and interest thereon, less charges (N. Dak., Okla., Pa., S. Dak., Utah, Wis., Wyo.); with full book value, less the withdrawal fee (R. I.); with the full amount paid in, and realized profits (Tenn.). No fines shall be levied against such stock after the death of the holder, unless the personal representative assumes further payments (Fla., Ill., Ind., Me., Mich., N. H., N. Mex., N. Dak., Okla., Pa., S. Dak., Utah, Wash., Wis., Wyo.); nor shall further profits be credited thereto (Ill., Ind.).

Not more than one-half the funds in the treasury at any one time can be applied to withdrawals without the consent of the board of directors (D. C., Fla., Ill., Ind., Ky., Me., Mass., Mich., Nebr., N. H., N. Dak., Okla., Pa., S. Dak., Tenn., Utah, Wis., Wyo.); not more than one-half the receipts for any one month can be so applied without the consent of the board of directors (Cal., Colo., Kans., La., Mo., N. J., N. Mex., N. Y., Oreg., R. I., Vt., Wash.); payments on matured shares must be included (Minn.). Not more than one-third the receipts can be applied to withdrawals if matured shares are outstand-

ing (Kans., Mo., N. Y., Vt.). Withdrawals may receive all funds as fast as collected except such as are necessary for the payment of expenses and outstanding contracts (Mont.).

Withdrawals shall be paid in the order of notice given (Cal., Ill., Kans., Mo., Nebr., N. H., N. J., N. Y., Pa., Vt., Wis.); shall be paid off pro rata among the shares of the same series (N. Dak.). In no case shall payment be postponed for a period longer than 6 months from the date of notice (N. J.).

Pledged shares shall not be withdrawn (Cal., Colo., Kans., N. Dak., Okla., Pa., S. Dak., Utah, Wyo.); without the consent of the directors (N. Mex.). Shares pledged for stock loans may be withdrawn, the holder receiving the excess of the value over the amount borrowed (Ill., N. J.).

No profits or interest shall accrue after notice of withdrawal (Kans., La., Minn., Mo., R. I.); after the date fixed for withdrawal (N. H.).

Each shareholder's certificate shall contain a statement of what the withdrawal value of the shares held by him may be at any time (Mo., R. I.).

Withdrawing members are subject to all the duties and obligations of stockholders until the final payment by the association of the value of their stock (S. Dak.).

No fee, fine, or charge shall be assessed because of withdrawals after due notice (Mont.). A withdrawal fee of not more than \$1 per share nor \$5 per transaction may be charged (N. Mex.); \$2 per share and not more than \$10 per transaction (Colo.). A fee for writing shares, not exceeding 50 cents per share, may be exacted on withdrawals of shares less than 1 year old (Mich.).

7. The board of directors may retire free shares at their discretion (Conn., D. C., Ill., Iowa, La., Nebr.); after 3 years from the date of issue (Ky., Mo., N. Dak., Vt., Wyo.); 4 years (Cal., Me., Mass., N. H., N. Y.); whenever the shares are no longer required for the use of the association (N. Mex.). Thirty days' notice must be given to holders (Iowa). The constitution or by-laws of any association may provide for the retirement of unpledged stock (N. J., Pa., S. Dak., Wis.). If at the end of 5 years from the date of issue more than \$20,000 in free shares is outstanding, 25 per cent of the excess shall be retired annually, so that at the end of 9 years only the amount named shall be in existence (Cal.). If at the end of 5 years more than 100 free shares are outstanding, 25 per cent of such excess shall be retired annually except in associations maturing their shares in less than 6 years (Ky.). The board of savings bank commissioners may, in their discretion, order the retirement of free shares in any series which has run five years (Mass.).

Shares pledged for stock loans are treated as free or unpledged shares (Conn., Mass., Vt.).

Full paid and prepaid stock may be retired at any time at the option of the directors (Kans., Mo.); full paid stock, on 30 days' notice (Iowa). Not more than one-half the monthly receipts can be used in any one month for retiring stock (Cal.).

The shares to be retired shall be determined by lot (Cal., Conn., D. C., Ky., Me., Mass., N. H., N. Y., N. Dak., S. Dak., Vt., Wyo.), or in some other impartial manner (N. Dak.); from the oldest series, or the funds may be applied ratably among shares of the same series (D. C.). Shares shall be retired in the order of their issue (Ill., Iowa, Nebr.). Retirements shall be pro rata among shares of the same series (Pa.).

Holders of free shares retired before maturity shall receive the amount paid in and net earnings to date (Cal.); the amount paid in and not less than legal interest (Pa.); full value, less a proportionate part of unadjusted losses (Conn., Me., Mo., N. H., N. Y., S. Dak., Vt., Wyo.); value at last distribution period, plus dues paid since, and minus unpaid fines (Ill., Ky., Nebr.); book value (La.).

8. The shares of members defaulting in payment of dues and fines may be declared forfeited after 30 days' notice (Mich.); after 3 months' arrearages (Ind.); 6 months' arrearages (Minn., N. J., R. I., Wis.), and 20 days' notice (Wyo.); 6 months' arrearages and 30 days' notice (Ky., Me., Mass.); 2 months' notice (Cal., N. Y., S. Dak., Vt.); may be declared forfeited after 3 months' default, and are ipso facto canceled after 12 months (Kans., Mo.); stock is forfeited after such time as the by-laws may determine (D. C.).

No interest or profits are allowed after forfeiture (Cal., Kans., Ky., Me., Mo., S. Dak.); after the adjustment last preceding forfeiture (Mass., Wis.).

Members forfeiting their stock shall recover the amount paid in, less fines (D. C., R. I.); may receive value of stock, less fines and other amounts due (Ind., Kans., Me., Mass., Mich., N. J., Wyo.); withdrawal value, minus fines and other legal charges (Ky., Minn., Wash., Wis.).

Credits are withdrawable after 30 days' notice (Ky., Me., Mass.); are withdrawable within one year from date of forfeiture of shares, without interest (N. J., N. Y., S. Dak., Vt., Wyo.); within 2 years from the date of the last payment (Minn.); after 1 year and within 10 years, with interest at 3 per cent if earnings suffice (R. I.).

9. When maturity is reached, the payment of dues ceases, and the holder is entitled to the immediate payment of unpledged shares, or the cancellation of loans for which his stock has been pledged.

The following provisions appear in the statutes of the various States:

Matured free shares shall be paid off with interest from maturity until paid (Cal., Conn., Ill., Kans., Ky., Me., Mo., Nebr., N. Y., Okla., S. Dak., Vt., Wis., Wyo.).

Interest shall be not less than 6 per cent nor more than 8 per cent (Okla.). Shares maturing between adjustment periods shall receive interest for the full months since adjustment (Ky., Mass., Wis.).

At no time shall matured shares outstanding exceed 20 per cent of the assets (Ill.).

If the assets of an association are found to be insufficient to retire at the date fixed any stock issued to mature within a definite period, such stock may, by mutual agreement, be retired at the maturity period or earlier, if practicable, the holder to receive sums paid in and an equitable proportion of the profits (Minn.).

By-laws may provide that holders of free shares may receive at maturity not more than the face value of their shares, less the average premium paid by borrowers up to date (Mo.).

Not more than one-third the receipts shall be used for the payment of matured shares, except by consent of the board of directors (Cal., N. Y., Vt.); one-half the receipts, except by consent, etc. (S. Dak., Wyo.); one-half the funds in the treasury at any time, except by such consent (Conn., Kans., Ky., La., Me., Mass., Mo., Okla., Wis.); two-thirds, including the payment of withdrawn shares (Mich., Nebr.).

No funds shall be taken from any series to mature stock of any other series (Kans., Mo.).

The order of payment of matured shares shall be determined by the board of directors (S. Dak.); if not determined by the by-laws it shall be by lot (Wyo.).

10. Prepaid stock is stock on which a single payment is made and left until, with interest and apportioned profits, its value equals the fixed par or maturity value. Full paid stock is stock on which a single payment of the full amount or value of the matured stock is made and on which dividends are allowed, either of a guaranteed sum or of the apportioned interest and profits.

Such legislation as relates to these classes of stock is given herewith:

Full paid stock may be issued (Ky., Md., N. J., N. C., S. Dak.). Fully or partially paid stock may be issued (Colo., N. Mex.); and limited dividend stock (Ky., N. Mex.). Full paid and prepaid stock may be issued (Ind., Iowa, Kans., La., Minn., Mo., R. I., Tenn., Wyo.).

Full paid shares do not entitle their holder to vote (Iowa).

No stock shall be issued to receive fixed dividends, but all classes shall be subject to the same liabilities (Iowa, Kans.). No preferred or noncontributing stock shall be issued (Oreg., S. Dak., Wash.).

Full paid stock may receive a definite dividend, but such dividend shall not exceed that declared on other stock (Iowa, Kans., Minn., R. I.); shall not exceed the per cent of profits earned (Tenn., Wyo.).

Reserve fund stock, either installment or full paid, may be issued, to participate in the earnings to a fixed extent, chargeable with all depreciations and losses, except expenses, taxes, and fire insurance,

and not subject to withdrawal until the claims of all other shareholders and of all creditors have been liquidated (Oreg.).

Full paid guarantee stock may be issued, not to be withdrawn until all lawful claims of other classes of stock are liquidated, and to receive as dividends only the excess of such a rate as may be specified to be paid other classes of stock (R. I.).

A fixed dividend shall be declared on stock pledged for limited payment loans, if its earnings are sufficient, not exceeding the rate of premium interest bid for the loan, and not exceeding 6 per cent per annum. If, however, nonborrowing members receive a dividend greater than that apportioned to borrowing members, an additional dividend equal to one-half such excess shall be distributed to such borrowing members, and the other half of said excess shall be set aside as a contingent fund, and such borrowers' stock shall be exempt, as between the members of the association, from any further charges on account of loss (N. Y.).

No preferred or other than common stock shall be issued, and all shareholders shall occupy the same relative status as to debts and losses of the association; but this provision shall not forbid agreements with holders of full paid stock to receive a fixed annual profit in lieu of participating in the general profits of the association (N. J.).

DUES AND FINES.

1. Dues may be paid in single, stated, or monthly payments (Iowa); in monthly installments of \$1 on each share (N. H.); such installments may be monthly or semimonthly (Vt.). Installments shall not exceed 50 cents per week on each \$100 of stock (Ind.); \$1 per week on each share (Md.); \$1 per month (Ala., Conn., Me., Mass.); \$2 (Fla., Mich., Tenn.). No periodical installment shall exceed \$2 for each share (N. Mex., Okla., Pa., W. Va., Wis.); \$2.50 (La.). This does not forbid the receipt of installments of premium (Okla., Pa.). Stock shall be paid in regular equal payments at such times and in such amounts as the by-laws shall fix (Cal., Colo., D. C., Idaho, Ill., Kans., Ky.).

2. Default in payment of dues, installments on loans, interest, premiums, etc., may be punished by the levy of a fine which shall not exceed 1 per cent per month on such arrearages (Mich.); 2 per cent (Ala., Conn., Me., Mass., N. H., N. J., Pa., Vt.); 5 per cent for the first 2 months and 2 per cent per month thereafter (Colo., N. Mex.); not to exceed 10 per cent of the defaulted amount, which may be levied on every regular pay day during such default (Cal.); not to exceed 10 per cent, which may be assessed but once (S. C., Wyo.); 20 per cent (Ind.); not to exceed 5 cents per share per month (Iowa); 10 cents (Ill., Minn.); 10 cents per share for the first month and 15 cents per share for each month thereafter (Oreg., Wash.); 25 cents (Ky.); 3 cents per share of \$100 for the first month and 5 cents for each

succeeding month, to be collected only from profits belonging to the delinquent (Iowa).

No fine shall be charged on fines (Conn., Ill., Ky., Me., Mass., N. J., Wyo.), nor after notice of withdrawal has been sent in (N. J.).

No member shall be fined more than once for the same default (W. Va.).

No fine shall be assessed for more than 6 months in succession at any one time (Conn., Ky., Me., Mass., Minn., N. H., N. J., R. I.).

No nonborrowing member whose shares are withdrawn, forfeited, or retired shall be charged with fines in excess of the profits distributed (Mass.).

3. Advanced payments of dues and interest may be received, but not more than 6 per cent interest shall be allowed on such payments, nor for a longer period than one year (Cal., N. Y., Wis.). Dues may be paid in advance (La., Md., Mich., Mo., Nebr.); and interest allowed as provided for by act of incorporation and by-laws (La.); not to exceed 8 per cent (Mo.).

LOANS.

1. For the purpose of making loans and transacting other business, stated meetings shall be held (Fla., Ind.); not less frequently than once a month (Ill., Mich.); monthly (Me., Mass., N. H.). Meetings shall be held only in the town or city designated in the agreement of association (Mass.).

2. All loans shall be in money, and notes or bills issued by any association in lieu thereof are void, as are any bonds or mortgages taken in security for the same (Md.).

Loans shall not be made to run a longer period than 10 years (Ariz.).

Loans may be made on which the maximum number of payments shall be definitely fixed (N. Y.); such determination shall be subject to the approval of a designated State official (Mich., Minn.).

No loan to a single person, firm, or corporation shall exceed \$20,000 (Ariz.).

Officers and directors can receive loans only on pledged shares, but this restriction shall not apply to associations doing business in but one county (Colo., N. Mex.).

Not less than 83 per cent of all monthly dues shall be put into the loan fund, no part of which shall be used for expenses other than interest, taxes, and insurance (N. Dak.).

3. The right to preference in allotting loans shall be determined by the by-laws (Oreg.). Applications for loans shall be acted upon in the order of their receipt (R. I.). Premiums may be bid for priority of loan (Cal., Colo., Conn., Del., D. C., Fla., Ill., Ind., Kans., Me., Mass., Mich., Minn., Mo., N. H., N. J., N. Mex., N. Y., N. Dak., Okla., Pa., S. Dak., Tenn., Vt., Wash., W. Va., Wis., Wyo.).

The rate of premium may be fixed by the association (Cal., Ill., Kans., Mich., Minn., Mo., N. Dak., R. I., Va., Wash., Wis.); must be fixed by the by-laws (Ala., Oreg.). The rate shall not exceed 40 cents per share (Me.). Any association may fix a minimum premium at less than which it shall not be required to make loans (N. Dak., W. Va.); the by-laws shall fix such rate (Wyo.).

Borrowers may be required to carry additional shares in lieu of other form of premium payment, the withdrawal value of which shall not be considered in the settlement of loans (N. C.).

Interest may be deducted in advance in lieu of premiums (Pa.).

Premiums may be deducted in gross or distributed and made payable in installments (Cal., D. C., Ill., Ind., Kans., Md., Mo., N. Y., N. C., Okla., Pa., S. Dak., Tenn., Va., W. Va., Wis.).

No loan shall be made on gross premium plan (Me.).

The premium shall be deducted at once (Vt.).

If the installment plan is adopted, it must apply to all loans (Cal.).

In serial associations a borrower shall pay only as many one-hundred-and-twentieths of the premium bid as his stock lacks of being 120 months old (Kans., Mo.).

A borrower may bid for a new loan with the avowed purpose of securing money at a lower premium or interest rate than is paid on the existing loan; if he is successful, the new loan shall be substituted in the existing mortgage (Mass.).

On limited-payment loans the premium bid shall be in the form of the rate of interest to be paid. Each association shall fix a minimum, which shall be not greater than 6 per cent (N. Y.).

Premium bids may be in writing, and may be submitted by persons not members, but who intend to become members if a loan is secured by them, such bids to be considered only in open meeting (Pa.).

Premium shall not be considered as interest (N. H., Tenn.).

4. The rate of interest on loans shall be 6 per cent (Ky., Md., Mass., N. C.); or such lower rate as the by-laws may name (Vt.); shall be not less than 5 per cent nor more than 6 per cent (Me.); shall not exceed the legal rate (Ind.); 12 per cent (Okla.).

If a by-law at any time provides for the acceptance of a lower rate of interest than is paid or has been paid, such rate shall apply thereafter to loans already in existence (Iowa).

5. Premium and interest taken together shall not exceed 1 per cent per month (Ala.); shall not exceed 8 per cent (Iowa); 10 per cent (Kans.); 12 per cent (Ky.); shall not be less than 5 per cent (Mass.); not less than 5 per cent nor more than 8 per cent (Me.).

No premiums, fines, or interest shall be deemed usurious (Colo., Conn., D. C., Fla., Ga., Ill., Ind., La., Mich., Minn., Mo., Mont., Nebr., N. H., N. J., N. Mex., N. Y., N. Dak., Ohio, Okla., Oreg., Pa., S. Dak., Vt., Wash., W. Va., Wis.); but unreasonable charges,

finer, or interest shall be open to investigation and correction (Mo.). State laws as to usury apply (Kans.).

6. Loans made on pledge of shares only must not exceed the valuation of the stock at the last adjustment (N. Dak.); loans may be made to the amount of the withdrawal value (Ill., Me., Mass., Nebr., Oreg., R. I., Utah, Wash., Wyo.); up to 90 per cent (Colo., Iowa, Kans., Mich., Minn., N. J., N. Mex.); 80 per cent (Ky.); 75 per cent (Mo.).

The withdrawal value must exceed the amount of the loan and interest thereon for the term of 6 months (Cal., N. Y., Vt., Wis.).

The amount of dues paid in by any member may be loaned him (Md., N. C., Okla.).

Loans made on other security than the pledge of shares only shall not exceed in amount the par or maturity value of the shares held and pledged as collateral security and may generally be such fractional part thereof as the by-laws may determine.

Almost without exception it is required that the pledge of real estate as security must be by first mortgage, unless the prior mortgage is held by the association making the loan. Several States provide that securities given can not be hypothecated or transferred by the association; also that real estate offered as security must be situated within the State.

Special provisions are as follows:

Loans shall not exceed 50 per cent of the value of the real estate offered as security (Oreg., Wash.); two-thirds (Mich., Nebr.); 80 per cent (N. J.); two-fifths if unimproved (Nebr.).

Real estate taken as security must be situated in the county of domicile of the association (Wis.); must be situated not more than 50 miles from the principal office (N. Y.); must be kept insured against loss by fire or lightning, at the expense of the borrower (Me.).

Any association may, subject to the approval of the State examiner, provide for the adoption of the divided-mortgage plan (Minn.). No association which was not on March 1, 1901, engaged in loaning funds on second or divided mortgages shall thereafter enter upon such business (N. Y.).

As additional security, associations may insure the lives of members and debtors (Idaho); may require the borrower to insure his life for the benefit of the association, the cost of such insurance to be paid by the association, the amount being deducted from the credits or payments of the insured (Ill.).

Personal security for loans may be accepted, as fixed by the by-laws (Ind.).

Shares loaned upon shall be canceled (Md.).

7. If security is not offered within a required time, or if that offered is not approved, the borrower's right to his loan is forfeited and he is charged with one month's interest and the money may be

resold at the next meeting (Tenn.); is charged with one month's interest and expenses incurred (Ill., N. Mex., Vt.), and a fine not exceeding \$1 per share (Okla., S. Dak.); is charged with interest and premium until next meeting, and all expenses (Kans., Ky., Me., Mass., Mich., Mo., N. Y., N. Dak., Wis.); is charged with interest and expenses, and loss of premium, if any, resulting from resale (Fla., Ind., Pa., Wyo.).

8. Loans may be repaid at any time (D. C., Ind., Ky., La., Me., Mass., Mont., N. Y., Ohio, Okla., Pa., Tenn., Vt., W. Va., Wis.); at the discretion of the directors (Cal.); at any time by complying with the provisions of the charter and by-laws (Utah, Va.); at any time by giving 30 days' notice (Ill., Kans., Mich., Mo.); previous payments to be credited with a rate of interest not less than that which the borrower is charged (Ind.).

At least one full year's premium must be paid (Mont., Ohio, Tenn.).

Members shall be charged with the principal, interest, and premiums to date, and arrearages, if any, on shares, and credited with the withdrawal value of shares held and any other credits, the payment of the balance to effect a full settlement (D. C., Ill., Kans., Ky., La., Me., Mass., Mich., Mo., Mont., Nebr., N. Y., N. C., N. Dak., Ohio, Okla., Pa., Tenn., Vt., W. Va., Wis.).

A borrower desiring to prepay his loan may do so by advancing such a sum (not less than the net amount received by him) as will, at the premium that may be obtained, equal the monthly interest payments he undertook to make; or he may deposit the full amount due on his note and receive a release of his mortgage, when he shall also be entitled to a return of premium secured on the sale and reinvestment of the money (Fla.); shall deposit the full amount of the loan, less the proportionate part of premium unearned, and shall receive his stock clear of obligations, which shall then be subject to withdrawal as other stock (Wyo.).

Borrower shall repay principal, interest, and premium to date, together with fines and other charges. Payments made upon pledged stock shall not be considered as payments on the principal of the loan (S. Dak.).

Settlements made between meetings take the date of the next subsequent meeting (Ill., Kans., Ky., Mass., Mo., N. Y., Vt., Wis.).

An amount may be charged for the privilege of prepayment (Va.).

Loans may be paid off in full and borrowers retain their shares clear of all obligations (Kans., Ky., Me., Mass., Mich., Mo., N. Dak., Vt., Wis.).

Payments of sums equal in value to one or more shares shall be accepted, and shares canceled proportionately (Ill., Ky., La., Vt., Wis.). Partial payments in sums of \$50 or multiples thereof shall be accepted, and for each \$200 paid one share shall be released from pledge (Mass.).

Members prepaying loans shall be allowed a pro rata rebate of any premiums or interest paid in advance (Ind., Wis.); shall be credited with such portion as the by-laws shall determine (Pa., Va., W. Va.).

Where premium was deducted in gross, if repayment is made within 8 years, a rebate of one-eighth of the premium shall be allowed for each year less than 8 (Ill., N. Mex., Okla., S. Dak.); within 10 years, a rebate of one-tenth for each unexpired year of 10 (Mich.); before stock is 120 months old, a rebate of one one-hundred-and-twentieth for each month less than 120 is allowed (Kans., Mo.). Not more than one one-hundredth of any gross premium shall be retained for each month the loan has run and if interest was paid in advance, only interest to date of payment shall be retained (Pa.). If stock would mature in less than 8 years, only a pro rata rebate shall be made (Okla., S. Dak.).

In prepayment of loans, no account shall be made of premiums paid by the borrower (N. C.).

9. In event of foreclosure on real estate or forfeiture of shares pledged for stock loans, the withdrawal value of the stock at the time is credited to the borrower's account, and such stock is thereby canceled, and the securities are proceeded against.

Specific provisions are made by some States, as follows:

After default of payments for a term of 2 months, a borrower's securities may be proceeded against for the recovery of the balance due the association (D. C., N. Y.); after 3 months' default (Fla., Ind., W. Va.); 4 months (Mich.); 6 months (Cal., Ill., Kans., Ky., Mo., N. J., N. Mex., Okla., Pa., S. Dak., Tenn., Vt., Wis., Wyo.); not less than 3 nor more than 12 months (Nebr.). A borrower 6 months in arrears forfeits shares after 1 month's notice, when balance due shall be determined, which sum may, after 6 months, be enforced against the security (Me., Mass.).

The rate of interest charged on mortgages at foreclosure shall not exceed 8 per cent (Iowa).

Withdrawal values, interest and premiums, are computed as of the date of the first default, subsequent fines and other charges being deducted (Ky.).

All interest, fines, insurance, taxes, and dues on stock pledged become due after 6 months' default, and may at once be collected for the full period for which they were contracted to be paid (S. Dak.).

Where premium was deducted in gross the borrower shall be credited with one one-hundred-and-twentieth of the same for each month that the series lacks of being 120 months old (Kans., Mo.). Premium paid shall not be deducted from amount collectible on foreclosure (Okla., Wis.).

No foreclosure shall be decreed except on 30 days' notice before the sitting of the court, and a statement of the claim and of all credits (Ga.).

Real estate taken under foreclosure must be disposed of within a reasonable period (D. C.); at pleasure (Kans., Mich., Mo.); as speedily as may be without detriment to the association (Colo., N. Mex.); within 5 years (Ky., Me., Mass., Nebr.); 10 years (Wis.); 15 years (La.).

10. Funds not taken up by members in loans may be invested in designated securities (Colo., Conn., Ky., La., Me., Mass., Minn., Mont., N. J., N. Mex., N. Y., Wash.); or loaned to another association (Colo., Conn., Mont., N. Mex., N. Y.); may be loaned to nonmembers (Del., Ga., Ind., Kans., Mass., Minn., Mo., N. H., N. J., Okla., S. Dak., Tenn., Va., Wyo.); or to another association (S. Dak.); may be loaned or invested as the by-laws shall provide (N. Dak.); may be invested temporarily in securities to an amount not exceeding 20 per cent of the assets (Ill.); may be used for the retirement of shares (D. C.).

Loans to nonmembers shall not exceed in amount 50 per cent of the value of the security (N. J., Wyo.); shall not exceed \$5,000 to any single person, company, or corporation (Wyo.).

BUYING REAL ESTATE.

1. Associations may acquire and improve real estate and sell or lease the same (Ala., Fla., Idaho, Ind., La., N. H., N. J., N. Mex., Okla., Pa., Va., W. Va.); in towns, cities, and villages and their suburbs, not extending more than 2 miles beyond their limits (Texas); may buy real estate at tax sales or buy land bid in by the State at such sales (Minn.). The amount of land so held shall not exceed 50 acres at any one time (Ind., Pa.); \$50,000 in value (N. Mex.); and must be disposed of within 10 years from the date of incorporation (Fla., Pa.); within 10 years from purchase (Ind.).

2. Associations may acquire, hold, and dispose of real property for their own business (Ala., Colo., Conn., D. C., Idaho, Minn., Mont., N. Mex., N. Y., N. Dak., Ohio, R. I., Utah); can acquire no real estate except that on which they may have mortgage or other incumbrance (Oreg., Wash., Wis.).

Cost of office building and lots shall not exceed 5 per cent of the assets (Minn.); 10 per cent of its accumulated capital (R. I.).

BORROWING MONEY.

1. Any association may borrow money (Cal., Idaho, La., Minn., N. J., N. C., N. Dak., Oreg.); but not to exceed in amount 10 per cent of its assets (Conn., Ill.); 20 per cent (Mont., Ohio, Wis.); 25 per cent (Colo., N. Mex.); 50 per cent (S. Dak.); not to exceed 10 per cent of its accumulated capital (N. Y.); 20 per cent (Ky.); 25 per cent of the withdrawal value of the stock issued (Pa.); the aggregate of dues and

income for 6 months (Mo.); 30 per cent of the dues actually paid in (N. J.).

A majority of all directors must assent (Ill., N. Y.); two-thirds (S. Dak.).

No association doing business in the State shall have power to borrow money (Kans.).

2. Such sums shall be repaid within 1 year (Conn., Ill., N. J., N. Y., Wis.); 2 years (Mo.); as soon as accumulations suffice (Pa.).

The rate of interest paid on borrowed money shall not exceed the legal rate (Ohio); 6 per cent (Pa.).

ACCOUNTS.

1. Accounts shall be kept by double entry (Mass.), and a trial balance shall be made and declared each month (Me., Nebr.).

A cash book shall contain classified entries and shall be closed at the end of each month and shall be an exhibit of all receipts for the month (Me., Mass.).

The bank commissioners shall have power to prescribe the form of books to be used (N. H.).

2. Each member shall have a pass book in which all payments shall be entered (Me., Mass., Nebr., N. J.).

3. All books, papers, securities, and accounts, including as far as possible the pass books of members, shall be examined and verified annually (N. J.).

There shall be a verification of the due book of each shareholder with the books of the association to which he belongs every four years (N. H.).

4. All payments made by the corporation shall be by order, check, or draft on the treasurer, signed by the president and secretary, and indorsed by the payee (Mass., Mo., Ohio).

PROFITS, LOSSES, ETC.

1. Profits and losses shall be apportioned at least annually (Cal., Conn., Ill., Ky., La., Me., Mass., Mich., N. H., N. Y., S. Dak., Vt.); and whenever a new series is issued (Me., Mass., Vt.).

Dividends may be declared from time to time (Kans., Mo.); at least annually (Nebr.); annually or semiannually (Mont., Ohio, Utah, Wis.). Passbooks of members shall be credited annually with the amount of earnings due, except in associations doing business on terminating or serial plans (Ind.). Net earnings shall be apportioned annually, semiannually, or quarterly (Iowa).

Distribution shall be in proportion to the value of shares existing at the time, and shall be computed on the basis of a single share fully

paid to date (Ky., Me., Mass.); shall be according to the actual value of shares, as distinguished from their withdrawal value (Cal., Vt.).

Pledged shares participate in profits the same as free shares (D. C.).

Holders of permanent stock may receive their dividends in cash (La.).

A special dividend, not exceeding the amount of the entrance fee, may be made to each share outstanding in the last series issued prior to the distribution (Vt.).

No dividend shall exceed the actual earnings, actually collected (Me.). Interest due and unpaid for a period longer than 6 months shall not be considered as earnings (La.).

Gross premiums shall be apportioned over a period fairly estimated to mature the shares on which they were bid and shall not be considered as fully earned until the expiration of such period (N. J.).

Losses must be apportioned at the date of their occurrence (Ky., Me., Mass.).

The reserve fund must be exhausted before losses are charged to shares (Conn., Mont., Ohio).

If losses exceed the reserve fund and profits earned, no sales of stock shall be made until such losses have been distributed pro rata among the shares in force (Minn., R. I.).

The liability of any member for losses is limited to the book value of the shares held (R. I.).

Present and past shareholders are liable for debts incurred during their membership in proportion to the number of shares held, but past members shall be relieved from liability if no action is brought within one year after retiring (Idaho).

2. All expense charges shall be paid out of earnings (Ind., Iowa, La., Mich., Minn., Ohio). No deductions shall be made from stock payments for running expenses (N. Y.). Expenses shall be met as provided for in the by-laws, but after an association has been organized two years they shall be paid from earnings only (Mont.).

Besides admission fees not more than 10 cents per share per month may be set aside as an expense fund (Oreg.); \$1 per share per year (Wash.). If loans are made to nonmembers, 1 per cent per annum of the principal of such loans may be set aside for expenses (Wash.).

Expense charges are limited to 3 per cent of the assets of associations having a capital of \$100,000 or less, ranging to 2 per cent in associations having a capital of more than \$500,000; but no association shall permit expenses of more than \$12,000 in any one year (Iowa).

Salaries, commissions, and operating expenses shall not exceed the total receipts from admission or membership fees and 1 per cent of all outstanding loans, investments, and equities in real estate; but this restriction does not apply to associations whose assets are less than \$25,000 (N. J.).

Four-fifths of the expenses shall be charged against net profits at each distribution period, and at least semiannually, the remaining one-fifth to be carried to a permanent expense fund which shall be a charge against maturing shares, to be deducted at the final settlement of the same (Minn.).

All fees and a deduction from the monthly receipts of not to exceed one-tenth of 1 per cent of the maturity value of the installment shares in force and a proportionate amount on other classes of shares may be set aside for expenses and a guaranty fund (R. I.).

3. Any sum may, in the discretion of the directors, be set aside from the net profits as a reserve fund to meet losses arising from the depreciation of securities or other causes (N. Y., S. Dak.); any sum not exceeding 5 per cent of such profits (Vt.). A reserve fund may be maintained not exceeding in amount 5 per cent of the assets (Ind.). At least 1 per cent of the net earnings shall be set aside at each apportionment until such fund shall equal 5 per cent of the dues capital (Conn.); 5 per cent of the loans outstanding (Mich.); not less than 1 per cent nor more than 5 per cent until the fund equals 5 per cent of the dues capital, such fund to be thereafter maintained at not less than 5 per cent of the dues (Ill., Mass.); nor more than 10 per cent (Ill.). At least 3 per cent of the net earnings shall be set aside until the fund equals $2\frac{1}{2}$ per cent of the outstanding loans (La.); not less than 3 per cent nor more than 10 per cent until the fund equals 5 per cent of the dues capital (Me.); at least 5 per cent until the fund equals at least 5 per cent of the outstanding loans (Mont., Ohio, Wis.). Not less than 5 per cent nor more than 10 per cent shall be set aside from the net earnings each year as a reserve fund (Minn.). In all but serial associations, 5 per cent of the net earnings shall be set aside each year until the amount equals 5 per cent of the total assets, exclusive of cash on hand; this fund may, by a vote of a majority of the directors and the approval of the State banking board, be increased to 10 per cent of the assets (Nebr.).

Such fund shall not be considered a part of the full value of stock in liquidating, surrendering, or withdrawing shares (S. Dak.).

Maturing shares receive such share of the reserve fund as the directors may determine (Wis.).

If unpaid interest, premium, or fines are carried on the books as assets, at least 5 per cent of such items shall be set aside at each distribution until a fund is provided equal in amount to at least 25 per cent of all such items existing at the time of any distribution (Mass.).

REPORTS.

1. Annual reports shall be made to a designated State official or board showing the conduct of business since last report and the financial condition of the association at the date of the report (Ala., Cal.,

Del., Ga., Ill., Ind., Iowa, Ky., La., Mass., Mich., Minn., Mont., Nebr., N. J., N. Y., N. C., N. Dak., Ohio, Oreg., R. I., S. Dak., Tenn., Utah, Vt., Wash., Wis., Wyo.); reports are semiannual (Kans., Okla.).

Reports must be filed annually in a designated county office (N. Mex.); semiannually (Colo.).

Officers of associations must supply all returns required (Me., Mo.); must make annual report of capital, liabilities, and assets to county assessor (Ark.).

A copy of the by-laws and of all published literature shall also be filed (Ala., Tenn.); with first annual report, a certified copy of the constitution and by-laws (Mont., Ohio).

Associations must also file with a State official a copy of the semiannual reports to stockholders (Minn.).

The report shall include salaries paid each officer and agent, together with their names (Iowa, N. J.); reports of foreign associations shall also give name, address, and number of shares held by each shareholder resident in the State (Iowa).

The fee for filing reports is 50 cents (Colo., N. Mex.); \$1 (N. J.); \$2 (Ill.); \$5 (N. C., Oreg., Utah); \$10 (Ala., Ga., Iowa, Tenn.); \$25 (Wash.); 10 cents for each \$1,000 assets (Kans.), 20 cents (Mo.); ranges from \$3, when the assets amount to \$50,000 or less, to \$25, when assets exceed \$500,000 (Mont.); to \$50, when assets exceed \$1,000,000 (Ohio).

2. Each association must furnish annually to its members a statement of its transactions and financial status (Idaho, Ind., N. J., N. Y., Wis.); semiannually (Kans., Minn., Mo.).

Reports shall be published annually in one or more suitable newspapers (Mich., Mont., Nebr., N. C., N. Dak., Ohio, Utah); semiannually (La., Mo., Okla., Tenn.).

A report shall be submitted by the secretary to the stockholders at their annual meetings (Wyo.).

SUPERVISION.

The authority of a supervising board or official in general extends to the examination of all books, papers, and securities, an accounting of cash, and the power to send for and examine under oath any officer or employee of any association; also, where illegal or unsafe conditions exist, a time for rectifying the same is allowed, which failing, application may be made for an injunction against the further transaction of business and for the appointment of a receiver. In several States the affairs of such association may be managed by the board or official until better conditions are secured or the appointment of a receiver is found necessary.

Other provisions as to supervision follow:

1. A designated official or board of the State must visit every association doing business in the State at least once each year, investigate its management and condition, and make report thereof (Cal., Conn., Ill., Iowa, La., Mass., Mich., Minn., Mont., Nebr., N. Y., R. I., S. Dak., Tenn., Utah, Wash.); twice a year (Me., N. Dak.); at discretion (Kans., Mo., Vt.), but not oftener than once a year (Kans., Mo.); at least once in two years (N. J., Wis.).

A designated official examines required annual reports, and may, if in his judgment the report warrants such action, investigate the conduct and condition of any association, or such investigation may be made at the request of a shareholder or shareholders giving bond for the expenses of the same (Ind.).

A State official may make an examination of the affairs of any association when in his judgment a necessity exists (Ohio). A State official or board prescribes the questions to be answered in the required reports (Ala., Del., Mo., Mont., Nebr., N. J., N. Dak., Tenn.). Associations are under the supervision of a designated official (Ky.). A State official shall ascertain by examination whether proper deposits are made as required (Oreg.). The bank commissioners shall require the selection of an approved examiner to verify the passbooks of members once every four years and report to them the results of such verification (N. H.). An appraisal and valuation of all real estate held by any association may be made, if necessary, the expense to be borne by the association (Minn.).

The inspector's report shall contain a detailed statement of salaries and compensations paid, and names of officers and employees receiving the same (Iowa, Wis.).

Examinations may be made at the request of 3 members (S. Dak., Vt., Wyo.); 5 members (N. Mex., Wis.), who shall guarantee expenses (Wis.); on demand of 20 members (Del.); of 10 per cent of the subscribers to stock (Mont.); of a shareholder or shareholders who shall file a bond for costs and expenses if the association is found to be solvent and safe (Tenn.).

2. The expenses of supervision are charged against the associations of the State pro rata on the basis of the number of shares in force (Cal.); on the basis of the amount of capital and surplus (Conn.); in proportion to their assets (N. Y.).

The minimum charge against any association shall be \$10 per year, or \$1 per month for parts of a year (Cal.). Charges shall not exceed one-eightieth of 1 per cent of the assets in the case of domestic associations; foreign corporations shall pay the actual expenses of investigation (Conn.).

Each association shall pay a reasonable compensation for services, and shall bear expenses (Ill.). The cost of the quadrennial verifica-

tion of its pass books shall be borne by each association (N. H.). Each association shall pay necessary expenses, not to exceed \$20 in any one year (N. J.); \$50 (R. I.); shall pay \$15 per day and not less than \$15 nor more than \$30 for each examination (Utah); shall pay \$5 per day and necessary expenses (Ind.).

If the examination is by a State official he shall receive his expenses; if by an appointee he shall receive \$5 per day and his expenses (Iowa); \$10 per day and expenses (N. Y.); but the total cost in one year shall not exceed \$200 (Iowa). The fee is \$20 for each association (Oreg.); \$20 for the first \$100,000 assets and \$10 for each additional \$100,000 or fractional part thereof (Minn., N. Dak.); but if the capital exceeds \$600,000 the fee for each \$100,000 in such excess is \$5 (Minn.). The fee ranges from \$15 when the capital is \$15,000 or less, to \$30 when it exceeds \$150,000, and shall be paid but once a year (Nebr.); from \$15 when capital is \$100,000 or less, to \$50 when it exceeds \$1,000,000 (La.). The fee is one seventy-fifth of 1 per cent of the gross assets, but shall not be less than \$20 nor more than \$100 in any one year (Mich.); is one-twentieth of the assets, but shall not be less than \$20 nor more than \$50 per annum for any domestic association, and not more than \$200 for any foreign association (Mont.).

The cost of an investigation requested by 20 members shall be borne by the association unless it be found to be insolvent (Del.).

The expenses of supervision are met by the State; but if any State charges a fee for the examination of associations chartered in this State and doing business in such other State, associations chartered in such State shall be charged the expenses of examination in this State (Ohio).

The fee of the supervisor for managing the affairs of a solvent association and enabling it to resume business shall not exceed 5 per cent of the assets (Mo.).

TERMINATION.

Termination takes place in regular order when all shares have been redeemed by loans or advances, or whenever the assets are sufficient to pay off free shares at their fixed value, and may be provided for in the constitution and by-laws of any association, in accordance with the statutes controlling.

1. Associations may be dissolved by a majority vote, subject to the vested rights of shareholders (Conn., Fla., Ill., Ind., Iowa, Mass., Mich., Minn., Mont., Nebr., Ohio).

2. Two or more associations may by agreement unite and form a single association (Idaho, Ind., Iowa, Kans., La., Mich., Minn., Mo., Ohio, S. Dak., Utah); or an association may transfer its engagements and property to another (Idaho, Kans., La., Mich., Mo., Mont., Ohio, Wis.).

Shareholders not approving of merger or transfer to another association shall receive the value of their stock or have the same credited on loan if they are borrowers (Mich.).

3. Petition properly supported, insolvency, or improper business procedure are, as in other corporations, sufficient grounds for proceedings for a receivership.

The supervisor of building and loan associations may procure the appointment of himself as receiver for the winding up of the affairs of any insolvent association (Mo.).

The receiver's fee shall not exceed 3 per cent of the funds handled. Attorney's fees shall not exceed \$1,000, besides fees for separate foreclosures (Ill.).

FOREIGN CORPORATIONS.

Associations incorporated in another State or in a foreign country, desiring to do business in any given State, are required in general to conform to the requirements of such State in relation to the control and supervision of domestic corporations of the same class. A number of States provide additional regulations, as follows:

1. Foreign building and loan associations, before beginning business in this State, must procure a certificate or license (Ala., Conn., Del., Ill., Iowa, Kans., Ky., La., Minn., Mo., Mont., Nebr., N. H., N. J., N. Mex., N. Dak., Ohio, Pa., R. I., S. Dak., Tenn., Utah, Vt., Wash., Wis.); which must be renewed annually (Conn., Ill., Iowa, Kans., La., Minn., Mo., Mont., Nebr., N. H., N. J., N. Mex., N. Dak., Ohio, Pa., S. Dak., Tenn., Vt., Wash., Wis.).

The fee for filing application for license is \$25 (S. Dak.); \$100 (Mo., Ohio); \$10 for each \$100,000 of capital stock or fraction thereof actually issued and in force, and at the same rate for any increase (Mont.).

The fee for issuing the certificate or license is \$3 (Utah); \$10 (Tenn.); \$20 (Minn.); \$25 (Ky., N. H., R. I.); \$50 (Ill., Iowa, Kans., Mo., Ohio); \$100 (Del., Mont., Pa.); \$250 (N. J.); \$2 for each \$1,000 assets (N. Mex.); \$10 when the capital is \$50,000 or less, and \$5 additional for each added \$50,000 or fractional part thereof, but no fee shall exceed \$50 (Vt.).

The fee for renewal is the same as for original issue except in Illinois, where it is \$25.

2. A copy of the constitution and by-laws and a statement showing the financial condition of the association must be filed with a designated State officer (Ala., Colo., Conn., Del., Fla., Ga., Ill., Ind., Iowa, Kans., La., Mo., Mont., Nebr., N. H., N. J., N. Mex., Ohio, R. I., S. Dak., Tenn., Utah, Vt.); also a copy of the laws under which the incorporation was had (Colo., Nebr., N. Mex.). The statement must show the salaries paid each of the officers (N. J., Utah).

Certified copies of the articles of incorporation must be filed (Mich., Minn., N. Dak., Oreg., Wash., Wis.), and all printed matter issued by the association (Wis.).

A statement of the financial condition must be filed (Pa.).

The fee for filing is \$5 (Oreg.); \$20 (N. J.); \$25 (Ala., Fla., Minn., Tenn., Wash., Wis.); \$50 (Ga.); \$100 (Iowa, Kans.); \$50 if the capital does not exceed \$1,000,000 and an additional one-fourth of 1 per cent on stock in excess of that sum (Colo.); \$200 if the capital stock does not exceed \$1,000,000 and an additional fee of one-fourth of 1 per cent on the excess, if any, over \$250,000 (N. Mex.).

A State official shall make a preliminary examination of the financial condition (N. J., Wis.).

Associations applying to do business in the State must give proof of solvency and proper management (Ky.); must have a capital of not less than \$100,000 (Ala., Tenn.); \$500,000 (N. H.); must have assets of not less than \$100,000 (N. Mex., R. I.); \$300,000 (Vt.); must hold first-mortgage securities of a bona fide value of \$50,000 (S. Dak.).

3. A fund of \$25,000 in cash or approved securities must be deposited with a State official or a designated depository in the State for the protection of the members who are citizens of the State (Fla., Mont., N. Dak., Vt.); \$30,000 (N. J.); \$50,000 (Cal., Kans.); \$100,000 (Ill., Ind., Iowa, La., Mo., Ohio, Pa., Wis.); or bond may be given in the required amount (Kans.).

Associations must deposit \$25,000, and a sum thereafter equal to 15 per cent of the payments made by the citizens of the State (Me.); must deposit all mortgages and other securities taken by them in this State (Mont., Wash.); if these amount to less than \$25,000, added securities must be deposited to make up that sum (Wash.). If assets in the State do not exceed liabilities, securities shall be deposited in sufficient amount to secure any judgment against the corporation (Del.).

If the deposit is with the State treasurer, he shall have an annual fee of \$25 (Fla.).

Associations desiring to do business in this State shall have on deposit in trust for all its members and creditors the sum of \$100,000 in securities, and must file a certificate of the fact with a State official (Minn., Oreg., Wash.); must deposit in this or other State 75 per cent of all securities and 75 per cent of all interest and dividends thereon (Ga.).

Instead of a deposit, a contract may be made with a trust company for the payment of the required deposit if the association refuses promptly to pay any indebtedness due a citizen of this State (Ind.).

4. Associations must appoint some person, usually a designated officer of the State, to act as their attorney to accept service of process in suits brought by residents of the State (Colo., Conn., Del., Fla., Ga., Ind., Iowa, Kans., La., Mich., Minn., Mo., Mont., N. J., N. Mex.,

N. C., N. Dak., Ohio, Oreg., Pa., R. I., S. Dak., Tenn., Vt., Wash., Wis.); must appoint such attorney in each county where they do business (Nebr.); must agree not to remove to a United States court any action begun in a State court (Minn., Mont., Wash., Wis.); must guarantee \$100 attorney's fee in any action in which judgment is recovered by a citizen (Ind.).

5. Reports showing the business transacted and the status of the associations must be made annually (Colo., Fla., Ind., Iowa, Ky., N. H., N. J., N. Mex.); semiannually (Kans., Mo., Vt.).

The fee for filing such reports is \$5 (Ind.); \$10 (Ky., S. Dak.); \$20 (N. J.); \$25 (Colo., Fla., N. Mex.). The fee ranges from \$3, where assets are \$50,000 or less, to \$50, where they exceed \$1,000,000 (Iowa, Kans., Mo.).

6. A State official shall cause an examination of the affairs of each foreign association doing business in the State, at the cost of said association, to be made annually (Vt.); at least once in two years (R. I.); when he shall think necessary (Tenn., Utah).

The fee is fixed at \$25 when assets do not exceed \$25,000; \$50 for assets from \$25,000 to \$100,000, and \$10 additional for each added \$100,000 or major part thereof up to \$1,000,000, and \$5 additional for each \$100,000 or major part thereof in excess of \$1,000,000 (Tenn.); \$15 per day and not less than \$15 nor more than \$30 for each examination (Utah). The fee for examining the financial condition and business methods shall be \$50 for the first \$100,000 net assets and \$5 for each additional \$100,000 or major portion thereof, the total not to exceed \$100 (R. I., Vt.).

7. Agents shall each have a certificate to be renewed annually, and the fee for the same shall be \$1 (Pa.); \$2 (Ind.); \$10 (Wis.); \$25 (Ky.); \$5 for each traveling agent (Tenn.). The fee for a certificate for each agency is \$5 (N. J.); \$250 for each county (Fla.).

8. A privilege tax is levied ranging from \$25 on associations receiving monthly dues not exceeding \$500 from residents of this State to \$250 where such payments amount to more than \$3,000 (Miss.); ranging from \$50 where capital does not exceed \$100,000 to \$250 for a capital of \$1,000,000 or more (Tenn.).

A tax of one-fourth of one per cent is levied on the dues collected from residents of the State, less withdrawals and loans within the State (R. I.); of 3 per cent of the excess of collections in the State over loans (Ind.).

9. Associations of any State which subjects associations of this State desiring to do business therein to requirements as to taxation, deposits, or other restrictions in excess of those imposed by this State under like conditions, shall, when engaging in business in this State, be subject to reciprocal requirements and obligations (Ala., Colo., Ga., Iowa, Minn., N. H., N. Mex., Oreg., S. Dak., Tenn., Vt., Wash., Wis.).

BENEFITS.

Much has been said in regard to the benefits conferred by these institutions upon their members and their influence upon the community in general. Aside from the financial advantages derived by their shareholders there is undoubtedly a large measure of what have been aptly termed "invisible assets" which may be placed to their credit. First among the advantages conferred is that of providing a means whereby the workingman may save for home building. It is almost a truism to say that the community or State counting among its inhabitants the greatest proportion of home owners contains also the greatest proportion of prosperous, contented, and conservative citizens. In the testimony before the Industrial Commission it was very strongly impressed upon the Commission that the influence of these institutions upon industrial life was conservative, tending toward the prevention of disputes and strikes and making for industrial peace. The home owner acquires a real and tangible interest in the community and its welfare as well as an increased self-respect and more elevated moral standard. He rises as well in the esteem of the community and, to a degree at least, attains economic independence. That workingmen have taken advantage of the opportunities offered by building and loan associations for acquiring homes was demonstrated by the report of the Department of Labor to which reference has previously been made. It was there shown that the 4,444 associations from which reports were secured were the means through which the very considerable number of 314,755 homes were acquired by their shareholders, and that, in addition to these, the members of 4,422 of these associations acquired 28,459 other buildings. That these homes were acquired in a large measure by working people, thus carrying out the original purpose of these associations, is conclusively demonstrated by another table given in the report which comprises the results of an inquiry as to the occupation of the shareholders in a total of 921 representative associations. The table shows that in 909 of the local associations investigated there were 159,223 shareholders, while in 12 of the national associations there were 15,547. In the local associations nearly 70 per cent of the whole number of shareholders were working people, while in the national associations they constituted a little more than 54 per cent. There were included in this category the following classes: Accountants, bookkeepers, etc.; artisans and mechanics; farmers, gardeners, etc.; housewives and housekeepers; laborers; mill and factory employees; and salesmen and saleswomen. The remaining 30 per cent in the local associations and 46 per cent in the national associations consisted of agents, bankers, brokers, etc.; corporation officials; government officials and employees; hotel, boarding-house, and restaurant keepers; lodges, churches, and societies;

manufacturers, contractors, capitalists, etc.; merchants and dealers; persons engaged in the professions; and superintendents, foremen, etc.

Whether the saving of a portion of his earnings be for the ultimate purchase of a home or for some other purpose, the inculcation and encouragement of the habit of saving in the workingman may be termed one of the beneficial results of these institutions. With the definite object in view of accumulating a sum equal to the ultimate value of his shares by small and regular payments to his association there follow, in a greater degree, self-respect, industry, temperance, frugality, and many other qualities which render him of greater value as a citizen. The opportunity for safe and profitable investment of small sums afforded by these cooperative institutions and their careful and economical management have undoubtedly greatly encouraged this habit of saving and all the good that results therefrom.

In most of the smaller associations, at least, we have seen that the shareholder maintains a very intimate relation with his association, taking part to a degree in its management and the formulation of its methods of operation. The business training and knowledge of affairs gained through his connection with the association, together with the business association with his fellow-shareholders, may be said to constitute a third benefit conferred by these institutions.

It must be conceded that the practical operation of these institutions for many years has shown the feasibility and practicability of the plans upon which these operations are based. It is believed that the opportunity afforded in the way of the secure investment of small sums is in itself a benefit both to the individual and to the community. The extremely small proportion of profits required for the expenses of management in local building and loan associations and the degree of safety afforded to investors combine to render their services most valuable. It is both gratifying and encouraging to note that the losses sustained by these associations by reason of inadequate security are not only infrequent but inconsiderable. From the report of the Department of Labor it is ascertained that the total loss incurred by the 5,440 associations reporting as to losses during their entire existence was less than half a million dollars, or an average of less than \$100 for each association. Surrounded as such institutions are to-day by legal restrictions and regulations, and with the increased experience of ten years in their management and operation, it is safe to assume that the associations in existence at the present time would show even smaller losses than those of a decade ago, and it is indeed doubtful if any other class of financial institutions has rendered such uniformly beneficial results to the wageworker or so perfectly meets his needs as a means of saving and home gaining.

THE REVIVAL OF HANDICRAFTS IN AMERICA.

BY MAX WEST, PH. D.

I. DOMESTIC WEAVING AND RUG MAKING.

The domestic industry of spinning and weaving, which still flourished in the rural districts of America during the first half of the nineteenth century, has retreated so rapidly before the aggressive competition of textile factories that instead of a spinning wheel and loom having a place in nearly every farmhouse, it is now quite exceptional to find either the appliances or the ability to use them. Looms have been relegated to attics and lumber rooms, or left behind in moving from place to place; while spinning wheels have been preserved chiefly as curiosities by the grandchildren of those who used them last, and have even become articles of ornament for the decoration of drawing-rooms. It is not uncommon to find an elderly woman or man who still weaves rag carpets for as many of the families of a town or village as save their rags for the purpose; but the more difficult kinds of weaving and the wearing of homespun stuffs have gone out of fashion, except in remote and isolated communities. A Minneapolis firm, whose customers are chiefly Scandinavian immigrants on western farms, still occasionally sells spinning wheels for use rather than for ornament; but the cheapness of factory cloth has made its influence felt by changing even the habits of these immigrants, as well as of the native Americans who still live in an otherwise primitive fashion among the mountains of the South.

In certain localities, however, systematic efforts are being put forth to revive the domestic textile industry before it becomes wholly a lost art. It is the main purpose of the first part of this article to record the progress of these revivals, which are found chiefly in the southern mountains, and of the similar efforts which are being made to rehabilitate and improve the hooked-rug industry among the hills of New England.

In the South these philanthropic efforts have been inspired mainly by the excellence, in both durability and beauty, of the old-time coverlets, or "kivers," which have been preserved in many mountain homes. These coverlets consist of a cotton foundation overshot with colored wool so as to form the pattern. Intended originally for bed covers, they were woven in strips a yard wide by about $2\frac{1}{2}$ yards long; two

such strips, or occasionally three of a narrower width, being sewn together to make a cover of the desired size. The wool was dyed usually with indigo or madder, though various other vegetable dyes were sometimes used. The different patterns are distinguished by fanciful names, suggested sometimes by the pattern itself and sometimes by some historical incident. The historical names indicate that some of the patterns date back at least to the time of Washington, while others were named as late as the period of the civil war. The weaving of these coverlets was a difficult art, requiring a loom with at least four treadles and with one shuttle for the cotton and another for the colored wool. In weaving in an unfamiliar pattern the weaver was guided by a "draft," a sort of diagram or table intelligible only to the initiated, showing by lines or figures where the colored threads should be placed. The variety and ornamental character of the designs have suggested to modern admirers the use of the coverlets for a number of purposes, as for couch covers, table covers, etc., and, in separate strips, for portières and window draperies.

Numerous specimens of this old-fashioned ornamental weaving have been found in recent years in eastern Kentucky and Tennessee, West Virginia, western Virginia and North Carolina, and to some extent in northern Georgia. But while the coverlets are most commonly found in these more or less remote mountainous regions, some of the finest specimens which have been preserved are the product of southwestern Ohio. Mrs. Andrew L. Harris, of Eaton, Ohio, has two veritable masterpieces of the coverlet weaver's art woven about half a century ago by a man who lived in Butler County. These are heavy, closely woven, apparently all wool, double blue and white coverlets, exceptionally intricate in design and with elaborate borders on all four sides. In one of them, instead of the usual square figures, the pattern represents leafy bowers amid which birds are singing and feeding their young. They must have been woven on a loom having six or eight treadles and by an unusually skillful weaver.

But the revivals of domestic weaving have not been confined to any single class of fabrics nor to any one section of the country; and, first of all, attention is called to a pioneer work in the encouragement of plain cotton weaving in the lowlands of Louisiana.

THE ACADIANS OF LOUISIANA.

In the Attakapas region of southern Louisiana, about midway between New Orleans and the western boundary of the State, is a scattering settlement of French-speaking farmers descended from the Acadians who were expelled from Nova Scotia in 1755. Living apart from more recent comers, they have preserved not only their own language and national traits, but to some extent also the manners and customs of the last century. Much of the cotton grown on their farms is still hand carded, homespun, and woven by hand on rude looms such as

their ancestors used a century and a half ago. All of this work except the raising of the cotton, and in some cases even that, is done by the women in addition to their regular household duties.

Before the war of secession it was common for the southern Louisiana sugar planters and their families to wear suits of the Attakapas cottonades woven by the Acadian weavers, who thus found a ready market for their surplus product. The war interrupted this demand, and the subsequent depression threatened to destroy the industry. It received a new impetus through the efforts of Mrs. Sara Avery Leeds, of Avery Island, Louisiana, who was brought up in the neighborhood of the Acadians and has for many years devoted herself to the encouragement of their handicraft. The Christian Women's Exchange of New Orleans afforded a convenient salesroom, which still remains the principal headquarters for the sale of these goods, though orders are now taken in New York and elsewhere. Mrs. Leeds took five of the Acadians to the World's Columbian Exposition at Chicago, where they reproduced an Acadian interior with their spinning wheels and looms and showed the methods and products of their industry as part of the Louisiana exhibit. Specimens of the product were also exhibited at the Cotton Exposition at New Orleans in 1885-86, at the Buffalo and Atlanta expositions, and elsewhere, winning a blue ribbon at New Orleans, a gold medal at Atlanta, and honorable mention at the Minneapolis Industrial Exposition in 1886.

The fabrics are woven to order for the most part, and the orders have increased of late until they now equal the productive capacity of the twenty-five or thirty families regularly engaged in the industry. An Acadian woman assists Mrs. Leeds by giving out the orders. When an order is executed the finished product is brought by boat or by wagon a distance of from 10 to 25 miles, to Mrs. Leeds, who inspects and measures the cloth and discards any inferior work. The women are so faithful that poor work is not often found. The cost of transportation and the commission charged by the Women's Exchange or other agency having been deducted from the price, the remainder is sent to the producer. In some cases the price is advanced to needy workers.

The Acadians do not attempt any intricate patterns, but weave in small checks and stripes, as well as plain and mixed goods. They make two main classes of homespun goods—the strong, durable Attakapas cottonade suitings or art cloth, and soft cotton-flannel blankets or “couverts,” which are sold as “Evangeline portières.” The suitings are sold for from \$1.10 to \$1.60 a yard; the portières are somewhat more expensive. Except for occasional narrow stripes of red, no dye but the original indigo is permitted to be used. A variety of colors is obtained by using white cotton and the yellow nankeen cotton undyed, as well as the different shades of blue.

Besides these homespun cloths the Acadians weave rag carpets, combining a great variety of colors, and of finer texture than is often found elsewhere. Some of the older women also make hand-spun and hand-netted fringes.

In Harper's Magazine for February, 1887, Mr. Charles Dudley Warner described the Acadians and their products in the following language:

They are a self-supporting community, raise their own cotton, corn, and sugar, and for the most part manufacture their own clothes and articles of household use. Some of the cotton jeans, striped with blue, indigo-dyed, made into garments for men and women, and the blankets, plain yellow (from the native nankeen cotton), curiously clouded, are very pretty and serviceable. Further than that their habits of living are simple and their ways primitive, I saw few eccentricities. The peculiarity of this community is in its freedom from all the hurry and worry and information of modern life.

Mrs. Leeds says that while the Acadians still generally spin and weave for themselves and their neighbors, the custom is falling into disuse even among this primitive people; but she purposes extending and systematizing her work for the promotion of the industry.^(a)

ASHEVILLE, N. C.

In 1894 Mrs. Susan Chester Lyman, after a preparatory residence at Hull House, Chicago, went to live in a well-finished log cabin which had been built for the purpose near Asheville, N. C., and there established the Log Cabin Settlement for the benefit of the neighboring mountaineers and their children.

Among the various lines of work undertaken was the encouragement and promotion of coverlet weaving, which even in this region had almost died out. Orders were received from numerous friends in the North, and in giving them out to the mountain women an effort was made to discourage the use of aniline dyes, which were beginning to be used in place of the old-time indigo and madder. As the industry developed it required a regular headquarters, and the Asheville Exchange for Woman's Work undertook the sale of the product at its salesroom on Court Square, in Asheville. A commission was now charged on the sales, but the weavers gained the advantage of a wider market through the popularity of Asheville as a winter resort.

One of the most skilled of these mountain weavers, Mrs. Emma A. Duckett, has moved into Asheville to devote all her time to the industry. In one room of her cottage there are two looms, at which she and her son weave not only the colored coverlets, but also white counterpanes,

^a Mrs. Margaret Avery Johnston has compiled from various sources a book entitled "In Acadia," containing an historical sketch of the Acadians and descriptions of their surroundings and manner of life. The book is commonly bound in Attakapas cottonade, and is published by F. F. Hansell & Bro., New Orleans.

towels, etc. To meet a demand for a fabric similar to the coverlets, but heavy enough to be used for rugs, Mrs. Duckett uses doubled and twisted yarn, and thus adapts the methods and patterns of coverlet weaving to the making of washable rugs. She now engages half a dozen mountain women to card and spin the woolen yarn in their homes, while two other women, who live with her, twist cotton yarn for the rugs; thus she is enabled to devote her time to weaving and dyeing. Her dyes she makes herself. She won a silver medal at the Buffalo Exposition and has exhibited her products at the Teachers' College and at the National Arts Club in New York City.

The price for coverlets or portieres of the usual weight is \$1.50 per square yard; for the double weight, suitable for rugs or heavy portières, \$2.50 per square yard. Among the patterns used in and near Asheville are the "Old Duckett," "Battle union," "Double bowknot," "Snowdrop," "Young man's fancy," "Lady's delight," and "Chariot wheels," or "Miss Chester" patterns.

Rag carpets are also woven by several women near Asheville, and are for sale at the Exchange for Woman's Work, which also offers woolen blankets, palmetto hats, and various other handmade articles, including willow and split-bottomed baskets, fashioned in mountain cabins.

THE ALLANSTAND COTTAGE INDUSTRIES.

The Allanstand Cottage Industries have been developed by Miss Frances L. Goodrich at Allanstand, Madison County, N. C., where she is in charge of the social work conducted under the auspices of the Woman's Board of Home Missions of the Presbyterian Church, in connection with several mission day schools in that vicinity. Miss Goodrich first began the encouragement of hand weaving ten years ago at Brittain's Cove, Buncombe County, at about the same time that the Log Cabin Settlement was built near Asheville. The gift of a well-preserved home-woven coverlet about forty years old suggested the revival of that industry as a means of bringing material aid to the mountain women. A beginning was made by purchasing wool from farmers in the nearest valley and having it made into yarn by women in the neighborhood who still preserved their spinning wheels and had not forgotten the art of carding by hand. The secrets of the indigo pot and of dyeing by barks and leaves were learned from some of the older women, and the hand-spun yarn was "dyed in the wool." Although a number of women at Brittain's Cove could weave plain linsey and jeans, the intricate "double-draft" coverlet weaving was a more difficult matter, involving the use of four sets of harness and four treadles instead of two. It was necessary to go 16 miles away, farther back from the railroad, to find a family where this art was still practiced. Here the yarn was woven into coverlets, which were soon sold, and the continued demand encouraged a young

woman at Brittain's Cove to learn the double draft. An old loom was bought and more spinners set to work.

Two or three years after this Miss Goodrich shifted the scene of her labors to Allanstand, in the next county, farther from towns and railroads, where weaving and dyeing were not yet lost arts. From the weavers of this region she has collected more than seventy "drafts" or patterns for coverlet weaving, some of which, however, were found to be duplicates under different names. Fifteen or twenty of the best patterns have been selected for use. Among them are the "Double snowball," "Double bowknot," "Rattlesnake," "Whig rose," "Pine burr," "Missouri trouble," "Beauty of Kaintuck," "St. Anne's robe," "Orange peeling," "Wheel of fortune" or "Iron wheel," "Polk and Dallas," and "Braddock's defeat." As some of her patrons wished all-cotton goods, which would not be attacked by moths, dyed hand-spun cotton is sometimes used to form the pattern, with a warp of white factory-spun cotton, as in other cases. The pattern is more clear-cut in the cotton coverlets than where wool is used, and they are preferred by many purchasers.

The plan of supplying the materials and paying for the work on a piecework basis was adopted. For carding and spinning, the women were paid $33\frac{1}{2}$ cents per pound of wool or 44 cents per pound of cotton; for dyeing, 20 cents per pound of wool or 25 to 30 cents per pound of cotton, the indigo and madder being furnished and various other dye-stuffs being found in the woods; for weaving coverlets of the usual weight, 35 cents a yard; for weaving rugs (a faster process because of the double yarn), 25 cents a yard. These prices were somewhat higher than the customary rate of payment prevailing for coverlets woven for persons residing in the neighborhood, when the price for weaving was from 20 to 25 cents a yard; but the rate of pay has been further increased, especially for weaving, so that a first-class weaver now commands 40 or 45 cents a yard. This has encouraged several young women to learn the craft, two of whom are fitting themselves as teachers.

The cotton coverlets, in strips 37 inches wide, are sold at \$1.50 a yard, the cotton and wool at \$1.75, or in double weight at \$2 a yard. These goods are also made in a 27-inch width, at \$1.25, \$1.50, and \$1.75 a yard, respectively. Linsey (mixed wool and cotton cloth), 36 inches wide, is made for sale at from \$1 to \$1.50 a yard. Bedspreads, embroidered in homespun colored cotton on a handsome cotton foundation, in original designs, are sold at from \$7.50 to \$9 apiece. Knotted fringe for bedspreads, hangings, rugs, etc., is furnished at from 20 cents to \$1 a yard, according to weight. In weaving coverlet material for some purposes, as for table covers, 3 inches of the white warp is left at either end, so that no other fringe is needed. Hangings 36 inches wide, made from silk scraps, are sold for \$1 or \$1.25 a yard.

Women's corn-husk hats, of light weight but durable, are sold for \$1.25. Some of these are made from reddish-brown husks selected from red ears. Melon-shaped mountain baskets of white-oak splints, colored brown or green, are made in three sizes, the largest size holding about half a bushel, and sell for from 60 cents to \$1 each in lots of half a dozen or more. All these prices include carriage.

In November, 1902, Miss Goodrich organized the Cottage Industries Guild of Allanstand, which met once a week during the winter and at monthly intervals during the spring. There are 25 or 30 members, each of whom pays a yearly membership fee of 25 cents in work.

There has been a rapid development of the Allanstand industries since the organization of the guild, the members of which have so much esprit de corps that they are willing to give each other the benefit of their dye secrets, etc. The council of the guild is composed of the best workers in each line. A model log cabin has been built as headquarters for the guild.

The products of the Allanstand Cottage Industries are marked with a tag on which is printed a quill wheel (the wheel used to fill the quills or reels for the shuttle). Exhibitions have been held at Asheville, N. C., and at Holderness, N. H., as well as at Allanstand.

An effort has been made to discourage the use of aniline dyes and to revive the use of the old-time coloring matters. Some experiments have also been undertaken to test the merits of certain commercial dyes which are said to be chemically the same as natural madder and indigo.

A coarse sort of hooked rug is made in the neighborhood, and an effort will be made to develop and improve that industry, as well as the weaving of rag rugs. Some attempt has been made to raise and spin flax, but with less satisfactory results than were obtained with wool and cotton.

THE BEREA FIRESIDE INDUSTRIES.

Soon after Dr. William Goodell Frost went to Berea, Ky., in 1893, as president of Berea College, his attention was attracted to the handsome bed covers woven by his mountain neighbors, and, as opportunity offered, he began to purchase these and other home-woven products. A few years later some of these covers were taken to Louisville, Cincinnati, and New York, where they were much admired, and were in some cases found to be identical in pattern with coverlets woven long ago in New England. When the weavers were asked to execute duplicates, they replied that they would have to raise more sheep first. As explaining the decadence of the industry, it was said that "the gals likes factory and brung-on things." But the constant demand for coverlets at Berea and in the North led to a revival of domestic spinning and weaving, as well as of sheep raising, on mountain farms in Kentucky.

Coverlets began to be brought to the college at the beginning of each term to help pay the school expenses of students. It was found that the recently woven coverlets were inferior to some of the older specimens which had been preserved, in that the patterns failed to "hit in the seam," and also because the less permanent aniline dyes were being used in the place of the original indigo and madder. The college therefore undertook a revival in the quality as well as in the quantity of the work. Beginning in 1896, "homespun fairs" have been held annually at commencement, at which small premiums are awarded for the best coverlets, blankets, linsey, etc., and also, at least in recent years, for the best specimens of other homemade articles, such as chairs, saddles, spinning wheels, ax handles, wooden plates, forks and spoons, and baskets. Thus the handiwork of both sexes is represented. Interested friends have sent contributions to increase the number and size of the premiums. Through the generosity of a cotton manufacturer of Cincinnati, special premiums were offered, at a recent fair, for the best bark dyes. This occurrence is significant, because it shows that manufacturers are still interested in the possibilities of vegetable dyes, though their use in factories has been given up. Another special premium was offered for new border designs; and it is hoped that this marks the beginning of a new period in original designing. These fairs have had a marked influence in improving the quality of the work. They have also given an excellent opportunity for the sale of goods, no commission being charged upon sales made. Besides the exhibits entered in competition for premiums and for sale, old pieces loaned for the purpose are shown for the sake of comparison. The mountaineers come from miles around to attend the commencement exercises, and much interest is taken in these exhibitions of homemade products.

As the college found itself becoming the recognized agency for the marketing of coverlets, etc., it became necessary for some one to assume charge of the business and receive and give out orders in a systematic manner. Miss Josephine A. Robinson, of the college faculty, took up this work in 1899, and in her dealings with the weavers made it a point to discourage the use of aniline dyes, and to secure improved weaving and the matching of the patterns at the seams. In order to revive weaving in mountain cabins where it was no longer practiced, a leaflet was sent out, headed "Repair that loom." One woman was so anxious to obey this injunction that she rode 27 miles on horseback to get a necessary piece of mechanism.

In the spring of 1902 Mrs. Hettie Wright Graham went to Berea to devote herself to the development of the Berea Fireside Industries. She resided and had her office in a log cabin furnished with hickory chairs made in the mountains and polished oak tables made by the woodworking class at the college, and embellished with the products

of mountain looms; and she had a second log cabin for a loom house, where a weaver was employed to teach spinning and weaving to the college girls, and where women living in the village came to weave. There are now as many as 20 women in the village who spin and weave; of these some have their own looms and others have borrowed looms from the college. Besides encouraging the making of blankets, counterpanes, linsey-woolsey, linen table covers, towels of ramie, knotted fringes, etc., Mrs. Graham introduced the weaving of rag rugs in a variety of artistic colors and patterns. Factory-spun linen was found to break badly when woven in hand looms, the fibers having been broken in spinning, so the college now raises its own flax and has it spun by the village women. The wool used at Berea is carded by machinery, but spun by hand. Some of the mountain women also card the wool by hand, thus making a softer yarn than that produced by the carding mills. In the mountain cabins it is not unusual to find a woman, perhaps a dependent relative of the family with whom she lives, paying her board by carding and spinning wool for the mistress of the house to weave.

For the warp of mixed cotton and woolen goods factory-spun cotton is commonly used; but in some cases the cotton is raised at home, put through a hand gin, carded, and spun by hand. After being scoured the cotton warp or chain is sized by dipping in a thin starch made from corn meal. It is then put on the winding blades and spooled, often on corncobs. The spools or cobs of thread are then arranged in a rude spooling frame, the ends of all the threads are gathered together, and the warp is wound from the spools upon the warping bars. The wool for the weft is commonly sheared by the men or boys of the household, or sometimes by the women, who afterwards wash it, perhaps in the nearest brook, and pick out the burrs and trash—so tedious a process that picking 3 or 4 pounds is an average day's work. The white wool is then sent away to a carding mill for the next process, or if there be no mill or railroad within reach some member of the household cards it by rolling it between two hand cards, resembling currycombs. It is then ready for the spinning wheel, from the spindle of which it is reeled into "hanks;" it is then scoured and dipped in the blue pot. The making of indigo dye is a difficult art, even by those who understand it and are fortunate enough to obtain good indigo. After the dye pot is "started," with "yeast" borrowed from a neighbor or with wheat bran, it must be set by the fire and not allowed to become cold. For yellow, brown, and green dyes various native barks and herbs are used, and one Kentucky woman has found a wild plant which serves as a satisfactory substitute for indigo, but she guards her secret jealously.

Arranging the warp in the loom is another tedious process which must be performed before the weaving proper can begin. A small boy or girl of the household is generally utilized to hand the thread ends one by one to the mother, who passes them carefully through the harness according to the draft selected, then through the sley, and fastens them in place. Finally the weaver takes her seat before the loom and throws the shuttles from right to left and from left to right, at the same time "tromping" on the four treadles in turn so as to produce the right pattern.^(a)

When Berea College hires spinning and weaving done the prices paid are 25 cents per dozen "cuts" for spinning, 10 cents a yard for plain weaving, as in the case of linsey-woolsey, and 20 cents a yard for weaving linen and ramie fabrics. In the case of coverlets and rugs woven at a distance from the village, the products are bought outright, on behalf of the college, and sold to purchasers at a very slight advance to cover expenses. This plan enables the weavers to receive cash for their work as fast as it is finished, and permits the rejection of inferior work. One mountain woman sends to Berea the goods spun and woven for her by several of her neighbors, paying them in corn and other products of her farm. For many of the mountain families the spinning wheel and loom are the principal sources of cash income, and suffice to pay the moderate expenses of the children at Berea College.

In order to have sufficient material for rag rugs, scraps of ticking are obtained from a Cincinnati manufacturer and sold to the rug weavers at 3 cents a pound, to be paid for when the rugs are sold. The Berea rag rugs are sold for about \$1 a square yard. The prices for coverlets vary according to the quality of the weaving, as well as according to size. The purchasers are expected to pay express charges.

Owing to ill health Mrs. Graham has been obliged to give up the active management of the industries and the work is now carried on by Mrs. Jennie Lester Hill under Mrs. Graham's advice and suggestion.

The Berea Fireside Industries have grown until the sales now amount to about \$1,500 a year. Berea coverlets won a medal at the Paris Exposition.

Skill in weaving is rarely found among the Negroes, but when President Frost went to Berea he found wealthy planters in the neighborhood wearing homespun which they had hired woven by some of their former slaves. He has followed their example by having homespun suits made for his own use.

^aMrs. Jennie Lester Hill, teacher of domestic art in Berea College, has described the "Fireside industries in the Kentucky mountains" in *The Southern Workman* for April, 1903. The Berea College Quarterly reports the progress of the work from the college standpoint.

RUSSELLVILLE, TENN.

Mr. and Mrs. T. L. Bayne are reviving the arts of indigo dyeing and coverlet weaving in the vicinity of Russellville, Tenn., not far from the mountains. While making their summer home there a few years ago they became interested in the coverlets found in the neighborhood, and have made a collection of about thirty drafts, one of which is 125 years old. Some of the patterns are named "Young lady's perplexity," "Missouri trouble," "Isaac's choice," "Rose in garden," "Wreaths and roses," "Sixteen-wheel chariot," "Snail trail," "Battle of Richmond," "Snowball," "Soldier's return," "Rocky Mountain beauty," "Winding blades and folding windows." Mrs. Bayne has adapted the coverlet weaving to a variety of uses, making baby blankets, sofa-pillow covers, table covers, etc. In table covers silkoline is used instead of woolen yarn to form the pattern. She has found it difficult to procure homespun yarn, and believing it to be no better than the factory product, she buys her woolen as well as her cotton yarn. Vegetable dyes are used for the woolen yarn, though copperas has been found satisfactory for cotton. She has learned the difficult art of indigo dyeing, having started her blue pot from one in the neighborhood which had been in use since 1797.

In addition to coverlet weaving, both Mr. and Mrs. Bayne weave rag rugs and table covers, etc., in some cases utilizing cigar ribbons in place of rags. Mr. Bayne is also experimenting with hooked rugs with the hope of introducing that craft among his neighbors. Two women, a mother and daughter, are employed to assist in the weaving, and rags are sent out to be dyed. The coverlets are sometimes woven "one for t'other," according to the custom prevailing in the neighborhood—that is, the patron provides the materials for two coverlets, of which the weaver returns one and keeps the other.

The old customary cash prices for weaving were 8½ cents a yard for rag carpets and 25 cents a yard for coverlets, besides 50 cents for preparing and putting in the warp, but Mrs. Bayne pays a little more than the old prices. The price for tacking or sewing together rags for carpet material is 5 cents a pound, or the tacked rags may be bought outright for 7 cents a pound.

Miss Cassie Rogan, also of Russellville, is making an effort to revive the making of patchwork and appliqué quilts, making the colored patterns herself, but hiring the quilting proper done at the old-time price of \$1 for each spool of thread used. This quilting, in the elaborate designs of a century ago, was so nearly a lost art that the only person who could be found possessing the requisite skill was a woman 85 years of age. A number of old quilts have been collected, named, like the coverlets, according to their patterns, as "Washington's plume,"

“Peony,” “Dogwood,” “Double Irish chain,” “Desert leaf,” “Love at the window,” and “Ocean wave.”

THE HULL HOUSE LABOR MUSEUM.

A labor museum was opened at Hull House, Chicago, in November, 1900, for the purpose of exhibiting industrial processes in various stages of their evolution, and thus offering a sort of education in industrial history in the form in which it would be most easily comprehended, and at the same time emphasizing the dignity and importance of labor.

The textile department has from the first been the most fully equipped and historically complete part of the museum. Hull House is located in a district inhabited by foreigners of many nationalities. Among the older women are many who were accustomed in their native lands to spin and weave the clothing for their families, and some of these brought with them to America their distaffs and spinning wheels. Much of the equipment of the museum was therefore collected in the neighborhood. On Saturday evenings women of various nationalities carry on in the museum the processes to which they were accustomed in their European homes. The primitive hand spindle, as used before the introduction of spinning wheels, is employed in somewhat different forms by Italians, Greeks, Russians, and Syrians. Various kinds of spinning wheels and reels are also shown in operation. Wool, cotton, flax, and silk are put through one process after another, from scouring, dyeing, and combing to weaving. The dye room is equipped with porcelain tubs, but the dyes used are of vegetable origin. The museum has a primitive Navajo loom, a stocking loom, a Swedish pattern loom, and fly-shuttle, Jacquard, and power looms, the latter operated by electricity. The labor museum is not merely a museum, it is also a workshop. In addition to the Saturday evening exhibitions, a number of Irish and Italian women use the spinning wheels and looms during the week as their other duties permit, receiving 15 cents an hour for their labor. They produce a considerable quantity of woolen and linen fabrics and rag rugs, which are offered for sale by Hull House at the museum and at various arts and crafts exhibitions. Some of the linen fabrics are used as the background for elaborate embroidery. Classes in needlework, hammock weaving, and basket making are held in the textile room of the museum.^(a)

PROCTOR, KY.

The Church Mission Settlement, at Proctor, Ky., is a center for the social and educational work of the Protestant Episcopal Church among

^a A profusely illustrated article on the labor museum was published in *The Commons* (Chicago), for May, 1902.

the Lee County mountaineers, at which special attention is given to the industrial training of boys and girls. During the summer months there are classes in cooking, sewing, basketry, and carpentry, and usually a kindergarten for the younger children. A loom has been set up at the Mission House, and an effort has been made to induce the mountain women to keep up their spinning and weaving and teach their skill to the younger generation. A good many women in that vicinity still do plain weaving, making jeans, linsey, blankets, and towels. A few women have been found who can weave "kiverlids," and last year one of these who is unusually skillful taught a Mission House class in weaving. Mrs. Daniel, a resident at the Mission House, now makes excellent coverlets which sell ordinarily for \$6 apiece. The extension of the industry has been slow because of the limited number of sheep now kept in that region; but the prospect of cash sales is exciting a new interest in the industry. There is a carding mill at Booneville, 16 miles from Proctor, but the coverlet weavers consider hand-carded yarn better for their purpose. Real indigo, madder, logwood, and other vegetable dyes are used.

The basketry class, which was started at the Settlement by Miss Bessie Daingerfield and has been kept up by other teachers, now includes adult women, as well as girls, and some of its members are making artistic and durable baskets which sell at good prices.

HINDMAN, KY.

Miss Katherine R. Pettit and Miss May Stone, with the support of the Woman's Christian Temperance Union of Kentucky, have established the Log Cabin Settlement at Hindman, Knott County, Ky., 45 miles from a railroad. Even in this isolated region weaving was evidently dying out, but was still practiced by some of the older women. The Settlement workers foster the industry in various ways. They buy the coverlets, or sell them for the makers without commission, and they encourage the use of vegetable dyes by refusing to take articles in which aniline dyes have been used. At the Settlement, which occupies an 18-room log cabin, a century-old loom has been set up, and both plain fabrics and coverlets are made in the old-fashioned way, beginning with the shearing of sheep raised near by and the carding of their wool. Orders are received for coverlets, linsey-woolsey, and other homespun cloth, and for the melon-shaped mountain baskets. Weaving, basket-making, and other crafts are taught in the industrial classes conducted by the Settlement workers.

GEORGIA.

Mrs. J. Lindsay Johnson, of Rome, Ga., has long been interested in the encouragement of weaving among the women residing in the near-by mountains; but her efforts have met with apathy. Some cov-

erlets have been produced, however, and silk-rag portières and rag rugs have also been woven. Some of the weavers have been induced to weave publicly at the interstate fairs held at Atlanta. The products are sold chiefly through the arts and crafts committee of the Georgia Federation of Women's Clubs. The later efforts of this committee have been directed largely toward the introduction of weaving and other handicrafts in the schools of the State, especially in the State Normal School and in the model day schools which have been established in mountain districts through the Federation's initiative. Corn-husk hats, palmetto hats, and baskets are among the marketable products of these schools sold by the committee.

ABNAKEE RUGS.

A rug-making industry of considerable importance has been created in the mountains round about Pequaket, Carroll County, N. H., through the efforts of Mrs. Helen R. Albee, a designer, who first made her summer home at Pequaket several years ago, and now lives there the year round. The rug making grew out of a conviction of the importance of giving some congenial and remunerative employment to country people as a means of stemming the tide of migration to the cities. In selecting an industry suited to the rural districts, Mrs. Albee chose the making of hooked rugs. Such rugs were already being made from time to time in the farmhouses of New England and other sections, from old clothing and odds and ends of cloth. It was found that some of the rugs had been in use for more than thirty years, so that there was no question of their durability; but it seemed that they were needlessly ugly, and that there was room for improvement in both the designs and the coloring. Simple, conventional designs were therefore drawn, the motifs adapted chiefly from native Indian sources, to take the place of the stamped patterns for sale in the country stores, which represented domestic animals, flowers, scrolls, etc. The country people did not at first approve the new designs, and were skeptical of being able to sell hooked rugs in any pattern; but their apathy was overcome when a number of rugs had been made and it was demonstrated that they were marketable. The making of rugs with the new designs involved learning the process of rug hooking, testing different materials in order to produce the desired velvety texture, the gathering of various barks, lichens, etc., for dyestuffs, and long-continued experiments in dyeing. When about half a dozen rugs had been made, and one young woman in the neighborhood had been induced to make as many more, an exhibition was held in the village hall. The rugs were so well appreciated by the summer residents that all those offered for sale were sold, and numerous orders

were received for duplicates, with the result that workers soon offered themselves in sufficient numbers to establish the industry on a larger scale.

Although she had hoped that the workers would soon be able to work independently, Mrs. Albee has found it necessary to assume and retain full control of the industry. She not only designs the patterns and cuts out stencils for marking them on the burlap which is used as the foundation of the rugs, but also buys and dyes the flannel to be used for the filling, trains the workers, pays them for their work as it is finished, arranges for exhibits, takes orders, and markets the product. Even under these conditions she has found it difficult to obtain work of a uniform quality from all. The workers are paid by the square foot, the rate varying with the intricacy of the pattern. It is intended that a skillful woman should be able to earn \$1.50 for a full day's work, and it has been found that besides attending to their housework several women make as much as \$1 a day each. During the past five or six years Mrs. Albee has trained about thirty women living within a radius of 6 miles from Pequaket, but only half of these attained proficiency, and some of the skillful ones have moved away. A few of the workers can be relied upon to carry out the most elaborate patterns.

The burlap being stretched on a wooden frame, strips of flannel about a quarter of an inch wide are drawn through the meshes with a hook, so that the loops form a close pile three-eighths of an inch high. After the hooking is completed the surface of the rug is clipped with a pair of long shears, to produce an even surface. Only the higher loops are cut; the uncut loops give firmness to the whole, while the ends of the cut pile fray a little and produce a soft velvety surface. When the rug is finished the edges of the jute burlap foundation are turned under and sewn down on the under side. To the bottom of each rug is sewn a silk label bearing the words, "The Abnákee Rug," together with the totem of one of the chiefs of the Abnaqui Indians, whose tribal name, spelled phonetically, has been adopted to identify the rugs with the region in which they are made.

After trying many different materials for the cloth strips, Mrs. Albee has settled upon the use of all-wool unbleached flannel twill of a uniform grade and weight, which is ordered directly from the mills in order to get it before it has been sulphur-bleached or hot-pressed, as the bleaching and pressing interfere with the action of the dye. The use of vegetable dyes has been given up, because of the difficulty of getting and using them, and because they gave only a narrow range of colors; instead, aniline dyes of a good quality are used, which are bought in quantities and are mixed according to formulæ worked out in the course of experiments, in order to obtain the dull tones found in

oriental rugs. She offers the benefit of her experiments to anyone who may wish to establish a similar industry elsewhere or engage in rug making individually, by selling both flannel and dyes such as she uses, which otherwise could probably not be obtained at retail, and also a little book giving minute directions for making hooked rugs and mixing the dyes.^(a) This manual, and the exhibits of Abnákee rugs which have been sent as far west as the Pacific coast, have awakened a widespread interest in the industry and led to similar efforts in various places.

Abnákee rugs have been made in Egyptian, Persian, and Mexican designs, and with Japanese cross stripes, as well as in the patterns adapted from Indian sources. They are sometimes made in colors to match the furnishings of particular rooms. They are made not only for floor coverings, but also in more elaborate designs, including heraldic devices and jeweled effects, for wall hangings, or for chair, cushion, and couch covers. The prices range, as a rule, from \$1 to \$1.25 a square foot, according to the intricacy of the designs. The usual price for simple Indian designs is \$1.15 a square foot.

SABATOS RUGS.

Mr. and Mrs. Douglas Volk, of New York City, have done much toward reviving several old-time handicrafts at Center Lovell, Oxford County, Me., 16 miles from the railroad by stage, where they make their summer home.

In the summer of 1900 Mrs. Volk began experimenting with a view to improving the New England hooked rug. Instead of rag strips she used native wool homespun yarn, and the designs were adapted from Indian handicrafts. Her first rug was taken to New York and shown to a group of artists; and it was received with such favor that the maker soon received a number of orders. She turned to her neighbors for help, and has enlisted the aid of about a dozen women, the wives of thrifty and fairly well-to-do farmers near Center Lovell. The number of workers has increased from time to time. A neighboring mountain, Mount Sabatos, gives its Indian name to the product.

Mrs. Volk's first rug was made on a foundation of the best imported burlap, but thereafter burlap was rejected as being less durable than the yarn pile and because it was desired that the rugs should be the product of hand work throughout. Various hand-woven foundations were tried, and the material finally adopted is an all-wool, hand-woven, homespun webbing. Thus the rugs are wholly the product of local industry, and sheep raising by the farmers in that vicinity has been

^a Abnákee Rugs: A Manual Describing the Abnákee Industry, the Methods Used, with Instructions for Dyeing. By Helen R. Albee. Cambridge, printed at Riverside Press, 1901.

materially stimulated. Most of the wool is carded at an old water-power carding mill at Waterford, near Center Lovell, but the other processes are carried on by hand. The dyes used are from vegetable sources. It is stated that almost any dye will fade more or less in the course of time, but that these vegetable dyes, if they change at all, will still retain much of their original color and remain harmonious in tone, while commercial dyes, though much easier to use, change into shades quite different from the original color and less pleasant to the eye. Especial importance is attached to the use of old vat indigo blue, one of the predominating colors in the Sabatos rugs and one of the most difficult colors to obtain, but practically fadeless. A few persons near Center Lovell still preserve the difficult art of indigo dyeing.

The loom and the processes of arranging the warp and weaving are similar to those employed in the southern mountains, but hand-spun woolen yarn is used for both warp and weft, and no pattern is woven into the webbing. As in oriental rugs, a few inches of the warp are left at each end for fringe. No stencils are used in putting in the designs. If the worker is not skillful enough to work from a drawing, the design is drawn on the webbing in free-hand, lest it should look too much like a pattern in factory-made oilcloth or wall paper.

When the designs are drawn and the yarn filling dyed the materials are given out to the workers, some of whom live as much as 6 miles away. After the webbing is fastened to a frame the short pieces of yarn filling are drawn through and separately knotted, as in oriental pile rugs, but with a knot invented for the purpose by Mrs. Volk. This knotting of the yarn increases the durability of the rug, but also renders the rug making very slow and laborious work. Before the introduction of the knot the workers received about 35 cents per square foot, but they are now paid \$1 a square foot for plain work and \$1.50 for figured work. With the time at their command it takes two months to finish a small rug. A Sabatos rug measuring 3 by 5 or 3 by 6 feet will sell for \$50 or \$60, or rather more than \$3 a square foot. Mrs. Volk has been advised by connoisseurs to raise her prices. At the present rate she has more orders than she can fill, and there is a long waiting list.

The webbing used as the foundation of the rugs is woven at the Volk cottage by members of the family, assisted by women who come to work by the day. Here are woven other fabrics also, especially one of mixed linen and wool which may be used for portières, table covers, etc., but is especially effective in window hangings. An attempt is being made to have flax raised near at hand, so that the linen as well as the wool may be hand-spun. Silk has also been used for warp, with woolen weft, in table covers, etc.

Exhibitions have been held at the village hall in Center Lovell,

showing the rugs at every stage from the raw wool to the finished product. Other handmade articles were also exhibited. At one of these the exhibits were divided into three classes. The first class consisted of articles handmade of materials prepared by hand, as the Sabatos rug; the second consisted of articles handworked from materials prepared partly by machinery, as rugs made on burlap with rags dyed in vegetable colors; while the third included rugs composed of machine-made materials and dyed with aniline dyes. The people of Center Lovell showed a marked preference for articles in the first and second classes, and almost nothing in the third class was sold. A high standard of excellence is now required for admission to the exhibitions. The local craftsmen have been organized into the Center Lovell Handicraft Society.

Mr. and Mrs. Volk are willing to give the benefit of their experience to others who may desire to establish a similar rug industry elsewhere under favorable conditions, but they will not encourage the use of factory-made webbing or filling nor of commercial dyes.^(a)

CRANBERRY ISLAND RUGS.

Of the various rug-making industries which have grown out of Mrs. Albee's pioneer efforts in New Hampshire, perhaps the most important is that established among the wives of fishermen on the Cranberry Isles, opposite Northeast Harbor, Me. Until the rug industry was introduced there these women, though intelligent and sufficiently well provided with the necessaries of life, had little to occupy their time during the winter and but little ready money. They were ambitious to raise money for church purposes and for building a wharf, etc., and when they heard of the success of the Abnákee rug industry a number of them were desirous of undertaking similar work. They were already familiar with the process of hooking rugs; and they were fortunate in having the benefit of the initiative, moral support, and financial backing of Mrs. Seth Low, Miss Miriam P. Reynolds, and one or two other New York women whose summer homes are at Northeast Harbor, as well as in obtaining the aid of capable designers. The industry was started on a small scale in the autumn of 1901, under the supervision of Miss Amy Mali Hicks, a designer identified with the arts and crafts movement in New York City, who designed the patterns and gave instruction in dyeing, etc. A year later Miss Hicks retired from the management of the enterprise and was succeeded by Miss Una A. Clarke, of Cambridge, Mass., who is also a designer and had had some experience in making rugs. During the first winter six rugs were made which were exhibited the following summer at North-

^aA pamphlet describing the Sabatos rug and the processes by which it is made has been printed at the Sabatos Press by Wendell Volk.

east Harbor. The next winter the industry was developed on a somewhat larger scale, twelve women working on the rugs as regularly as their household duties allowed, averaging about two hours a day. In the summer comparatively little work is done. One woman stencils all the burlaps, while another dyes all the flannel. The dyestuffs are obtained from Mrs. Albee, and are identical with those used in the Abnakee rugs; but a somewhat firmer texture is obtained in the Cranberry Island rugs by using 2 yards of flannel to the square foot, instead of $1\frac{1}{4}$ or $1\frac{1}{2}$, as at Pequaket. The use of vegetable dyes is now under consideration.

The Cranberry Island rugs are distinguished by the monogram "CR" worked in one corner or on the selvage at the back. Several designs have been used, with different arrangements of colors, and from time to time new patterns are prepared. Most of the designs are original and striking, effective use being made of a somewhat conventionalized pine tree and other natural forms; but the patterns of old-time samplers have also been adapted for use in bedroom rugs. The rugs have been sold about as fast as they could be made, in most cases being made to order. They are used chiefly in summer cottages in Maine and in the vicinity of New York. An exhibit was sent to a New York City arts and crafts exhibition in the spring of 1903, and all the rugs sent were sold. The industry is now firmly established on a self-supporting basis, but the committee of New York women still maintains an organization, Mrs. Charles Wesson having succeeded Mrs. Low as treasurer.

The stenciler receives 25 cents for each rug, and the dyer 6 cents per yard of material. The women who draw the flannel strips through the burlap receive 40 cents for each square foot, which is about three hours' work. The rugs are sold at \$1.20 per square foot, of which 60 cents represents the cost of materials. This leaves a margin of a few cents a square foot, which is used for a sinking fund and to pay for the designing, etc. Most of the rugs made thus far have been small ones, selling for from \$7 to \$32 and averaging about \$10 apiece, but orders have been received for at least two large rugs at \$100 each. The small size of the fishermen's houses makes it difficult for the women to handle the larger rugs.

SUBBEKASHE RUGS.

The Subbekashe rug industry was started at Belchertown, Mass., in 1902, by Miss Lucy D. Thomson, "as a personal experiment in meeting the problems of a New England country town whose industries are matters of the past and where the changed conditions of farm life have left the women spare time, with few interests and no lucrative

employment to occupy it." A large number of women have been found who are anxious for work and can afford to work during their spare time for a small return. Not more than seven women have yet been employed at any time, but there is a large waiting list of others who need work.

The Subbekashe rugs are hooked or drawn woolen rugs similar to those made at Pequaket. Miss Thomson designs the patterns, using for the most part American Indian motifs, and supervises the dyeing.

The compensation of the workers is based upon the calculation that an expert worker should earn from \$1 to \$1.50 in a full day's work, and varies from 35 to 60 cents per square foot, according to the design. Only two of the women have attained any marked degree of proficiency, and they are able to make about \$2 a week in the spare time at their disposal. The selling prices range from \$0.90 to \$1.15 a square foot. One of the Belchertown rug makers has been provided with a loom and is now weaving cotton rugs.

THE "MOTHERS AND DAUGHTERS' INDUSTRY."

The Woman's Club of Plainfield, N. H., among other expedients for raising money for a club-house, initiated a rug industry in the winter and spring of 1902. Rags were accumulated and sewn together during the winter, and were then woven according to color designs by Mrs. Frances Houston, of Boston, and Mrs. H. O. Walker, of New York, president of the club. Twenty rugs were made, and at an exhibition held in August all of these were sold and orders taken for forty more. A separate organization was now formed with the name "Mothers and Daughters' Industry," with Mrs. G. S. Ruggles as manager, and a trademark was adopted consisting of a distaff and the letters "M D I" in the corner. Instead of using old cloth for rags, white outing flannel is now bought and dyed the desired colors. Many of the rugs have white centers with dashes of color, and borders at each end in stripes or mottled effects. Orders are taken by city members of the club who have taken rugs home with them, and exhibits have been sent to various arts and crafts exhibitions. The number of rugs made in a year now runs into hundreds and the number of yards of material used into thousands. Six looms are in operation, and altogether there are more than twenty-five workers, the weaving of curtains, bedspreads, etc., having been added to the industry. For a rag of the size most often woven, 3 by 6 feet, the price is \$5 or \$6.

INSTITUTIONAL RUG MAKING IN NEW YORK CITY.

At the workrooms for unskilled women maintained by the Charity Organization Society of New York City, at 516 West Twenty-eighth

street, part of the women who apply for work from day to day are employed in sewing together strips of cloth to be woven into carpets and rugs. As there is no space for a loom at the workrooms, the material is sent out to two or three different weavers, one of whom weaves rugs 3 or even 4 yards wide. The material used is chiefly new denim, which is purchased by the bolt, but rugs are made also from pieces of gingham, linen, outing flannel, velvet, etc., and silk scraps are made into portières. Orders are taken at the main office of the society, and a rug sale has been held at the house of a member of the committee in charge of the workrooms. The usual prices are from 75 cents a square yard for rag carpet to \$1.50 a square yard for denim rugs, but an extra charge is made for rugs woven to order to match other furnishings. A velvet rug 3 by 6 feet in size is sold for \$6. This rug industry was established about seven years ago, and has grown until the sales reach between \$400 and \$500 a year.

Besides the woven rugs a hooked rug has been made and exhibited under the name "Lapmatta," meaning "little pieces;" but among the women applying for work it is rare to find one skillful and permanent enough for this kind of work.

At the workrooms of the Brooklyn Bureau of Charities, also, women are given work at sewing carpet rags, and here the weaving is done on a hand loom by a man employed for that purpose. Persons furnishing their own materials may have them cut, sewed, and woven into carpets or rugs at from 35 to 50 cents per square yard.

In the "hospital," or old people's home, maintained in connection with the settlement work of Grace Church, a hooked-rug industry has been established to utilize a portion of the time of some of the inmates, largely for the sake of helping them to pass it in pleasant and easy employment. The work is in charge of Mrs. F. E. Morand, the house mother, who designs the rugs and supervises their making by three men over 60 years of age. The rugs are made of woolen yarn, on a foundation of strong imported linen canvas with open meshes. The yarn is cut up into short pieces of uniform length, which are then hooked through the canvas in such a way that each one is tied in a simple knot as it is pulled through. The result is a very thick rug somewhat similar to the Sabatos rug in texture, but with patterns more like those of oriental rugs. They are sold for about \$1.40 a square foot, and the proceeds, after paying for the materials, are devoted to charitable uses. The sales of rugs, together with the patchwork and embroidery executed by women inmates, amount to nearly \$400 a year.

At Richmond Hill House (formerly the West Side Branch of the University Settlement), at 28 MacDougal street, a hooked-rug industry is being introduced for the purpose of giving employment to the

Italian women of the neighborhood. By opening a workroom where these women may come and work by the hour as their household duties permit, it is hoped to provide a convenient substitute for the making of artificial flowers, with its attendant evils of overcrowded rooms and child labor, in which they engage at their homes. Two young women residents have taken charge of this work, with some assistance from a member of the Guild of Arts and Crafts. The materials used in their experiments are of the same kind as those used by Mrs. Albee, but when the industry is fairly established it is the intention to use vegetable dyes.

Richmond Hill House is also reviving flax spinning among the women of the neighborhood, giving out the raw material and paying the spinners 50 or 60 cents a pound for the thread, or higher prices for exceptionally good work. The thread is sent to Miss Mary R. Cabot, of Brattleboro, Vt., who has it woven, together with that spun by Swedish women in her own neighborhood, and sells the finished linen for embroidery and clothing at \$1.25 a yard and upward.

RUG MAKING IN VARIOUS PLACES.

Rug making is one of several handicrafts recently revived at Deerfield, Mass., where an organization has been formed under the name of the Deerfield Rug Makers.

Mrs. Candace Wheeler has established something of a rug-weaving industry in the Catskills, in the vicinity of Onteora, near Tannersville, N. Y., where she spends her summers. Several of the country women have been encouraged to make rugs, but one of the best workers has moved away, while of those who remain only two weave continuously, and they are not anxious to encourage competition by teaching others.

Blue and white "willow-tree" rugs are woven from hand-spun woolen yarn at the summer school of art held annually at Ipswich, Mass.

The Ladies' Aid Society of Isle LaMotte, Vt., has made a number of rugs designed by Mrs. N. W. Fisk.

"Pilgrim" rugs are woven at Pittsfield, Mass., from cotton strips prepared by the women of the Pilgrim Memorial Church of that place; and the proceeds of the sales are turned into the church treasury. The rugs are woven in various combinations of white or black with colors, and are made for hangings, couch covers, and table covers, as well as for floor coverings.

There are still some survivals of old-time handicrafts on the islands along the Maine coast, where many fancy coverlets and all-wool fabrics were woven many years ago. Mrs. F. F. Johnson, of Reach, Deer Isle, Maine, weaves several hundred yards of rag carpeting a year

for the people of the island who save their rags, and for summer visitors. A sewing society of Stonington, being desirous of making some money to keep the church in repair, has recently employed her to weave rugs, which the society sells through the Women's Educational and Industrial Union of Boston, at \$2 each.

Mrs. Mary McM. Kingery, of Crawfordsville, Ind., began making hooked rugs in 1902, at the suggestion of Mrs. Albee. She now employs two other workers, and has shown her rugs at some of the arts and crafts exhibitions. They are called the Ouia rugs, from the name of an Indiana tribe of Indians.

Miss Mercy Brett, librarian at the National Military Home at Dayton, Ohio, and Mrs. I. M. Patrick, also of the Home, are experimenting with hooked rugs, following Mrs. Albee's directions for the most part, but trying yarn as well as cloth strips and using vegetable dyes. Their intention is to design rugs to be executed by women employed for the purpose. Miss Brett has spent the past year in the Philippines, and has experimented with the dyes used by the natives.

At the Bethel Settlement, Minneapolis, rag rugs, heavy woolen rugs, and baby blankets have been woven by Scandinavian women. Their primitive looms are similar to those used by the Navajo Indians, and consist of little more than a rectangular frame with a heddle. Much interest was taken in the work, and the settlement now hopes to secure a colonial loom upon which the women of the neighborhood may weave.

The Roycroft Shop, at East Aurora, N. Y., advertises among its other wares rag carpets and rugs which are woven by women of the village and vicinity.

Among the many individuals who have taken up the weaving of artistic rugs as a handicraft may be mentioned Mrs. Ross Turner, of Salem, Mass., who weaves at her summer home at Wilton, N. H.; Mrs. Abbie S. Nickerson, of Newburyport, Mass., who makes hand-spun, home-dyed "colonial" rugs; Mrs. D. D. Judd, of Oakland, Vt., maker of "Green Mountain" rugs; Miss Ella C. Frost, of Reading, Mass.; Miss Marie Little, of Hurricane, Essex County, N. Y.; Mrs. Amalie Busck Deady, of New York City; Mrs. Melissa Childs and Mrs. Mary Childs, of Chicago. At Eaton, Ohio, rag carpets and rugs in plain colors, stripes, and plaids or "block work" are woven by Miss Jennie Truax and by Mr. and Mrs. Ben F. Cook. Miss Truax also weaves sofa-pillow covers. Mrs. Alfred Wilkinson, of the same place, knits rag rugs as much as three-fourths of a yard wide, using long wooden knitting needles. This manner of utilizing rags, like the making of old-fashioned braided rugs, was formerly practiced in various parts of the country, but is now comparatively rare.

WEAVING IN SCHOOLS AND COLLEGES.

Weaving on hand looms has been introduced into the curricula of various industrial schools and other educational institutions. Thus at Hampton Institute, Hampton, Va., there are two looms in constant use, a large one for carpets and rugs and a smaller one, built by the boys in the trade school from drawings of North Carolina mountain looms, for table covers, portières, etc. A course in dyeing from vegetable dyes has also been given. A class in weaving has been formed at Teachers' College, New York City, under the instruction of Mr. Wendell Volk. At Newcomb College, New Orleans, a beginning has been made in rug weaving. At the Home Industrial School at Asheville, N. C., hand-woven fabrics have been collected and a loom set up with the intention of giving regular instruction in weaving as soon as a teacher can be found who combines skill in weaving with the requisite teaching ability. Some weaving has already been done at this school, but only on a small scale.

Weaving is now being taught to some extent even in elementary schools. At the Dewey School in Chicago textile handicrafts are taught in connection with the history of civilization. The pupils themselves have constructed primitive looms and a small colonial loom, while the building in which the textile department is housed was built by the older pupils.

Mrs. Mattie Phipps Todd, a teacher in the Motley School, Minneapolis, has invented a simple weaving frame for elementary instruction which is used in the schools of Minneapolis and several other cities, and upon which the children are taught to weave the furnishings of their doll houses and some small articles of wearing apparel.

CONCLUSION.

The revival of domestic weaving and rug making is of economic importance chiefly as a means of providing employment for persons living in rural districts and having little else to occupy their time and interest during the winter months, and also for city men and women who are incapable of supporting themselves at more difficult occupations. From a social standpoint it is worthy of note that the industry is the means of bringing together in a natural way the permanent residents and the summer visitors in rural neighborhoods, with the result that mutual respect born of a common interest often takes the place of a suspicious or even hostile class feeling.

There is a constant and apparently increasing demand for hand-woven fabrics, notwithstanding their expensiveness as compared with factory-made goods. Aside from the popularity of old-fashioned blue-and-white coverlets for decorative purposes, handmade linsey-woolsey and cottonades are coming into vogue for outing and golf

skirts, and even to some extent for men's clothing, and there is also a growing demand for hand-woven linen and other cloth to serve as the background for art embroidery, etc.

The making of hooked rugs for the city market, as introduced in New England by Mrs. Albee and Mrs. Volk, is still in its infancy, but seems destined to become an important industry. These rugs are much superior in durability and beauty to woven rag rugs, as well as to many grades of factory-made carpeting, and they are comparable to oriental rugs of good quality. Some purchasers, indeed, prefer them to oriental rugs, because of their novelty and the distinctively American character of the designs, and they are used in city drawing rooms as well as in summer cottages. There seems to be no good reason why a considerable part of the American demand for high-class floor coverings should not in time be supplied by American handicraft.

II. THE ARTS AND CRAFTS MOVEMENT.

The revival of domestic weaving and rug making, some account of which has been given, is only one phase of a widespread revival of handicraft which is commonly spoken of as "the arts and crafts movement." This movement, which is commonly traced to an English source in the influence of John Ruskin and William Morris, has a sociological or industrial as well as an artistic aspect; it is in part a protest against the conditions of modern factory production, with its minute division of labor and mechanical processes, and the expression of a desire for conditions of production such that the producers may take pleasure in their work and such as are more favorable to the development of their faculties. William Morris defined the movement as an attempt to change the system of the production of wares. He said: "To give people pleasure in the things they must perforce use, that is one great office of decoration; to give people pleasure in the things they must perforce make, that is the other use of it." Craftsmanship implies not only thoroughly good workmanship, but a positive interest and satisfaction in the work on the part of the worker. Advocates of handicraft consider it desirable that workers should, as far as possible, exercise the faculty of design in connection with manual labor, and so impress their individuality upon their products.

Aside from the efforts of individual craftsmen in their homes or in private studios or workshops, the arts and crafts movement in America has manifested itself in several kinds of organized efforts, which are more properly the subject-matter of this paper. There has been, in the first place, a rapid organization of arts and crafts societies in the cities, bringing together at meetings and exhibitions the craftsmen in various lines and specimens of their work. From the long list of these organizations which hold annual arts and crafts

exhibitions,^(a) a number of societies are here selected for special mention because of their continuous activity in the maintenance of permanent exhibits or workshops, or because of other interesting features. Again, the movement has extended to rural communities; arts and crafts societies have been organized even in small villages, and the products of domestic industry are exhibited and sold both at local exhibitions and in the larger exhibitions held in the cities. Finally, in several cases little groups of craftsmen from the cities have formed themselves into corporations or otherwise associated themselves

^a Mr. Frederic Allen Whiting, secretary of the Boston Society of Arts and Crafts, has compiled the following list of active arts and crafts societies:

Chicago Arts and Crafts Society, Miss E. R. Waite, secretary, 1301 Woman's Temple, Chicago.

Society of Arts and Crafts, 9 Park street, Boston, Mass., Mr. Frederic A. Whiting, secretary.

Arts and Crafts Society, Deerfield, Mass., Miss Julia P. Brown, secretary.

Hingham Society of Arts and Crafts, Hingham, Mass., Miss Susan B. Willard, secretary.

Greenfield Arts and Crafts Society, Greenfield, Mass., Miss Lena S. Stratton, secretary.

New Clairvaux Arts and Crafts Society, Montague, Mass., Mrs. Ada Ross, secretary.

Guild of Arts and Crafts, 109 East Twenty-third street, New York, Miss Amy Mali Hicks, secretary.

Society of Arts and Crafts, 323 North Charles street, Baltimore, Md., Miss M. Louisa Steuart, secretary.

Malden Arts and Crafts Society, Malden, Mass., Mrs. Curtis S. Pease, secretary, 40 Murray Hill Road.

Brewster Guild of Arts and Crafts, Brewster, Mass., Miss Mary White, secretary.

Southampton Arts and Crafts, Southampton, Mass., Mrs. C. P. Gridley, secretary.

Dorchester Arts and Crafts Society, Dorchester, Mass., Miss M. G. Dewick, secretary, 19 Mather street.

Society of Arts and Crafts, Grand Rapids, Mich., Miss Florence Ellis, corresponding secretary, 156 South Division street.

Arts and Crafts Club of St. Louis, Mo., Mr. B. B. Brown, secretary, 33 Linmar Building.

Arts and Crafts Society, Dayton, Ohio, Mrs. George Wuichet, 500 E. Second street.

Center Lovell Handicraft Society, Center Lovell, Me., Mr. Earnest Hatch, secretary.

Arts and Crafts Society, Minneapolis, Minn., Miss Mary E. Simpson, secretary, 1521 Laurel avenue.

Arts and Crafts Club, Fargo, N. Dak., Mr. Erle Burche, secretary.

Arts and Crafts Club, Hartford, Conn., Cora Greenwood, secretary, 105 Trumbull street.

Arts and Crafts Club of Bradley Polytechnic Institute, Peoria, Ill., Irene O. Bunch, secretary.

Society of Arts and Crafts, Exeter, N. H., Mrs. Alice M. Batchelder, chairman, 328 New Market road.

Arts and Crafts Society of St. Joseph, Mo., Francis E. Kirkpatrick, secretary.

Guild of Arts and Crafts of California, Miss Clara Rice, secretary, 639 Kearny street, San Francisco.

Arts and Crafts Association, Fitchburg, Mass.

Hamilton Arts and Crafts Club, Hamilton, N. Y.

together for the purpose of living and working in the country, thus avoiding in part the high pressure of city life and combining congenial association with the other advantages of country life.

CINCINNATI, OHIO.

A quarter of a century ago, at about the time of the Centennial Exhibition, there was aroused an interest and activity in certain handicrafts, which may be said to have been a precursor of the arts and crafts movement of to-day. While not confined to any one locality, this early movement was particularly well defined in Cincinnati, where it resulted in a notable development of wood carving and of ceramic art. The beginnings in both these lines were due largely to the influence of Mr. Benn Pitman, who is more widely known as the originator of a system of shorthand, but who was in those days an enthusiastic amateur wood carver and, for the sake of introducing it, taught the craft at the Art Academy for two or three years without compensation. He also interested a little group of young women in overglaze china painting; and Cincinnati, which was among the first cities in this country to take up that craft, has from that day to this been a notable center of ceramic art. The Pottery Club of Cincinnati, organized in 1879, kept up its meetings until 1890.

In 1874 and 1875 overglaze painting was begun in Cincinnati. Miss Louise McLaughlin, who was one of the pioneers, turned her attention in 1877 to underglaze decoration, and from a painter of china became a maker of pottery. She was probably the first American worker in underglaze, though Mr. Charles Volkmar, of Corona, Long Island, began at about the same time. After the establishment of the Rookwood Pottery Miss McLaughlin stopped working in pottery for a number of years, but afterwards returned to the ranks of the craftsmen as a maker of artistic porcelain wares—a more difficult art than making pottery, because porcelain has to be fired at a temperature so near the melting point that there is danger of “warping.” Her porcelain is called “Losanti ware”, L’Osantiville being an old name for Cincinnati. She has been very successful in getting a translucent ware, of an ivory or cream tint when undecorated, and with a medium dull feldspathic glaze, and also in getting exceptionally deep reds in some of the colored pieces. Like the old Chinese porcelain, Losanti ware is fired only once, and some of the color effects are similar to those of old Chinese and Japanese ware.

Miss McLaughlin has been working in porcelain since 1898, but the Losanti ware of to-day dates only from 1900; indeed, a further improvement was made in 1902. She has worked also in metal to some extent,

has produced two pieces similar to Japanese cloisonné by etching the designs on brass in low relief and filling in the background with enamel, and is also a pioneer in the making of colored monotypes.

The Rookwood Pottery was founded in 1880 by Mrs. Maria Longworth Storer, who was among the first of the Cincinnati amateur potters. She named her ware "Rookwood," after her father's estate near the city. In 1883 Mr. W. W. Taylor assumed the active direction of the pottery as Mrs. Storer's partner; and after the works became self-supporting, in 1889, Mrs. Storer withdrew from the enterprise, and Mr. Taylor then organized the existing company. The original pottery was in an old school building on Eastern avenue, near the river; but in 1892 it was removed to a commanding location on Mount Adams, just outside of the business section of the city and near the Cincinnati Museum and Art Academy. Here it occupies roomy, well-lighted, and attractive buildings.

Rookwood pottery is made very largely from clays found along the Ohio River, which impart to it its characteristic brown, red, and yellow colors. It is now made also in sea green and other light shades. It differs from most pottery in that the decorations are applied to the wet clay before the first firing, in accordance with the method worked out in Cincinnati in the experiments of 1877 and 1878. The decorations are all in free-hand painting, each decorator making his own designs with the aid only of semibotanical representations of flowers, etc. Machinery is used only in the preparation of the clay and glazes and for driving the wheels; the clay is either thrown by hand or else cast in molds and finished on a hand twirler.

Most of the decorators are young women, and are chosen almost entirely from the Art Academy of Cincinnati. They are encouraged to use originality in design, and they place their initials or monograms on the bottom of the pieces they decorate. Mr. Taylor describes the pottery as a sort of community of artists with a kiln attachment, and with an organization and capital sufficient to provide tools, expert chemical skill, etc. The introduction of profit sharing has been discussed, but it was deemed impossible to assign equitable proportions of the profits to different kinds of workers; so it is sought to attain the same end by paying good salaries in the first instance. After a reasonable period for acquiring the art a decorator usually receives from \$500 to \$600 a year; and in cases of special artistic merit salaries of \$1,200, \$1,500, and even \$1,800 are paid. It is said that the well-trained, experienced decorators earn, on an average, as much as their former instructors in the Art Academy. The pottery sent all its workers to the Columbian Exposition and has sent several to Europe and one to Japan for further study. The enterprise is still very little more than self-supporting, and may be said to be on a basis of "philanthropy and 5 per cent."

Wood carving is still taught at the Art Academy of Cincinnati, and practiced by many of its graduates. In one family at least this craft has been handed down in the old-fashioned way from father to son; and Harold Fry, grandson of Henry and son of William H. Fry, the present teacher at the Art Academy, teaches wood carving at St. Paul's Cathedral School. This institution was founded in 1897 by Rev. Frank Woods Baker, D. D., then rector of St. Paul's, for the purpose of "placing the arts within the reach of all and providing night classes for those who may be employed during the day." Starting from the motto "Vera ars est divina," and with the idea that "each idea of something better is a step toward the spiritual," classes were organized in embroidery, sewing and dressmaking, millinery, wood carving, cardboard sloyd, drawing, water-color and china painting, burnt-wood etching, basket weaving and chair caning, cooking, etc. St. Paul's Cathedral House is a well-equipped building recently erected, mainly for the use of this school. Similar classes have been organized on a smaller scale at several other churches in and near Cincinnati, notably at St. Luke's Parish House and Christ Church Boys' Club, and at St. Paul's in Newport, Ky.

CHICAGO, ILL.

Chicago was one of the first cities in America to feel the influence of the present arts and crafts movement, which is there manifested in a greater variety of ways than in any other city in the country. The Chicago Arts and Crafts Society, which is probably the oldest society of the kind on this side of the Atlantic, was organized at Hull House, October 22, 1897. Six annual exhibitions have been held, and permanent rooms, used by a few of the members as a studio, are maintained in the Woman's Temple. The shops connected with the Hull House Labor Museum are of much importance as a center of practical handicraft. They are occupied by the bookbinding studio of Miss Ellen Gates Starr and her pupil, Peter Verberg, and provide accommodations for amateur woodworkers, potters, and metal workers, and classes in various crafts, including one in lace making in charge of an Italian woman from the neighborhood. About one-third of all the residents of Hull House have taken up one craft or another, and some fifteen Italian and Irish women living in the neighborhood are employed at spinning, weaving, and basket making in their spare time, at 15 cents an hour.

The Industrial Art League, organized in 1899 largely through the initiative of Prof. Oscar Lovell Triggs, of the University of Chicago, was for several years an important factor in the craft movement. The purposes of this organization, as set forth in its prospectus and reports, were (1) to provide workshops and tools for the use of guilds of artists and craftsmen and means for the exhibition and sale of

their products; (2) to give instruction in the arts and crafts; (3) to establish industrial art libraries and museums; (4) by publications and other appropriate means to promote the arts and crafts. The league itself neither owned nor directly conducted any workshop, but contented itself with providing opportunities and facilities for craftsmen wishing to work independently. Besides assisting in the establishment of guilds of craftsmen, however, the league's plans included at least one liberally endowed central workshop where experiments in industry might be carried on. The activities of the league were very largely of an educational and social nature, including lectures on industrial and social topics, mass meetings for the purpose of presenting the claims of industrial art and industrial education, an industrial art conference, receptions held in connection with exhibitions at the league rooms, and other meetings. Professor Triggs, the secretary of the league, has written and published a book entitled "Chapters in the History of the Arts and Crafts Movement," which bears the imprint of the Bohemia Guild of the league. An exhibition and salesroom was maintained at 264 Michigan avenue, which was also the headquarters of the Bohemia Guild. The University Guild, at 5001 Lake avenue, was not long continued, but its place is practically filled by the shops of the South Park Workshop Association and the Longwood Art Industry. The membership of the league in 1903 exceeded 400, and its disbursements have reached nearly \$4,000 a year. The league was discontinued early in 1904, its functions having been to a considerable extent assumed by other organizations.

The Longwood Art Industry, "a guild and school of associated arts, education, and industries," has been established at Longwood, a suburb of Chicago, by Mr. George L. Schreiber, who formerly worked in the University Guild of the Industrial Art League. A stock company was organized in the spring of 1903 with a capital stock of \$2,500, and a building formerly occupied as a church was secured for a workshop, and provided with an equipment for making furniture, interior furnishings, thrown and cast pottery, metal work, and other artistic products. Stock is issued in \$1 shares, and is held by artists, teachers, and artisans, as well as by several of Mr. Schreiber's neighbors who have become interested in craftsmanship. Stockholders have the privilege of using the workshop for the making of any product desired, by paying a small fee for the use of the necessary tools; the workbenches, potters' wheels, and kiln are placed at their disposal, subject only to certain regulations to prevent conflicts in respect to the time of using them. Flax for use in the production of linen fabrics has been sown in the garden surrounding the workshop. Classes in the fictile, textile, and other arts are held, both for adults and for young people, and arrangements are made for the board and care of boys coming from a distance to attend these classes, especially during the summer.

The South Park Workshop Association was organized in April, 1903, for the purpose of establishing and maintaining a neighborhood workshop for the use of persons desiring instruction or the opportunity of practice in the various arts and crafts. Through the courtesy of Mr. H. C. Whitehead a workshop building at 5835 Kimbark avenue was placed at the disposal of the association, while the Industrial Art League contributed the equipment of benches and tools for wood working formerly used at the Bohemia Guild. This workshop is used regularly by one cabinetmaker, and from time to time by others who come in to do wood working or bookbinding. The membership fee of \$5 a year pays for the privilege of using the workshop and its general equipment. As the demand arises and as the means of the association will allow, appliances for weaving, metal work, and other crafts are to be added, and general and technical lectures are to be given at intervals on subjects connected with the arts and crafts. The plans of the association also include the building and equipment of a permanent workshop for the use of its members and for classes in various handicrafts. The work of the association is directed by an executive committee of nine members, and by committees on membership, finance, workshops, lectures, and publications.

Another manifestation of the arts and crafts movement in Chicago is the establishment of small shops by one or two craftsmen for the making of artistic articles, and in some cases also for the exhibition and sale of such products from other places. Thus the Wilro shop has been opened in the Fine Arts Building by the Misses Rose and Minnie Dolese, for the making of leather and metal articles, dower and wardrobe chests, pottery, illuminated quotations, etc. The Kalo shop of Miss Clara P. Barck, in the same building, is of a similar character. At the Swastica shop, established by Miss Mary E. Ludlow and Miss Katherine L. Mills, in the Marshall Field Building, artistic products from various parts of the country are gathered together for sale, or are executed to order. With this shop has been merged "The Iron Lantern" of Miss Robie.

The admirers of William Morris in Chicago have organized a Morris Society for the purpose of familiarizing the public with his artistic and social ideals, through publications, local study circles, lectures, exhibitions, etc., and also to encourage the founding of studios, workshops, schools of design, and manufactories upon the basis of artistic craftsmanship, and to cooperate with other societies which aim to socialize art and elevate craftsmanship. The society publishes a monthly bulletin containing announcements of interest to its members, and plans to establish clubrooms, which will serve as headquarters of the society. The Chicago Art Institute, which includes the art crafts among its exhibits, has been asked to cooperate with the society in establishing a Morris museum. President Edmund J. James, of North-

western University, was the first president of the society. Prof. Oscar L. Triggs is now president and Mr. Edmund Buckley is secretary. Each local circle recognized by the society is privileged to nominate a vice-president, and the council already includes members from various parts of the country.

A unique arts and crafts exhibition of special interest to the admirers of William Morris was arranged by the late Joseph Twyman at the sales rooms of the Tobey Furniture Company in the form of a Morris memorial room, furnished with the products of Morris's own establishment and a few other articles conforming to his ideas.

BOSTON, MASS.

The Boston Society of Arts and Crafts was organized in the autumn of 1897, at nearly the same time as the Chicago society; but its activities, which during the first three years were confined mainly to social meetings and addresses and a temporary public exhibition, have been extended in a marked degree during more recent years. The society now maintains a permanent exhibition and sales room at No. 9 Park street, where a variety of handmade articles, admitted for sale by the jury, are kept on view. For two years, beginning in April, 1902, the society published a small monthly magazine called "Handicraft," edited by Mr. Arthur A. Carey, president of the society, with Messrs. Charles Eliot Norton and H. Langford Warren as associate editors.

The Society of Arts and Crafts, in cooperation with the South End House Association, has established a lace industry under the direction of Mrs. E. J. Weber. This work was first begun in February, 1901, in the Women's Residence of South End House, but is now done in a room designed for the purpose in the South Bay Union, the new neighborhood building of the settlement. The industry began with the employment of one young woman, but from two to five have been at work almost from the beginning. Both pillow lace and point lace are made in a number of choice varieties, according to designs by Mrs. Weber or by duplicating old patterns, and a specialty is made of the restoration of old laces—a kind of work which formerly had to be sent to Europe. Since the workers have been thoroughly trained a good business has been done in both old and new laces. The workers were employed at first at about average dressmakers' wages, which were increased as the operators became skillful. After spending about \$1,000 upon the enterprise without making it self-supporting, the Society of Arts and Crafts withdrew its financial support, and the industry is now organized on a cooperative basis, a friend supplying the necessary capital.

The Handicraft Shop, at No. 1 Somerset street, is an enterprise closely affiliated with the Society of Arts and Crafts, though not established by the society as such. It is an outgrowth of some

experiments in producing cordovan, or gilded leather, conducted by the Misses Ware (now Mrs. Mary Ware Dennett and Mrs. George Q. Hill). The shop was started cooperatively by Mr. Arthur A. Carey, president of the Society of Arts and Crafts, who supplied the necessary capital, Mr. Frederic A. Whiting, secretary of the society, who had a general supervision of the business, and Mrs. Dennett, who served as adviser in art matters. The shop produces metal work chiefly, though a beginning has been made in wood working. The shop employs one young woman as a designer and worker in silver, and four men, three of whom served their apprenticeship in Finland. One of these men is a silversmith, one a silversmith and jeweler, and one a coppersmith and silversmith. Two or three other craftsmen rent space in the shop and work there independently. The shop has become self-supporting, and has been incorporated, with Mr. Carey as president. Its removal to the country is under consideration.

The Boston Society of Decorative Art, organized in 1878, conducts at 222 Boylston street a workroom for the production of high-grade embroideries, and a salesroom for the exhibition and sale of these and other decorative articles. This society regularly employs about 19 women, and at busy seasons as many as 25. They work at home for the most part to save car fare, but come to the society's workshop to learn new designs or to execute large pieces of work. They are paid by the piece, once in two weeks. Among them are a few cripples who make their living by fine needlework. The society also receives the work of outside contributors to be sold, charging a commission of 10 per cent; but the articles so received must be passed upon as to artistic merit by an examining committee. There are more than 100 active contributors, who work in leather, wood, basketry, embroidery, pottery, china painting, etc. Besides its permanent salesroom, the society conducts temporary exhibits and sales at various summer hotels. The total sales during 1902 amounted to \$16,478, about one-fourth of which represented the work of outside contributors.

The Women's Educational and Industrial Union, at 264 Boylston street, also receives for sale on commission, in its handiwork department, articles made by women. The articles exhibited there include hammered silver, enameled jewelry, picture frames, woven rugs, and needlework of various kinds. Special sales are held preceding Christmas and Easter, and also at various summer resorts. In order to maintain a high standard of excellence and as far as possible of original design, the handicraft committee makes a weekly examination of articles submitted for sale. For articles sold within the first six months the commission is 10 per cent.

Classes in various handicrafts, primarily for boys and girls, are held at Lincoln House, 116-122 Shawmut avenue, where annual arts and crafts exhibitions are held to show the work of the various classes, from

the kindergarten to Venetian ironwork. Many of the articles produced by the classes are sold and the proceeds devoted to some special department of the settlement's work. The members of the various classes are also members of the Handicraft Guild, and receive diplomas on the completion of three years' work in a given craft. A fund of \$15,000 is being raised for a special arts and crafts building.

An arts and crafts high school is proposed as part of the Boston public school system.

NEW YORK CITY.

The Guild of Arts and Crafts of New York was founded to establish a center for advancing the union of designing and production. It is equipped with shops and exhibition rooms, and maintains classes in handicraft. Besides holding annual exhibitions and conducting courses of lectures, the guild has opened a permanent exhibition and sales room at the guild house, 109 East Twenty-third street, where there are also studios and class rooms. There are about 40 members, most of whom are associate members who assume no financial responsibility beyond the payment of fees and commissions, while the seven regular members assume the responsibility of making up any deficit that may occur. All moneys disbursed in paying off such deficits are represented by loan shares, bearing interest at the rate of 4 per cent per annum, and payable when there is a sufficient surplus in the treasury. The guild retains 15 per cent of the proceeds of sales and tuition fees for the payment of general expenses. A few of the members reside at the guild house, where they also have their studios. The crafts represented include metal work, bookbinding, interior decoration, leather work, basketry, designing, dyeing, and weaving.

The Brush Guild, at 126 West One hundred and fourth street, was established by four craftsmen with the encouragement of Mr. George De Forest Brush, in whose honor it was named. The number of workers has since been reduced to two, Mrs. Annie F. Perkins and her daughter, Miss Lucy F. Perkins, a student of Mr. Augustus St. Gaudens, as well as of Mr. Brush. Their product, now known as "Perkins pottery," is all in monochrome, either black or very deep brown, and is built up by hand without the aid of wheel or mold; the decorations, whether merely lines or sculptured figures, are carved out of the substance of the clay of which the pottery is made. The pottery is made on Etruscan lines, but the decoration, as a rule, is entirely original, and there are no duplicates.

Mr. Charles Volkmar, who for a number of years made his "Crown Point" pottery at Corona, Long Island, has lately removed to Metuchen, N. J., where the work is continued by himself and his son.

The Society of Decorative Art of New York has a workroom, sales room, and classes in embroidery and other needlework at 14 East Thirty-fourth street. The workers who are regularly employed in the workroom or at home vary in number at different times from half a dozen to fifteen or twenty; but more than half of the sales represent the work of outside contributors, of whom there is a very large number. Articles approved by the committee on admission are sold at a commission of 10 per cent, or in the case of out-of-town sales, as at summer resorts, 20 per cent. The sales amount to about \$40,000 a year.

A "permanent exhibition of arts and crafts" is held by the Taft & Belknap Company at 1 East Fortieth street. The exhibits include porcelains, pottery, tiles, metal work, rugs, leather work, wood carving, etc.

The Manhattan Trade School for Girls was opened in November, 1902, at 233 West Fourteenth street, for the purpose of training girls for skilled trade hand work, though the use of machinery is not altogether tabooed. The management is composed of prominent philanthropic, social, and educational workers. The director is Mrs. Mary Schenck Woolman, who is also in charge of the domestic art department at the Teachers' College.

Important work in developing the manual skill of young people is also done at Pratt Institute, Brooklyn, and as part of the parish work of St. George's Church, and also in connection with various settlements, boys' clubs, etc.

SYRACUSE, N. Y.

Syracuse has become a center of the arts and crafts movement, through the efforts of Mr. Gustav Stickley, founder and director of the Craftsman Workshops, formerly known as the United Crafts. This establishment is the outgrowth of a cabinetmaking industry at Eastwood, a suburb of Syracuse; but a large building near the center of the city is now occupied for purposes of exhibition and sale, and for the production of metal work, needlework, etc. The leather used in the furniture is dressed in a special way, and the wood, before the stain and shellac are applied, is prepared by being subjected to the fumes of strong ammonia, which darken it. The ideals of the Craftsman Workshops are expressed in the following words:

We have pledged ourselves never to produce anything that shall degrade a man to make or to sell. We have set before us the ideals of honesty of material, solidity of construction, utility and adaptability to place, and æsthetic effect.

In 1902 a kind of profit sharing was introduced by setting aside \$2,000 to be divided among the workmen by a committee appointed by the men themselves. This sum was divided into shares of from \$5 to \$100, the amount awarded to each workman being based upon length

of employment, character of work, and general deportment. This profit sharing will probably be continued under a somewhat different plan. The Gustav Stickley Mutual Benefit Society has been organized among the workmen for beneficial and social purposes, and meetings are held in the Craftsman building.

An important part of the work is the publication of "The Craftsman," an elaborately illustrated monthly magazine, devoted to artistic handicraft. In the spring of 1903 a large and varied exhibition was held, the same collection being afterwards exhibited at Rochester. Lectures on subjects connected with the crafts are also held at the Craftsman building.

BALTIMORE, MD.

The Arts and Crafts Society of Baltimore was organized in March, 1902, the first general meeting being held at the residence of Dr. Daniel Coit Gilman on March 14. It was resolved to open a workroom, and a committee was appointed to raise a fund of \$10,000 to provide for its maintenance until it could be made self-supporting. Miss Gabrielle Clements, one of the prime movers in the organization of the society, opened an experimental workroom in 1902, and the workshop of the society was opened about March 1, 1903, at 323 North Charles street. Here wall panels, screens, chair seats, desk fittings, etc., were executed in ornamental leather, while gesso, an old Italian art of producing low relief on wood, was revived for the production of mirror and picture frames, mantel panels, memorial tablets, etc. The illumination of manuscripts and work in brass were also introduced. Classes in ornament and design were held at the workshop, and from them were chosen apprentices to learn particular crafts. The workshop has been discontinued for lack of funds, and the craftsmen now work independently.

Miss Clements, with two or three assistants, has a class in ornamental leather work at St. Paul's Guild House, on Columbia avenue, made up of some 22 young men who are at work during the day, and meeting twice a week at night. It produces about \$150 worth of marketable work yearly. Sales are held once or twice a year. After deducting the cost of materials used, the salary of one paid assistant, and other expenses, the remainder goes to the individual makers

PHILADELPHIA, PA.

The Philadelphia Arts and Crafts Exhibition Society has been established for the purpose of holding a permanent exhibition of handmade articles approved by the jury on exhibits. The exhibition

rooms which were maintained for a time have been given up for lack of funds and workers.

The Philadelphia Society for the Employment and Instruction of the Poor gives employment to women in sewing.

The Philadelphia Society of Art Needlework was organized in 1877, to provide fine needlework and give employment to gentlewomen. It pays for the labor of the workers and sells the products. The present headquarters are on Spruce street, near Thirteenth street.

The Decorative Art League of Philadelphia was organized in 1894 to encourage excellence in decorative handiwork. An annual sale is held in November and December of each year at 1709 Chestnut street.

The production of textiles has been promoted by the Philadelphia Textile School of the Pennsylvania Museum and School of Industrial Art, at 320 South Broad street, and by the Warp and Weft Club, composed of some of the students and graduates of that school.

Important work of an educational character, tending to promote craftsmanship, is done in the department of fine and applied art of Drexel Institute, and in the Philadelphia School of Design for Women. The alumnae of the latter institution have a semiprofessional association, which provides lectures and other entertainments.

The Depository and Philadelphia Exchange for Women's Work, corner of Thirteenth and Walnut streets, sells needlework, burnt wood, embossed-leather articles, and woven silk portières, etc., made by its members and approved by the committee. The organization retains a commission of 15 per cent, in addition to the annual fee of \$2.

DAYTON, OHIO.

The Arts and Crafts Society of Dayton was organized in March, 1902, as the result of an address before the Present Day Club by Mr. Brainerd B. Thresher, who was elected president. It brings together a number of local craftsmen, but is for the most part a society of students, organized for study and practical work under an instructor.

The class work began with an introductory summer course of six weeks, beginning August 1, 1902, under the instruction of Mr. and Mrs. Hugo Froelich. The success of this first attempt led the society to institute longer courses of study, and Mr. F. E. Mann was called to take charge of the classes. These were held in the manual training school, in the Y. M. C. A., and in Mr. Mann's studio. The following year the society obtained a suite of nine rooms for studios, and equipped them for designing and work in the various crafts. A number of scholarships are offered for the benefit of those who would otherwise be unable to attend, especially pupils from the manual training and high schools and artisans. This third year, 1904-5, the

classes are in charge of Mr. Albert R. Lache, late of Munich. Last year about one hundred were enrolled in the classes.

The society has held exhibitions of Japanese prints, basketry, and American pottery, and a large exhibition of various handicraft products collected from all parts of the country, supplemented by a select loan collection illustrating early crafts in many countries. The society conducts a salesroom, adjoining the studios, in which the best work from all sources is placed before the public, and the work of the classes is made practical by exhibition and sale. Lectures on subjects of general artistic interest and practical talks illustrating craft processes have been given each year. The society is now prepared to take orders in metal work, pottery, leather work, bookbinding, embroidery, and cabinetmaking, all of which crafts have been covered in the classes under the several teachers.

Among best known examples of Dayton handicraft are jewels designed and executed by Mr. Thresher, who endeavors in his work to show the artistic possibilities of American pearls, minerals, etc. Successful work has also been done in new processes in pottery and leather. The society now numbers, in active, associate, and class members, about two hundred.

INDIANA.

In Indianapolis and vicinity the interest in art handicrafts centers mainly in the ceramic arts. The Indiana Ceramic Association, organized in 1897, numbers over fifty members, most of whom live in Indianapolis. The association holds annual exhibitions and monthly meetings at the John Herron Art Institute. Three of the Indianapolis members, Mrs. Walter S. Day, Mrs. J. H. Orndorff, and Mrs. O. C. Wilcox, are potters as well as china painters. Mrs. Day, who studied pottery at Alfred, N. Y., makes a specialty of coiled ware, building up bowls and vases without the use of a wheel, though she also makes thrown and molded ware. She has been quite successful with color effects, and once, quite accidentally, produced a piece of the coveted "tiger's eye" ware. Mrs. Orndorff, who is a pupil of Charles Volkmar, makes thrown ware. Mrs. Orndorff and Mrs. Day gave a practical demonstration of their methods last year at the May meeting of the Ceramic Association, when many of the other members tried their hands at pottery for the first time.

Arts and crafts exhibitions have been recently held under the auspices of the Indianapolis public schools and the Indianapolis Sketch Club.

At Richmond, Ind., interest in the arts and crafts has been stimulated by the Richmond Art Association, of which Mrs. Ella Bond Johnston is president. This association has held eight annual exhibitions, of which the last four have included specimens of handicraft from all

parts of the country. The art crafts chiefly practiced in Richmond are basketry and china decoration; there are also a few wood carvers. Miss Emma Bond, teacher of sewing and basketry in the public schools, makes baskets from grasses gathered in the vicinity. Another teacher is quite skillful in making corn-husk baskets.

The Quisisana Art Workshop was opened at Laporte, Ind., in 1901, through the initiative of Mr. F. H. Simons, for the purpose of keeping the talented young people of the place at home and lessening the movement to large cities in search of employment. At one time as many as 20 workers were engaged in making artistic furniture, wood carving, pyrography, designing, etc. Most of the orders were taken in Chicago, where the Industrial Art League, which had helped to promote the enterprise, received and forwarded them. It has been found necessary, for the present at least, to discontinue the smaller handicrafts, and the shop is now devoted exclusively to furniture making. An effort is made to find workmen who combine manual skill with originality in design.

NEW ORLEANS, LA.

The art department of the H. Sophie Newcomb Memorial College (the women's college of Tulane University), New Orleans, La., began the manufacture of decorated pottery as an experiment in 1895, as an outlet for the artistic skill of its graduates. The experiment was attended with such an encouraging degree of success that in 1901 the administrators appropriated a sum of money for the further development of the enterprise and the erection of a special building. Although the industry is now of more than merely educational importance, it is still conducted under the supervision of the Newcomb art department and a prominent factor in the courses of instruction. Students of drawing, painting, and designing are admitted to the pottery for instruction and practice in applying design to pottery. As soon as a pupil reaches the required standard of excellence her work is purchased for sale or exhibition, and when further instruction becomes unnecessary she has the privilege, without the payment of fees, of remaining at work as an independent producer. It is impressed upon the workers that pottery affords much the same opportunity as other forms of art for the making of individual reputation, and that the responsibility for a design is the same as that for a picture. They are allowed to exercise the greatest possible liberty in working out their ideas, either in modeling, incising, or painting, or in the three methods combined, and also in the choice of colors; but the quality of the paste and other conditions of production have led to the extensive use of a greenish-blue color, which helps to give the Newcomb pottery its individuality. The characteristic decorations of this ware consist of more or less conventionalized forms suggestive of the southern flora. For the unpainted

ware a wide variety of colored glazes is used and often in original and striking combinations.

Newcomb pottery is made from clay taken from the Bayou Tchulakabaufa, in Mississippi, and is usually fashioned by a professional potter employed for the purpose. The designs are never duplicated, except in the case of the Newcomb mug, which is painted either in standard or exclusive designs. Each piece bears the monogram of the college (a letter N encircled by a C), besides the marks of the potter and designer and the ledger number. This ware has won medals at the Paris, Buffalo, Charleston, and St. Louis expositions.

The pottery is decorated under the immediate supervision of Prof. Mary G. Sheerer, and the industry is under the general direction of Prof. Ellsworth Woodward, director of art instruction in Newcomb College.

The top floor of the pottery building is occupied as a loom room by the textile department. The college has also developed a needlework industry in the interest of design and handicraft, the designs being original and executed only once. All the work offered for sale is approved by the art department, and bears the signature of the designer and the letters N T N or the college monogram.

ALFRED, N. Y.

The State of New York has established a school of clay working and ceramics at Alfred. The Alfred summer school, especially, attracts enthusiastic artist-potters from various parts of the country, and combines a full clay-working equipment with the spirit of the studio and laboratory. Secret investigations are discountenanced, the policy of the school favoring free exchange of information and mutual encouragement. Clays and shales are found in the vicinity of Alfred in sufficient variety to afford a number of different bodies, which are utilized in thrown work, coiled work, jiggering, casting, and pressing. A full series of matt glazes has also been prepared, and instruction is offered in underglaze decoration, as well as in modeling, drawing, design, and general painting. Alfred is favorably situated for summer work, being 1,800 feet above sea level, amid pleasant surroundings.

CHAUTAQUA, N. Y.

The summer schools of the well-known Chautauqua institution now include an arts and crafts school, which offers instruction and opportunity for practice during six weeks in the summer. There is now a complete equipment for manual training, art furniture making, wood-carving, bookbinding, art metal work, leather tooling, pottery, bas-

ketry, and weaving. A class in art and design for teachers and a special class in design for the crafts have been added to the regular art courses in painting, clay modeling, and sketching.

IPSWICH, MASS.

Mr. Arthur W. Dow, of Pratt Institute, Brooklyn, has established a summer school of art at Ipswich, Mass., 27 miles northeast of Boston. The courses in handicraft include instruction in basket weaving (using native grasses), dyeing, weaving on the hand loom, perforated metal, stencil printing, and pottery. It is hoped that this school will develop a local village industry which will enlist the interest of many of the permanent residents.

DEERFIELD, MASS.

The Deerfield Society of Blue and White Needlework is a pioneer enterprise in the direction of village industries, dating from 1896. It was organized by Miss Margaret Whiting and Miss Ellen Miller, for the purpose of reviving the New England embroidery of the eighteenth century, which reached a high state of development just before the Revolution, after which it was gradually superseded by imitations of foreign work. In designing the patterns an effort is made to keep as close as possible to the spirit of the colonial designs, but to improve upon them wherever possible instead of copying them exactly. Hand-spun, home-woven linens are used as far as practicable, purchased from Berea College and from weavers in Georgia and Vermont. Some of the finer grades are imported from abroad. The unsatisfactory character of the commercial blues has forced the society to do its own dyeing with indigo dyes. These produce three or four different shades of blue. Pink, green, and other colors, all produced from natural sources, are also occasionally used. Work sold by the society is marked with the letter D in a conventionalized spinning wheel.

The society employs between 20 and 30 workers, paying them out of its treasury, by the piece, on a basis calculated to represent 20 cents an hour for the best work. For the first five years one-half of the proceeds from sales went to the workers, one-fifth to the designers, and the remaining three-tenths constituted an expense fund; but a large proportion is now devoted to expenses. The embroideries are sold to summer tourists, through arts and crafts exhibitions, and by correspondence. The sales have steadily increased till they amount to about \$2,000 a year. The secretary, Miss Margaret Miller, is in charge of the business. The prices vary with the design and work. A 6-inch doily may be had for \$1.50; 9-inch doilies for \$2.50 to \$3.50; center-pieces, \$6 to \$25; table squares, \$8 to \$30; lamp squares, \$5 to \$8; pillow covers, \$10 to \$20; bureau covers, \$6 to \$18; stand covers, \$5 to \$10.

When the Society of Blue and White Needlework had demonstrated the feasibility of reviving an old-time handicraft, some of the Deerfield women who used to braid hats in their youth took up the making of palm-leaf and reed baskets, and associated themselves together as the Deerfield Basket Weavers. The making of raffia baskets has also been introduced in Deerfield by Mrs. Madeline Wynne, of Chicago, especially among the younger women, who have named themselves the Pocumtuck Basket Makers, using the old Indian name of the place. Still other women have set up disused looms for the making of rag rugs, and have organized as the Deerfield Rug Makers. The Misses Allen have adopted artistic photography as a profession, and two or three men in the vicinity employ their spare time in making furniture, bridal chests, etc. A Society of Arts and Crafts, including the devotees of these several handicrafts, has been organized, and an exhibition is held each year in July or August. The exhibitions have been held of late in the "Crafts Barn." Miss Julia Brown is secretary of the Society of Arts and Crafts. A circular descriptive of the work of the various crafts is published by the society.

The revival of handicraft at Deerfield may be traced to the influence of the Pocumtuck Memorial Association, which maintains a museum of historically interesting articles, including specimens of colonial needlework.

GREENFIELD, MASS.

The Greenfield Society of Arts and Crafts, organized in 1901, has a membership of about seventy workers in basketry, textiles, metals, Irish lace, embroidery, old-fashioned netting, etc. Two or three of the members have looms, and two make a specialty of vegetable dyeing; a few others hook rugs with lamb's wool. Members have the use of the permanent workroom of the society, which contains a loom. The society has sent exhibits to many places and has a permanent exhibit at Brookline, besides maintaining its own local salesroom. The sales amount to several hundreds of dollars a year. One of the distinctive features of this society is its encouragement of isolated workers in the neighboring hill towns. Women residing outside of Greenfield on farms or in near by towns are admitted to the society as associate members upon payment of a small fee. Mrs. Arthur Potter has been succeeded as president of the society by Miss Edith Allen Lowell, and Miss Lena S. Stratton is secretary.

NEW CLAIRVAUX, MONTAGUE, MASS.

"New Clairvaux" is a name suggested by the Rev. Edward Everett Hale for an institution to set in motion industrial activities both rudimentary and artistic. The allusion of the name is to the mediæval Abbey of Clairvaux, founded by St. Bernard, from which sprang

some four hundred other religious colonies, and which was thus one of the most fertile sources of the industrial and intellectual revival in Europe.

The Rev. Edward P. Pressey has adopted the name New Clairvaux for a training school and settlement which he has founded at Montague, Mass. Mr. Pressey began his social and industrial revival in 1897, during a pastorate at Rowe, Mass., by an attempt to repeople the abandoned farms in that vicinity, and in other ways. In the spring of 1900 he removed to Montague and opened a Sunday school in an abandoned church building, which the people of the town helped him to repair. The next year he set up a printing press in his own house and also acquired a farm to provide fruit and country produce. During the following winter and spring a manual training shop was erected in the village, by the side of the creek, which furnishes power to the printing press.

A family school for boys and girls from 5 to 20 years of age has been established, in which the training consists of farming, housework, and trade apprenticeship in printing, wood working, and other crafts. Portions of the new shop are to be used for bookbinding, wood working, etc., and a special library of works on mechanical science and the arts and crafts is to be collected. Under the head of "settlement work" Mr. Pressey includes the voluntary services of visitors of skill and culture, and the organization of the New Clairvaux Arts and Crafts Society, of which he is business agent and Mrs. Pressey president. In the winter of 1902 exhibitions of the work were held in and about Boston. At these exhibitions there was a good sale of embroidery, raffia beach pillows, rugs of different colors, baskets, leather work, knitted articles, etc. Vegetable dyes are used in the production of the rugs. The society has had the benefit of instruction in embroidery and other crafts by visitors.

HINGHAM, MASS.

The Hingham Society of Arts and Crafts, organized in 1901, aims to promote artistic work in all branches of handicraft. The society holds a yearly exhibition, at which the income from the sales of goods now amounts to about \$800, and has permanent sales rooms open three days in the week. The articles made in Hingham are various, including reed, raffia, and palm-leaf baskets, rugs of unusual kinds, bayberry dips, handmade wooden toys and other wooden ware, furniture (including tall clocks), beadwork (including chains, belts, collars, bags, etc.), and especially work in white embroidery, including bedspreads, table covers, curtains, workbags, etc. A designer adapts old designs to modern needs, and a dyer, who has had great success with vegetable dyes, colors the raffia for the baskets. Fringes for four-posted bedsteads, nettings, curtains, doilies, and Florentine embroideries are also

made. Two-thirds of the members of the society are women. Goods offered for sale must be approved by a committee, and members learning their craft through the society are not allowed to sell their work through any other agency, membership in the society being forfeited if this regulation is violated. The distinctive mark of the society is a representation of an old-fashioned bucket such as used to be made in Hingham many years ago.

ROSE VALLEY, MOYLAN, PA.

Rose Valley is a little settlement of craftsmen at Moylan, Delaware County, Pa., near Philadelphia, dating from the spring of 1902. The community owes its existence to the enthusiasm of Mr. Will Price, an architect and designer of Philadelphia, who entertains advanced ideas about the proper relations of labor and capital and the motives which should lead to production. The Rose Valley Association is a chartered stock company with a capital of \$25,000, all of which was expended in purchasing and improving the Rose Valley property, consisting of about 80 acres, with water power, artesian wells, and several buildings, including residences and an abandoned mill which is used for a workshop. The dividends are limited to 6 per cent, and any surplus is to be devoted to further improvements of the property. "The Artsman" is the official organ of the association.

The association does not itself conduct the industries, but merely rents out the buildings and power, and so provides the opportunity by the aid of which its members or others may establish industries as individual enterprises, the association retaining some right of supervision as to the character of the work produced, and giving the products the advantage of the association's seal, showing a V in a conventionalized wild rose. The work must be absolutely honest and intelligent in design and workmanship. A considerable part of the work already accomplished has been the making of furniture to order after special designs. The principal room in the workshop is devoted to this industry. It contains a row of three benches facing the large windows which make up one side of the shop, a drafting table, and a power band saw, circular saw, and mortising machine.

Four men are employed in the furniture shop on a wage basis, Mr. Price believing that the essential end of cooperation can be attained better under the wage system than through any communistic system. The opportunity to work under pleasant conditions and amid congenial surroundings is much appreciated by the men. An attempt is being made to develop individuality of execution among them. The result is a product as different from the so-called "mission" furniture as the latter is from the product of ordinary factories. Glue is very little used, and is never depended upon for strength; there are no glued-on blocks. Chair backs are cut out of solid wood; table tops

are double dovetailed, and no attempt is made to conceal joints or pegs. The grain of the wood is carefully selected for the particular use to which the wood is to be put, and free use is made of carving by way of ornament. The result is handsome and expensive furniture, the prices depending upon the time employed in making particular pieces, with adequate allowance for cost of materials. An exhibition has been held at the city offices of the shop, and a market has easily been found for the products. About \$3,000 worth of furniture was turned out the first year, and while there was a loss at first, the business of the year as a whole was self-supporting.

Hand weaving, metal work, and the making of pottery which shall be useful as well as ornamental are among the industries to be developed at the Rose Valley shops. There is an attractive guest house, furnished partly with products of the shops, where members of the community may entertain their friends, and where other visitors may be accommodated at a moderate charge for board.

Rose Valley is not a distinct municipality, but a monthly "folk mote" is held for the discussion of matters pertaining to the community. A chairman is selected for each meeting, and there is no permanent officer except the secretary. The suffrage is accorded to all members (of whom there are about 50) without distinction of sex or age. Thus an effort is made to keep the management of the community on a democratic basis and to avoid the dominance of any one personality.

BYRDCLIFFE, WOODSTOCK, N. Y.

The Byrdcliffe Summer Art School, in the Catskills, near Woodstock, marks the beginning of what it is hoped may become a permanent art village. The projector of the enterprise, Mr. Ralph Radcliffe-Whitehead, has bought a tract of land comprising about 1,200 acres, mostly on the southern slope of a mountain, has erected studios, workshops, and a students' boarding house, and will sell a certain part of his property to others wishing to build studios or houses. It is not intended to make this a summer enterprise wholly, nor chiefly, but rather to make permanent homes, together with a school of painting, decoration, and handicraft, which students may attend at all seasons of the year.

The classes in painting and design are taught by Mr. Birge Harrison and Mr. H. Dudley Murphy. These and the other classes in wood carving, picture-frame making, and color printing from wood blocks are open from June to September. The workshops for cabinetmaking and metal work run the year round. The business management is in the hands of Mr. Radcliffe-Whitehead. There is no formal community or business cooperation at present, but it is hoped that independent artists may be induced to settle on part of the land.

GLEN EIRIE, SAUGERTIES, N. Y.

A stock corporation, under the title of "The Glen Eirie Workers," has been formed by a number of gentlemen in New York and vicinity, for the purpose of establishing an industrial colony at Glen Eirie, in the town of Saugerties, Ulster County, N. Y. It is authorized to erect and lease buildings, manufacture and sell articles of any kind, make and execute contracts for any work pertaining to art, and operate a store for the purchase and sale of general merchandise. The certificate of incorporation provides that the duration of the corporation is to be perpetual, and that it may issue stock to the amount of \$100,000, one-half of which shall be preferred stock, in shares of \$10 each. The corporation will begin business when \$1,000 shall have been subscribed.

The rules of the corporation provide as follows:

No dividends shall be paid on the common stock until a dividend or dividends aggregating ten (10) dollars a share shall have been paid upon each share of preferred stock; thereafter the holders of said preferred stock shall be entitled to receive in each year out of the accumulated profits of the corporation, in excess of such sum, if any, as shall have been fixed and reserved as a working capital, a noncumulative dividend of six per cent, payable quarterly, half yearly, or yearly, as the directors may from time to time determine, before any dividend shall be set apart or paid on the common stock of the corporation. If the accumulated profits in excess of the sum fixed and reserved as a working capital shall not be sufficient to pay in any year a dividend of six per cent on said preferred stock, then such dividend shall be paid thereon as such excess of accumulated profits will suffice to pay; but the dividends thereon shall not be cumulative, but shall be payable for each year only out of the accumulated profits in excess of the sum fixed and reserved as a working capital, and not out of accumulated profits of any subsequent year or years.

The company has contracted to acquire the village of Glen Eirie, formerly a white-lead manufacturing center, now disused by reason of consolidation in that business, and 100 acres of woodland adjacent thereto. The property lies on both sides of the united Plattekill and Esopus creeks, and includes a water power of several hundred horsepower, which is said to be capable of further development. The location is in the foothills of the Catskills, near the Hudson River, and easily accessible from both New York and Albany.

The plan of the promoters is to establish "an artistic colony and an industrial center where work of the highest artistic value may be produced by skilled artisans, living under much more favorable conditions than can be obtained in the crowded streets of the metropolis, freed from the exigencies of a costly standard of living, of high rents, of studios with sufficient space difficult to obtain, of the strenuous and commercial atmosphere in which are wanting the serenity, the inspiration, the aloofness requisite for an undivided devotion to the fine arts."

The workers will be of two classes—(1) workmen in the employ of the company and (2) independent craftsmen working on their own commissions. The company and its affiliated workers will undertake to execute from special designs, and without duplication (except with the original purchaser's consent) ecclesiastical and domestic furniture, sculpture and carvings, stained and leaded glass, metal work, ceramic decorations, plaster casts, leather work, books and bindings, silk and cotton printed fabrics, wall papers, etc. It will also be prepared to contract for and execute interior decorations for both public and private buildings. Inquiries and orders have already been received in sufficient number to warrant the commencement of operations.

The sources of revenue of the company will include the contracts, rent from houses, studios, workshops and power leased to independent workers, and from power let to outside parties, and the manufacture of certain specialties in mosaic, metals, and wood.

The promoters of this enterprise are Messrs. William Horatio Day, Eliot Norton, and William Walton, of New York City, and John W. Craig and Benjamin S. Warner, of New Jersey. A New York City office has been opened at 156 Fifth avenue.

HAND POTTERY IN VARIOUS PLACES.

Miss Fayette Barnum, of Louisville, Ky., has been working in pottery since 1898, taking her motifs from local sources of inspiration, and producing among others a semiglazed ware called "lichen" ware from its peculiar texture and appearance. One of her most striking pieces is a child's mug on which a goose pursues a fleeing urchin. Some of her bowls and vases are covered with a loose netting of raffia, which adds to their attractiveness.

Mr. A. Van Briggles, a practical potter in his youth and for a time a decorative artist at the Rookwood Pottery, removed to Colorado in 1899, and after conducting some experiments in the laboratory of Colorado College, established a pottery at Colorado Springs. He died in July of the present year, but the work of the Van Briggles Pottery Company is carried on under the direction of his widow. By the use of high temperatures, a dead glaze is produced of a texture similar to that of old Chinese pots.

Mention should be made of the Dedham pottery produced at Dedham, Mass.; of the work of Messrs. Henry C. Mercer and W. R. Mercer, jr., at Doylestown, Pa., and of the Teco ware made by the Gates potteries at Terracotta, Ill.

INDIAN WORK.

A report on American handicraft would be incomplete without a reference, at least, to the work of the Indians. This subject would require a separate article for adequate treatment, but it may not

be inappropriate to mention here the efforts of certain philanthropists and connoisseurs to revive the Indian handicrafts, where they seemed in danger of dying out, or to establish new industries for the employment of Indian women.

Of the latter character is the work of Miss Sybil Carter, a deaconess of the Protestant Episcopal Church, who in 1890 visited the White Earth Reservation, in Minnesota, and taught a few Ojibway women something of the art of lace making. She found that the women learned the work readily and were most anxious to be provided with an occupation. Miss Carter asked the help of her churchwomen, and was able to secure funds to send out two teachers in 1890-91, becoming in 1892 a resident of White Earth herself. Gradually the work has grown until there are four groups of Indian women in Minnesota, each with a teacher, and one each in Wisconsin, South Dakota, New York, California, and Nebraska, all learning to make lace. Lace sales are held annually in a number of eastern cities, and the lace is easily disposed of as rapidly as it is made. It sells for only about enough to pay for the materials and wages of the makers. The small salaries of the teachers (\$300, with board and fuel) are made up from voluntary contributions of interested persons. Miss Carter has an office in the Church Mission House, New York City.

The Mohonk Lodge is an industrial and philanthropic institution among the Cheyenne and Arapaho Indians at Colony, Okla., under the direction of Rev. Mr. and Mrs. Walter C. Roe, missionaries of the Reformed Church in America at that place. The means for its establishment were provided by the Lake Mohonk Conference of the Friends of the Indians in 1898. Its object is to provide a workshop, social center, and home for the surrounding Indians. The plant consists of a roomy frame building, containing ten rooms of varying sizes. A competent matron lives in the building, keeping it in order and looking after the needs of all visitors. She is supported by philanthropic donations. The industrial department is under the management of Mr. Reese Kincaide, a Government employee at this agency. The old-time beadwork on leather made by the Plains Indians is the line of work adopted. Two lines of goods are being produced—genuine reproductions of old Indian articles and adaptations of Indian work to articles of modern use. Under the former head would be classed moccasins, pouches, tobacco bags, costumes, etc.; under the latter golf belts, slippers, pocketbooks, purses, book covers, etc. The materials are provided and the Indian women are paid cash for their work. The number of workers on the roll exceeds one hundred. They receive their work in such form that it can be taken to their homes and returned when finished. Markets have been found in all parts of the United States, and some goods are sent abroad. For the year ending October 1, 1902, goods were sold to the amount of \$4,000, \$2,600 of which was paid in

cash to the Indians. The goods are sold through curio stores, shoe houses, art establishments, etc., while a large mail business has sprung up at the Lodge itself. It was estimated that the sales for 1903 would amount to \$5,000. Outstations are being planned, and the design is to make the Mohonk Lodge a central establishment for marketing the goods produced among many different tribes. Thus far the enterprise has proved an unquestionable success in providing the Indians with a self-supporting industry.

The National Indian Association's department of industries, of which Mrs. F. N. Doubleday, of New York, has been the leading spirit and until recently chairman, encourages the development of the original Indian handicrafts, especially basketry and pottery, and also blanket weaving, beadwork, lace making, etc. Among the Chitimachan Indians of Louisiana this philanthropic association has preserved and is developing the art of weaving a double basket peculiar to the tribe, which had very nearly become a lost art, being practiced by only one old woman. The young women refused to be taught the handicraft because it involved filing the teeth in order to split the cane, but their white advisers introduced the use of scissors, and now 18 of these young women send to New York every month \$100 worth of baskets, which are rapidly sold in the shops. They also prepared an exhibit for the St. Louis Exposition.

The Indian Industries League, the Sequoia League, and the Basket Fraternity of Pasadena, Cal., are other organizations interested in fostering Indian handicrafts. Many explorers and merchants now assist in the exhibition and distribution of Indian products. The Pueblo Indians of New Mexico find a market for their blankets through Mr. Francis E. Lester, of Mesilla Park, New Mexico. Their blankets, which are in demand as house decorations, are altogether handmade, the wool being sheared, washed, carded, spun, dyed, and woven by the Indians. Their looms are clumsy, cumbersome affairs, resembling the framework of a cottage.

Miss Estelle Reel, superintendent of Indian schools, has introduced instruction in native handicrafts in many of these schools.

PORTO RICO.

The natives of Porto Rico fashion a variety of useful and ornamental articles by hand from the palm leaves, gourds, coconuts, and other products of the island. They are skillful in weaving hammocks, hats, similar to Panama hats, and a great variety of baskets. Canes, paper knives, and other articles are carved out of the native woods, some of which show curious and strikingly ornamental markings. An exhibit of Porto Rican handicrafts has been sent to the St. Louis Exposition. The insular industrial schools seek to preserve and develop the skill of the natives in woodworking, hat and basket weaving, etc.

The señoras and señoritas of Porto Rico are especially skillful with

the needle, and produce a considerable quantity of fine drawn work and laces. An effort is being made to establish a market for these products in the States.

CONCLUSION.

While the articles produced by handicraft in the United States are of small value compared with the products of machinery, and can not be expected to increase to such an extent as to diminish noticeably the demand for factory products, the revival of handicrafts is of no little importance to a considerable number of persons. The workers themselves are perhaps the persons most affected, and in many cases the arts and crafts movement has brought to them at once a means of livelihood and a new interest in life. To the consumers, and the public generally, the movement has brought increased pleasure in the things of daily household use and ornament. The artistic and industrial importance of the handicraft revival can not be measured by the quantity of handmade goods produced, for the standards of durability and taste set by the craftsmen make their influence felt in improving the quality and design of factory-made goods; and this, however far it may be from the intention of the craftsmen, is perhaps the most far-reaching effect of their work.

AGREEMENTS BETWEEN EMPLOYERS AND EMPLOYEES.

[It is the purpose of this Bureau to publish from time to time important agreements made between large bodies of employers and employees with regard to wages, hours of labor, etc. The Bureau would be pleased to receive copies of such agreements whenever made.]

AGREEMENT BETWEEN PAINTERS' DISTRICT COUNCIL AND CONTRACTING PAINTERS OF CHICAGO AND VICINITY, MARCH 1, 1904, TO MARCH 1, 1906.

Articles of agreement between _____, contracting painters of the city of Chicago, county of Cook and State of Illinois, party of the first part, and the Journeymen Painters' District Council of Chicago, and Vicinity, of the Brotherhood of Painters, Decorators, and Paperhangers of America, parties of the second part.

The party of the first part covenants and agrees, in the consideration of the strict observance by the parties of the second part of certain rules, regulations, and obligations herein set forth, that he or they will faithfully keep and strictly observe the following rules:

SECTION 1. Eight hours shall constitute a day's work, which shall be between the hours of 8 a. m. and 5 p. m., and should it be necessary to continue work after said time, there shall be a cessation of work for at least one hour. But it is expressly agreed that no work shall be done *under any circumstances on Labor Day*, or between the hours of 12 o'clock noon and 12 o'clock Saturday night, unless for immediate danger to loss of life or to property, and in all cases permission be secured from the representative of the Painters' District Council. Saturday afternoon to be paid for at the rate of double time.

SEC. 2. All overtime on regular working days shall be paid for at the rate of time and one-half, and work done on Sundays, New Year's, Thanksgiving Day, Decoration Day, Fourth of July and Christmas, shall be paid for at the rate of double time; the above-mentioned days to be from 12 midnight to 12 midnight as per calendar.

SEC. 3. The minimum rate of wages shall be forty-five cents (45 cts.) per hour on and after March 1, 1904, and until March 1, 1906.

SEC. 4. The party of the first part hereby expressly agrees with the parties of the second part, that they will each run a strictly union shop and pay the scale of wages provided in section 3 herein, and also that they will refer all painters applying for work, and not in possession of the current quarter's working card issued by the Painters' District Council, to the secretary of the Painters' District Council, and that they will cause to be hung in a conspicuous place in their shop a card stating that none but *union* men are employed in such shop.

SEC. 5. The said party of the first part hereby agrees to establish and maintain a weekly pay day which shall be Saturday between 12 m. and 1 p. m., at which time all employees shall be paid in full, in lawful

money of the United States of America, but when a journeyman is discharged or laid off, he shall be paid at the time of such discharge or at the time of such lay off. No more than 1½ days' pay shall be held back by the employer.

SEC. 6. The said party of the first part shall have the right to employ one boy under the age of eighteen (18) years, as an apprentice, and one additional boy under said age for every twenty (20) journeymen employed by said first party; such boy or boys to be bound by contract or indenture in writing for a term of three years, and said first party shall therein agree to keep said boy in continuous employment until the expiration of said time, and shall at the expiration of such time furnish said boy or boys with his indenture papers or credentials.

SEC. 7. Said party of the first part further agrees that they will not sublet to any of their employees or others by contract or otherwise, any wall washing, painting, glazing, paper cleaning, or any character of hardwood finishing, either on contracts or in factories, and under no circumstances shall they employ laborers or nonunion men to do any class of preparatory work in any branch.

SEC. 8. All car fare above ten cents must be paid by the contractors where journeymen are employed, also all railroad fare outside the city limits.

SEC. 9. When journeymen are sent outside the city limits, where it is impracticable for them to return to their respective homes each evening, their board shall be paid by the contractor.

SEC. 10. Any man going to work, leaving his shop before 8 o'clock in the morning, shall stand no loss of time if not able to get to work on time, on account of distance or accident.

SEC. 11. No member of the union shall be discharged for refusing to work on a ladder or scaffolding which he considers unsafe, and must be paid for the time taken for inspecting ladder or scaffolding or for enforcing the working rules.

SEC. 12. A sympathetic strike, when ordered by the board of business agents, shall not be a violation of this agreement.

SEC. 13. This agreement shall not take away the power of the business agent of the Painters' District Council to call a strike on any shop for any reason that may appear to the Painters' District Council to be just.

SEC. 14. It is expressly understood that the act of any member of the union shall not be binding on the Painters' District Council unless such act is expressly authorized by said Painters' District Council.

WORKING RULES.

ARTICLE I.

SECTION 1. Every member must carry a working card for the current quarter, and it shall be obligatory that they be ready to show same when called upon.

Members can procure cards before the beginning of the quarter. Men not in possession of the current quarter's working card shall not be permitted to work on the job.

SEC. 2. When two or more men are employed on any job the man in charge must examine the cards and report to the business agent or secretary of the council, within twenty-four hours, by mail or telephone, those not in possession of the regular quarterly working card.

If a man in charge of any job does not enforce this rule he shall be fined not less than five dollars.

SEC. 3. All men in charge of work shall at once notify the secretary of the council, by mail or telephone, when starting a job, provided said job will last more than three (3) days; also all jobs in mills. The council to pay all expenses incurred.

ARTICLE II.

SECTION 1. All members are restrained from reporting at shops before 7.30 a. m. or at jobs before 7.45 a. m.

SEC. 2. No member shall do any work on Saturday between 12 o'clock noon and midnight, unless his employer has special permission in writing from the council. The boss painter to apply for such permit at least 24 hours before granting same, to give business agent time to investigate the job where the permit is wanted.

It shall be obligatory on the part of the man in charge to show said permit to each of the men who are to work on the job; failure to do so he shall be subject to a fine of not less than \$10; failure on the part of the men in not insisting on seeing said permit they shall be each subject to a fine of not less than \$5.

SEC. 3. Members working outside the jurisdiction of the council shall in all cases comply strictly with the laws of the localities to which they are sent; provided that the shorter workday and the higher wage scale shall be demanded in all cases.

Members failing to comply with this rule shall be fined not less than ten (\$10) dollars.

SEC. 4. Any member violating any of the working rules (except those where a fine has been fixed) shall be fined five (\$5) dollars for the first offense and in all cases upon the second or third offenses they shall be dealt with as the council directs.

SEC. 5. Any member preferring charges shall receive the sum of one (\$1) dollar to be paid by the secretary-treasurer of the council on such charges being sustained, regular salaried officers of the council to be excepted from this rule.

SEC. 6. Members are prohibited from working overtime except where there has been a cessation of work for at least an hour after the regular working hours.

ARTICLE III.

SECTION 1. Should any member be taken sick or meet with an accident while at work, it shall be the duty of the man in charge of the work to take him home or see that he is properly cared for and all necessary expense and loss of time shall be defrayed by the Painters' District Council.

SEC. 2. Any member having knowledge of the violation of any of these rules shall notify the business agent or secretary of the council within twenty-four hours; failing to do so he shall be fined not less than \$5.

SEC. 3. Any member transferring or lending his working card to any one shall be fined not less than \$10 or be expelled.

SEC. 4. All fines shall be payable to the secretary of the Painters' District Council within the time stipulated by the council.

SEC. 5. Any member working at the trade on Labor Day shall be fined the sum of \$10 by the Painters' District Council.

AGREEMENT BETWEEN CINCINNATI DAILY NEWSPAPER PUBLISHERS' ASSOCIATION AND CINCINNATI TYPOGRAPHICAL UNION, NO. 3.

This agreement, made and entered into this 29th day of April, 1904, by and between the Cincinnati Daily Newspaper Publishers' Association, representing and authorized to act for the Enquirer Company, the Commercial Tribune Company, the Cincinnati Times-Star Company and the Post Publishing Company, by its Committee, to-wit, Edmund Wisniewski, E. O. Eshelby, C. H. Rembold and Charles F. Mosher, duly authorized to act in its behalf, party of the first part, and the Cincinnati Typographical Union, No. 3, by Harry M. Ogden, A. C. Thoroman, T. J. Donnelly, J. S. Fleming and W. A. Finlay, its Committee, duly authorized by resolution of February 21, 1904, to act in its behalf, party of the second part,

Witnesseth, That from and after April 29, 1904, for the term of five (5) years, ending April 29, 1909, the newspapers represented by said party of the first part bind themselves to the employment of only members of Cincinnati Typographical Union, No. 3.

It is further expressly understood and agreed between the parties hereto that the scale of wages and hours hereby adopted shall remain in full force during the terms of this agreement, subject to the following conditions, namely, that if on the 29th day of April of any year during the term of this agreement either party should desire a change in the wage and hour scale, such change may be made, thirty days previous written notice having been given, and the changed scale of wages and hours shall then remain in force, subject to like changes on each succeeding 29th day of April, and all such changes to be made on the following terms, to-wit, The Cincinnati Typographical Union, No. 3, shall select a committee of two, and the Cincinnati Daily Newspaper Publishers' Association shall select a like committee of two; and should this joint committee be unable to agree upon a scale of wages and hours for the ensuing year, or balance of the term of this agreement, then they shall select some competent man, as arbiter, whose decision shall be binding upon all parties hereto, with the privilege of appeal under the terms of the arbitration agreement as entered into by the International Typographical Union and the American Newspaper Publishers' Association, which agreement shall govern in all disputes that may arise during the life of said national arbitration agreement.

SECTION 1. In offices of parties of the first part to this agreement all work must be time work.

SEC. 2. The following is the alphabetical scale for the measurement of type: Pica to bourgeois, inclusive, 13 ems; brevier and minion, 14; nonpareil, 15; agate, 16; pearl, 17; diamond, 18. All fonts-exceeding the standard are to the benefit of the compositor, and no deduction or allowance can be made owing to such excess. In considering whether a font of type is up to the standard, the letters to be measured are the lower case letters from a to z, inclusive, and these only—the twenty-six letters of the alphabet; and the letters c, d, e, i, s, m, n, h, o, u, t, a and r shall be equal to at least one-half of such measurement. Where type shall be cast upon a larger body than the face (as nonpareil face upon minion body), it shall be measured as nonpareil; or where it shall

be cast upon a smaller body than the face (as long primer face upon a bourgeois body), it shall be measured as bourgeois.

SEC. 3. Compositors employed on morning papers shall receive not less than \$26 per week of six days of 48 hours (eight consecutive hours to constitute a day's work), with the exception of a reasonable time for lunch, to be fixed by the foreman and the chapel, the hours to be between 6 p. m. and 4 a. m., except on Saturdays, when the hours shall be between 5.30 p. m. and 3.30 a. m., the time consumed for lunch not to be charged against the office.

SEC. 4. Compositors employed on evening papers shall receive not less than \$23 per week of six days, of 48 hours (eight consecutive hours to constitute a day's work), with the exception of a reasonable time for lunch, to be fixed by the foreman and the chapel, the hours to be between 7.30 a. m. and 6 p. m., except on Fridays, when the hours shall be between 7 a. m., and 6 p. m., the time consumed for lunch not to be charged against the office.

SEC. 5. The minimum wages for foremen on the morning papers are to be \$35 per week; assistant foreman, \$28 per week, and all other weekly hands, \$26 per week.

SEC. 6. The minimum wages for foremen on afternoon papers are to be \$30 per week, and all other weekly hands \$23 per week.

SEC. 7. The number of hours which shall constitute a day's work for employees employed by the week or day, shall be eight hours, and any such employee shall receive for any excess work over eight hours, price and a half. On afternoon papers, a call back for night extra is entitled to \$1 for the call, in addition to the overtime, and a call back for an early morning extra on afternoon papers, \$2 for the call, in addition to the overtime. When employees of morning papers are called back, their time shall be continuous from time of quitting work. Employees called to work on morning papers in the afternoon shall receive not less than two hours' straight work.

SEC. 8. Offices having not less than five machines nor more than twelve, shall employ a machinist; having thirteen machines nor more than twenty-five, a machinist and helper; having twenty-six machines or more, one machinist one assistant machinist and two helpers. The wages of the machinist shall not be less than \$26 per week on morning papers, nor less than \$23 per week on afternoon papers. The wages of the assistant machinist shall not be less than \$22 per week on morning papers. The wages of the machine helpers on morning papers shall not be less than \$17 per week, and on afternoon papers not less than \$14 per week. All overtime shall be arranged for between the office and the machinist, subject to the approval of the union. When but one helper is employed in an office he shall receive \$1 per week above the contract scale.

SEC. 9. In no case can an employee receive less than a day's pay, except in cases where a compositor is discharged, in accordance with causes 1, 2 or 3 of section 19.

SEC. 10. No compositor will be allowed to operate a linotype, type-setting, typesetting or any machine displacing hand composition who is not a member in good standing of Cincinnati Typographical Union, No. 3.

SEC. 11. A morning paper office shall have the privilege of running machines during the day without extra price (save as overtime), provided operators receive a full day's pay.

SEC. 12. Afternoon papers shall have the right to run a separate night force, within the limit of morning paper hours, provided the force so employed shall receive a full day's pay at the night scale.

SEC. 13. Matter set by the machine during the day time can not be used on a morning paper unless paid for at morning newspaper scale.

SEC. 14. Matter set by machine during the night time can not be used on an evening newspaper or other publication unless paid for at the morning newspaper scale.

SEC. 15. Each newspaper office shall be allowed one apprentice for every ten journeymen regularly employed, or major fraction thereof, the limit in no office to exceed three. They shall not be less than sixteen years old at the beginning of their apprenticeship, and shall serve for a term of four years. In order that they may be given full opportunity to become competent workmen, each apprentice shall serve at least two years continuously in the ad. room. The last three months of apprenticeship he shall be employed operating a typesetting machine.

The compensation shall be:

First year. One-fourth of journeyman's wages.

Second year. One-third of journeyman's wages.

Third year. One-half of journeyman's wages.

Fourth year. Two-thirds of journeyman's wages.

The terms of apprentices to expire in successive years—no two in the same year.

SEC. 16. Beginners (by which is meant compositors learning to operate machines), shall be allowed to work at the rate of two dollars and sixty cents (\$2.60) per day on morning papers, and two dollars and ten cents (\$2.10) per day on evening papers, for a period of thirty (30) days, when, having attained a fair average, they shall be paid the regular rates called for in sections 3 and 4 of this agreement.

SEC. 17. The foreman shall supervise and govern all employees while in the composing room, and shall have the right to transfer an employee to any position; provided, however, that should a man be so transferred who is not fully competent to perform the duties pertaining to said position, it shall not prejudice the standing of the man in the office. Overtime shall be divided equally, as far as possible, among all employees.

SEC. 18. All employees in the composing room shall be paid in full once every week, the regular day of payment to be named by the employer, but shall be the same day for all employees. A peremptory demand for wages at any other time shall be cause for discharge.

SEC. 19. Foremen of printing offices shall have the right to employ help, and may discharge (1) for incompetency; (2) for neglect of duty; (3) for violation of office rules (which shall be conspicuously posted), or laws of the chapel or union; and (4) to decrease the force, such decrease to be accomplished by discharging first the person or persons last employed, either as regular employees or as extra employees, as the exigencies of the matter may require. Should there be an increase in the force within sixty days after a decrease, the person or persons displaced through such cause shall be reinstated in the order in which they were discharged, before other help may be employed. Upon demand, the foreman shall give the reason for discharge in writing. Persons considered capable as substitutes by foreman shall be deemed competent to fill regular situations, and shall be given preference in the

filling of vacancies in the regular force. This section shall apply to incoming as well as outgoing foremen. No compositor who has been discharged from an office for causes 1, 2 or 3, shall be eligible to sub, except at the option of the foreman.

SEC. 20. The office is entitled to all cuts or illustrations, either advertising or news, and has the right to set on time, any necessary lines for same. The office is entitled to all other "pick-ups" of any character whatsoever. Matter once paid for shall always remain the property of the office, to use in any or all of its editions, or as many times as desired, with such changes as the office may wish to make. "Kill" marks shall not deprive the office of the right to "pick-ups:" *Provided, however,* Local advertisements or portions thereof, shall be set in any office of the party of the first part using same, and if furnished in type, electrotype, stereotype, matrix or other form, shall be reset by the office within forty-eight hours of the date of publication, as nearly as possible like original advertisement, and the proof read and corrected. Signatures in local advertisements are to be reset once only when first brought into the office. Advertisements of local business houses, or advertisements of railroad companies or corporations of a similar character having local offices, shall be considered local advertisements under this section. An advertisement cut which is excluded from attempted reproduction is one containing no figures or words, or figures and words; and should words or figures, or words and figures, appear on a local advertisement cut, said words or figures, or words and figures, shall be reset, under the workings of this section, in the same space taken by such words or figures, or words and figures, on the cut: *Provided, however,* That matrix of an advertisement, the advertisement having been distributed, can not be used, unless the advertisement is reset within forty-eight hours of the time of publication, office advertisements excepted. A penalty shall be imposed upon the office for not resetting an advertisement within forty-eight hours. The office shall be obliged to reset such advertisement one additional time for each twenty-four hours overlooked in the reproduction of said advertisement.

SEC. 21. The standard of competency for machine composition shall be 28,000 ems per day of eight hours on straight nonpareil news matter as it appears in paper; a reduction of 2,400 ems per day for each increase of one point in size. Alterations from copy are to be "ringed" and corrected by office, and resetting of matter occasioned by defective slugs or matrices shall be done by the office.

SEC. 22. The newspapers shall use no plate reading matter nor matrix reading matter in any of their issues, and Typographical Union, No. 3, shall prohibit the use of such matter in any daily union newspaper office within its jurisdiction.

SEC. 23. The following shall be deemed a definition of what constitutes an alteration from copy: Any change from the copy not provided for by any style of the paper publicly posted in the office, nor by instructions given to the compositor when the copy is given out. Any change in the spelling of proper names, words from foreign languages, etc. Any change in the spelling or division of words not in accordance with the dictionary given as a guide. Any change in punctuation, grammatical construction or capitalization, where a take commences or ends even, within two lines of commencement or end.

SEC. 24. The foreman of each newspaper office shall keep the account of work done by employees, so that each man can collect his own bill direct from the office.

SEC. 25. A week's work means forty-eight hours' work in six days. Nothing in the foregoing clause is to be construed as preventing anyone from working seven days or overtime when his services are required, provided he is unable to procure a competent substitute, nor from employing a competent substitute one or more days in any current week.

SEC. 26. On six-day papers (by which is meant offices issuing one or more editions six days of each week), phalanxing shall not be permissible. On seven-day papers (by which is meant offices issuing one or more editions seven days of each week), phalanxing is permissible, but no employee of a seven-day paper shall be phalanxed more than one day of each current seven-day week. In offices where phalanxes occur, each employee must be phalanxed in order, the list being subject to arrangement by the foreman; rearrangement of the list may be made in emergency after consultation between the foreman and the father of the chapel. The phalanxed employee will not be permitted to work in the office in any capacity on the day on which he is phalanxed. A situation on a seven-day paper shall be a seven-day situation.

SEC. 27. It is agreed by the said party of the second part that, for and in consideration of the covenants entered into and agreed to by the said party of the first part, it shall at all times during the life of this agreement, truly and faithfully discharge the obligations imposed upon it by furnishing men capable of setting the type and operating the machines of the various newspaper offices composing the Cincinnati Daily Newspaper Publishers' Association. Should Cincinnati Typographical Union, No. 3, be unable at any time to furnish workmen, and other help is called in by the office, such other help shall be displaced by members of the Cincinnati Typographical Union, No. 3, at the end of any day when the union is able to furnish workmen.

SEC. 28. A standing committee of two representatives of the Cincinnati Daily Newspaper Association, and a like committee of two representing the Cincinnati Typographical Union, No. 3, shall be selected, and in case of a vacancy, absence, or refusal of either of such representatives to act, another shall be selected in his place, to whom shall be referred all questions which may arise as to the construction to be placed upon any of the clauses of this agreement, or alleged violation thereof, which can not be settled otherwise, and such joint committee shall meet and act when any dispute or difference whatsoever shall have been referred to it for decision by the executive officers of either party to this agreement, and should the joint committee be unable to agree, then it shall refer the matter to a board of arbitration, the representatives of each party to this agreement to select one arbiter, and the two to agree upon the third. The decision of this board shall be final and binding upon both parties, subject to the terms of the national arbitration agreement. It is mutually understood and agreed that the expense of said joint committee and board of arbitration shall be borne equally by the two parties to this agreement. In every case of complaint about heat, light, sanitation, or any other local matter made to the father of the chapel, it shall be the duty of the said father of the chapel to thoroughly investigate the cause of the complaint before taking any action whatsoever, and in no case shall he order the

men in the composing room to leave their work without a hearing having been given to the office, and then only by the consent of two-thirds of all the men at work in the composing room where the complaint is made. All matter in dispute between foremen and office committeemen or fathers of chapels, shall go to the business committee of Cincinnati Typographical Union, No. 3, for decision before being taken to the standing board, the decision of the business committee to be binding upon both parties until reversed by the standing board: *Provided*, The union shall hold itself responsible for any outlay made on a reversed decision. Any protest against a decision of the business committee must be made within thirty days after the party of the first part has received notification of such decision.

SEC. 29. It is expressly understood and agreed that no ruling or decision based on previous contracts or agreements shall be binding upon any of the parties to this agreement. It is conceded by the publishers that they have no right to object to any rules or regulations made by the union to govern its members, which do not conflict with the terms of this agreement. That all the publishers can demand of the union, or the union of the publishers, is the fulfillment of this contract.

(Signed)

For Cincinnati Daily Newspaper Publishers' Association:

ED. WISNEWSKI,
The Enquirer Company.

E. O. ESHELBY,
The Commercial Tribune Company.

C. H. REMBOLD,
The Cincinnati Times-Star Company.

MILTON A. McRAE,
CHAS. F. MOSHER,
The Post Publishing Company.

For Cincinnati Typographical Union, No. 3:

HARRY M. ODGEN,
A. C. THOROMAN,
T. J. DONNELLY,
J. S. FLEMING,
W. A. FINLAY.

ILLINOIS CENTRAL RAILROAD COMPANY SCHEDULE OF RULES AND WAGES OF MACHINISTS.

[Adopted and approved June 14, 1904.]

RULE 1. Any man who has served an apprenticeship or had four years of varied experience at the machinist's trade, or by his skill or experience be qualified or capable of fitting together the metal parts of any machine or is competent to do either shaping, boring, turning, finishing and adjusting the metal parts of any machine whatsoever, shall constitute a machinist.

RULE 2. Machinist's work shall be performed by a machinist, or apprentice to the machinist's trade, the master mechanic to determine the class of work.

NOTE.—Steam-pipe work and stripping of engines is to be considered machinist's work.

RULE 3. Eliminated.

RULE 4. Applicants for employment as machinists shall only be expected to file application as to character and ability, and address of relatives.

RULE 5. After commencing work, machinists will not be allowed to leave the premises until the regular hour of closing of work without permission of the foreman in charge, and notice to the timekeeper. Machinists wishing to be absent two or more days must obtain leave of absence from the foreman.

RULE 6. Machinists going on night shift from day shift shall receive overtime rates for the first night after he has been transferred, and he shall also receive overtime for the first day after he has been transferred from the night shift.

RULE 7. The rules now in effect compensate machinists going to and from their work when being transferred by the railroad company, and will not concede time and a half for the first 24 hours to machinists when so transferred.

RULE 8. There may be one apprentice to each shop regardless of number of journeymen employed, and not to exceed one apprentice to each five journeymen employed additional at each shop.

RULE 9. Applicants for apprenticeship must be between the ages of 16 and 21 years, and must be able to read and write and understand the rudiments of arithmetic.

RULE 10. Graduates of technical colleges who have entered such class prior to the age of 21, may enter the service of the company as special apprentices, the term of service to be two years, and shall receive the same in discriminating consideration as other apprentices in the third year of actual service.

RULE 11. Regular apprentices shall be indentured for four years, and shall not in any case leave the service of the company without good and just cause except, however, they should prove disqualified during the first six months; they may quit during that time, or the company may transfer or dismiss them from the service.

RULE 12. The company shall furnish all opportunities possible for the apprentices to secure a varied and complete experience during their apprenticeship.

RULE 13. No regular apprentice shall be asked to work overtime or on night shift during the first three years of his apprenticeship unless to complete a job commenced during the day for running repairs.

RULE 14. It has been the practice, and is the intention of the company, to give preference to applicants for positions of apprentices who are sons or relatives of employees, and this will be continued, and especially where the boy makes application for apprenticeship to the same trade his father or relative is working at.

RULE 15. Overtime on other than running repairs shall not exceed three nights per week, or two consecutive Sundays for the same machinist. Where possible engine-house machinists may so arrange or divide the work that each man may have every other Sunday off.

RULE 16. Regular shop machinists sent out on the road and away from their home station shall receive straight time from the time called until returned to home station, and overtime for work done

during overtime hours, with allowance of not to exceed \$1 per day of 24 hours for expenses.

RULE 17. When it becomes necessary to reduce expenses, full force of men shall be retained and reduction made in the working hours until the hours shall have reached 8, and then further reduction if not made in hours, shall be made by the dismissal of the last man employed, merit and ability being equal.

RULE 18. Thirty days in the service of the company shall be proof of competency.

RULE 19. Any machinist failing to report for work at the regular hour must first report to the timekeeper and his foreman. He will then commence work at the next half hour.

RULE 20. All time over the regular working time, Sundays and holidays, as follows: New Year's Day, Washington's Birthday, Decoration Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas shall be paid for at the rate of time and one-half.

RULE 21. Any of the holidays named in this schedule falling on Sunday, the day designated by proclamation, or selected by the State or nation instead for celebration, shall be considered a regular holiday.

RULE 22. Machinists called to work overtime where such work shall be 3 hours and 20 minutes or less, shall receive 5 hours' pay.

RULE 23. Nine hours shall constitute a day's work. This rule is held in abeyance.

RULE 24. The rate of pay for competent machinists in the shops of the Illinois Central Railroad system shall be 34 and 35 cents per hour in Chicago; at all other points on the system, 34 cents per hour.

RULE 25. The rate of pay of machinist's apprentices shall be as follows:

	Cents.
First year of service	10½
Second year of service	11½
Third year of service	12½
Fourth year of service	13½

RULE 26. Apprentices having finished their apprenticeship, and being qualified to perform the same work, quality and quantity, as journeymen, shall receive journeyman's pay.

RULE 27. The rate of pay for gang foremen at Chicago shall be thirty-seven and one-half cents per hour. The rate of pay for gang foremen in shops outside of Chicago on the system shall be thirty-six and one-half cents per hour.

RULE 28. The grievance of any employee which he can not adjust with the foreman may be appealed by him to the master mechanic, superintendent, or superintendent of machinery.

RULE 29. Any matter or subject of grievance must be presented for consideration within thirty days after its occurrence, and unless adjusted within a reasonable time may be appealed. All appeals must be in writing.

RULE 30. Machinists who are injured while in the employ of the company are given fair and impartial consideration; in fact, I know of no other road that gives as much consideration.

RULE 31. Machinists having a grievance shall be expected to present same to the foreman before asking the shop committee to act on or take up the matter.

RULE 32. There shall be no discrimination by the company against any person or committee for representing a grievance or acting for others in the adjustment thereof.

RULE 33. Machinists having grievances shall have the right to present same at any time, whether it be off or on duty hours.

RULE 34. The company makes no discrimination relative to transportation for any of its employees, and machinists will receive the same consideration as other shop employees.

RULE 35. These rules shall be enforced one year from June 1, 1904, and thereafter, provided that after the first year changes may be agreed upon by either party giving thirty days' notice to the other of changes desired, for conference.

W. RENSHAW,
Superintendent of Machinery.

Accepted by committee:

WM. FITZ PATRICK
J. C. PEASLEY.
M. J. MELDRUM.
J. C. SLANEY.
D. BAILEY.
H. S. BURKHART.
FRANK CONNOR.
E. J. CONNORS.
F. W. WALTERS.

JOHN LANSBURG.
GEO. W. TAIT.
EDWARD KEATING.
D. B. SALISBURY.
W. H. MOORE.
H. ZIMMERMAN.
C. M. STARKE.
C. Y. KATZENMIER.

Approved:

D. W. RODERICK,
Attorney for Machinists.

AGREEMENT BETWEEN AMUSEMENT SECTION OF THE CENTRAL TRADES AND LABOR UNION OF ST. LOUIS AND EMPLOYERS.

Articles of agreement entered into on the _____ day of _____ 190 ,
between _____ as party of the first part, and the Amusement Sec-
tion of the Central Trades and Labor Union of St. Louis and vicinity,
as follows:

ARTICLE 1. The party of the first part agrees that in employing _____ for the season of 190 , commencing May 1 and ending April 30, 190 . Only members of the above in good standing in the organizations mentioned above, affiliated with the A. S. of the C. T. and L. U. of St. Louis and vicinity, shall be employed at the rate of wages and other regulations established by the above-named organizations, a copy of each of which is hereunto appended.

ART. 2. The party of the second part agrees to furnish at all times competent and reliable craftsmen, and will stand financially responsible for any loss or dishonesty on the part of any members of the various crafts who are working under this agreement, upon proof of same.

ART. 3. The party of the first part shall have the right to maintain discipline by the discharge of incompetent, careless, disobedient or intemperate employees, and should any controversy arise as to the justness of such action it shall be settled as per section 8 of these articles of agreement.

ART. 4. It is guaranteed by the party of the second part that no demands for an increase of wages, shortening of hours of employment, or other demands different from these articles of agreement, shall be made by any of the organizations affiliated with the A. S. of the C. T. and L. U. of St. Louis and vicinity during the life of this agreement.

ART. 5. The party of the first part agrees that in the purchase of supplies only union-made articles shall be purchased, except where such is not practicable.

ART. 6. The party of the second part guarantees that it will not sanction any strike that may take place in any department during the life of this agreement as long as all the provisions of this agreement are adhered to by party of the first part.

ART. 7. The party of the first part shall have the privilege of appearing before the board of directors of the A. S. of the C. T. and L. U. of St. Louis and vicinity in person, or by representative, whenever deemed necessary for a proper presentation of their interests.

ART. 8. All differences that may arise that can not be settled by a conference of the board of directors and the employer, or their representative, shall be submitted to a board of arbitration of five, said board to be comprised of two members of the board of directors of the A. S. of the C. T. and L. U., two persons to be selected by the party of the first part, the above four to choose the fifth member of the board. The decision of the majority of the board as constituted shall be binding on both parties to this agreement.

This agreement to be in force from _____ until _____.

Signature of the party of the first part,

_____.

Signature of the party of the second part,

_____,
_____,
_____,
_____,
_____,
_____.

Committee.

**RECENT REPORTS OF STATE BUREAUS OF LABOR STATISTICS.
ILLINOIS.**

Twelfth Biennial Report of the Bureau of Labor Statistics of the State of Illinois. 1902. David Ross, Secretary of Board of Commissioners of Labor. viii, 609 pp.

Four subjects, as follows, are presented in this report: Manufactures, 280 pages; trade and labor unions, 203 pages; strikes and lockouts, 49 pages; population of State, 75 pages.

MANUFACTURES.—Under this head is presented a series of tables giving, for the years 1900 and 1901, returns from 767 identical establishments, representing 55 industries. In the statement following the statistics for the two years are summarized:

STATISTICS OF MANUFACTURES FOR 767 IDENTICAL ESTABLISHMENTS, 1900 AND 1901.

Items.	1900.	1901.	Increase.	
			Amount.	Per cent.
Establishments	767	767		
Private firms	253	243	α 10	α 3.95
Corporations	514	524	10	1.95
Partners	439	422	α 17	α 3.87
Stockholders	39,632	43,081	3,449	8.70
Capital invested	\$68,908,412	\$77,777,912	\$8,869,500	12.87
Stock used	\$131,685,948	\$153,071,744	\$21,985,796	16.77
Value of goods made or work done	\$199,589,291	\$227,229,864	\$27,640,573	13.85
Greatest number of persons employed (b) ..	89,165	94,171	5,006	5.61
Average number of persons employed	75,968	80,881	4,913	6.47
Males	65,730	70,122	4,392	6.68
Females	10,238	10,759	521	5.09
Total wages paid	\$87,547,360	\$40,887,741	\$3,940,381	8.90
Average yearly earnings	c \$494.25	c \$505.53	\$11.28	2.28
Average days in operation	288	292	4	1.39

α Decrease.

b Obtained from the number appearing on the pay roll of each establishment for one particular week each year, mainly taken from the month in which the greatest number is employed.

c Based on total wages paid and average number of persons employed.

A separate presentation of data for establishments owned by private firms and by corporations makes it possible to present the following comparative statistics:

CAPITAL INVESTED, VALUE OF PRODUCT, NUMBER OF EMPLOYEES, AND WAGES PAID BY PRIVATE FIRMS AND BY CORPORATIONS, 1900 AND 1901.

Items.	1900.		1901.	
	Private firms.	Corporations.	Private firms.	Corporations.
Number of establishments	253	514	243	524
Per cent of establishments in each class	32.99	67.01	31.68	68.32
Capital invested	\$9,757,680	\$59,150,782	\$9,951,103	\$67,826,809
Per cent of capital in each class	14.16	85.84	12.79	87.21
Average capital per establishment	\$38,568	\$115,079	\$40,951	\$129,440
Total product	\$23,573,687	\$176,015,654	\$24,660,861	\$202,569,003
Per cent of product by each class	11.81	88.19	10.85	89.15
Average product per establishment	\$93,176	\$342,443	\$101,485	\$388,582
Number of employees	12,709	63,259	12,790	68,091
Per cent of employees in each class	16.73	83.27	15.81	84.19
Average employees per establishment	50.23	123.07	52.63	129.94
Wages paid	\$5,325,160	\$31,573,795	\$5,691,835	\$35,023,299
Per cent of wages paid by each class	14.43	85.57	13.98	86.02
Average yearly earnings per employee	\$419.01	\$499.12	\$445.02	\$514.36

From the above table it appears that corporation management is steadily encroaching upon the firm or individual method of doing business. The movement is uniform in respect to all the items shown.

The following table shows, by sex, the weekly earnings of employees in the 767 identical establishments for 1900 and 1901. The summary is for the greatest number of persons employed during the two years:

CLASSIFIED WEEKLY EARNINGS OF EMPLOYEES IN 767 IDENTICAL ESTABLISHMENTS, 1900 AND 1901.

Weekly earnings.	1900.					1901.				
	Total.	Males.		Females.		Total.	Males.		Females.	
		Num-ber.	Per cent.	Num-ber.	Per cent.		Num-ber.	Per cent.	Num-ber.	Per cent.
Under \$5.....	8,400	4,449	5.78	3,951	32.48	8,888	4,560	5.63	4,328	32.94
\$5 or under \$6.....	4,946	2,669	3.47	2,277	18.69	4,826	2,502	3.09	2,324	17.69
\$6 or under \$7.....	5,868	3,628	4.71	2,240	18.38	6,098	3,730	4.60	2,363	17.98
\$7 or under \$8.....	7,845	6,436	8.36	1,409	11.56	7,648	6,297	7.77	1,351	10.28
\$8 or under \$9.....	6,885	6,097	7.92	788	6.47	7,597	6,469	7.98	1,128	8.59
\$9 or under \$10.....	13,910	13,336	17.32	574	4.71	14,856	14,132	17.44	724	5.51
\$10 or under \$12.....	13,098	12,576	16.34	517	4.24	13,952	13,472	16.63	480	3.65
\$12 or under \$15.....	13,402	13,102	17.02	300	2.46	14,015	13,706	16.92	309	2.35
\$15 or under \$20.....	10,183	10,080	13.09	103	.85	11,418	11,314	13.96	104	.79
\$20 or over.....	4,633	4,608	5.99	25	.21	4,878	4,849	5.98	29	.22
Total.....	89,165	76,981	100.00	12,184	100.00	94,171	81,031	100.00	13,140	100.00

In 1900 it is seen that the earnings of 49,094 males, or 63.77 per cent of the total, were from \$9 to \$20 per week, while in 1901 the same range of earnings was received by 52,624 males, or 64.95 per cent of the total. On the other hand, in 1900 the earnings of 9,877 females, or 81.06 per cent of the total, were under \$8 per week, while in 1901 the same range of earnings was received by 10,366 females, or 78.89 per cent of the total.

TRADE AND LABOR UNIONS.—Detailed statistics from 592 labor organizations (298 located in Chicago and 294 in other cities of the State), covering the years 1897 and 1901, are presented in this part of the report. The subject is introduced by a table showing the progress made by trade and labor unions in the State during the 50-year period 1852 to 1901. During the last five years of this period 339 unions, or 58.96 per cent of the number reporting year of organization (575), were organized, and in 1901 these unions reported a membership of 70,368, or 50 per cent of the membership of the whole number of unions (592). The membership of all unions in 1901 was 140,733 persons, of whom 131,969 were employed. The apprentices employed during the year numbered 6,842.

Increases in wages in 1901 over wages in 1897 affected 45,717 members, and 178 unions reported decreases in the number of working hours during the five years, 1897 to 1901, affecting 36,513 members. The average decrease in working time in 1901 was 1.57 hours, and for the five years 1.55 hours. Over 50 per cent of the number considered received a reduction of 2 hours. Of the total membership of 140,733

reported for 1901, 38,587 worked 8 hours per day, 8,275 worked 8½ hours, 21,569 worked 9 hours, 20,973 worked 9 to 12 hours, 31,502 worked 10 hours, 12,089 worked 12 hours, 876 worked 13 hours, and the hours of 6,862 were not reported.

Of the 592 unions, 580 reported on the subject of agreements between the unions and the employers. Of the latter, 498 had agreements affecting 125,239 members. Of 587 unions reporting as belonging or not belonging to a central body in the city where located, 406 reported as belonging to a central body. Of 550 unions having a parent body, 138 reported a national parent body and 412 an international. Out of 488 unions reporting as to local affiliations, 486 were with the parent body and two were not; 445 unions reported as being affiliated with the American Federation, 54 with State federations, and 58 with both the American and State federations.

In 1901, as to benefits paid to members and contributions, 114 unions reported an average of \$300 paid for sickness, 64 unions an average of \$239 paid for accidents, 167 unions an average of \$252 paid for funerals, and 209 contributed an average of \$250 to other unions of the same trade or industry. There was contributed by 293 unions to unions of other trades the sum of \$35,218. As reported by 568 unions, the average cost per member to maintain the local unions was \$7.06 in 1901. There were 142 unions which reported having the insurance feature in their organizations, and of these 112 had 26,459 members carrying insurance in amounts ranging from \$25 to \$5,000.

STRIKES AND LOCKOUTS.—This is a presentation of the statistics of strikes and lockouts in Illinois for the twenty years, 1881 to 1900, and consists of a reproduction of data from the Sixteenth Annual Report of the United States Commissioner of Labor.

POPULATION OF STATE.—Under this head are presented statistics of the population of Illinois, reproduced from the returns of the Twelfth United States Census.

INDIANA.

Ninth Biennial Report of the Department of Statistics, for 1901 and 1902. Benjamin F. Johnson, Chief of Bureau. 891 pp.

This report is made up of six parts, as follows: Census of Indiana, 32 pages; industrial and labor statistics, 77 pages; social statistics, 205 pages; agricultural statistics, 62 pages; economic statistics, 417 pages; railroad statistics, 53 pages.

INDUSTRIAL AND LABOR STATISTICS.—The subjects considered in this part of the report relate to manufactures, coal mining, stone quarrying, economic statistics of wage-earners, and labor disputes.

For the year 1901 reports were received from 1,875 manufacturing establishments, of which 660 were incorporated and 1,215 unincorpo-

rated. The total capital invested in these 1,875 concerns amounted to \$67,423,589 and the output for the year to \$217,293,021. There was paid for materials the sum of \$124,356,436, and for wages and salaries \$43,244,129. Of this latter \$38,376,132 was paid to 101,113 wage-earners and \$4,867,997 to 4,580 salaried officers or employees. The average daily wages for skilled labor was \$2.27; for unskilled, \$1.29; for boys, \$0.69; for women and girls, \$0.87. An increase of business over the previous year was reported by 767 establishments, the average increase being 20.49 per cent, while 129 establishments reported a decrease, the average being 23.33 per cent. This leaves a net average increase for the 896 establishments of 14.18 per cent. A net increase in wages of 9.64 per cent was reported from 588 establishments.

Comparative statistics for 1898 and 1901 for ten selected industries are shown in the statement following:

COMPARATIVE STATISTICS FOR 10 SELECTED INDUSTRIES, 1898 AND 1901.

Industry.	Establishments.		Employees.		Wages paid.	
	1898.	1901.	1898.	1901.	1898.	1901.
Beef and pork products.....	8	10	2,980	3,576	\$1,376,037	\$1,649,936
Brewing.....	7	10	388	665	312,307	391,871
Engines, boilers, tanks, and machinery..	76	83	4,388	4,757	1,781,905	3,015,872
Farming implements.....	21	33	3,019	5,360	1,404,784	2,369,989
Furniture.....	97	101	6,125	8,056	1,849,820	2,883,026
Glass.....	63	49	11,575	10,984	4,390,497	5,673,304
Planing mills.....	84	82	1,551	1,479	588,813	629,229
Strawboard, paper, etc.....	30	40	1,822	1,887	677,109	655,574
Tin plate.....	5	6	2,774	2,967	1,342,874	1,620,961
Vehicles (other than automobiles and bicycles).....	106	117	7,320	8,494	2,662,661	3,084,058
Total.....	497	531	41,942	48,225	16,386,807	21,973,820

Each of the 10 industries shows an increase in the total paid for wages, except strawboard, etc., which shows a decrease. The falling off in the number of glass-making establishments is accounted for by the consolidation of several of them. The increase in capital invested in 1901 over that in 1898 amounted to \$14,428,144, or nearly 60 per cent, while the increase in value of product for 1901 over that for 1898 amounted to \$35,150,311, or more than 40 per cent.

In 1901 in 12 railroad shops reporting there were employed 6,386 workmen and 221 salaried employees, to whom was paid \$2,988,696 in wages and \$211,791 in salaries. During the same year 680 establishments, engaged in making finished products from wood grown in the State, employed 29,835 work people, to whom was paid \$11,227,751 in wages; 304 establishments, engaged in the manufacture of food products, employed 10,957 work people, to whom was paid \$3,150,902 in wages, and 158 establishments, engaged in the manufacture of clay products, employed 2,165 work people, to whom was paid \$601,127 in wages. In stone products of different forms, 49 establishments made returns as employing 2,844 persons and 47 as paying \$855,548 in wages during the year.

Under the presentation of economic statistics of wage-earners the results of interviews with 3,462 persons, employed in 24 industries, are shown. Of the total interviewed, 1,948, or 56.3 per cent, were married, and of these 813, or 41.7 per cent, owned their homes. In the cases of 2,565, or 74.1 per cent, wages were not changed during the year; 837, or 24.2 per cent, had an increase of wages, and 60, or 1.7 per cent, suffered a reduction. Only 606, or 17.5 per cent, reported savings from their wages. In the matter of insurance, 1,230 reported carrying life policies and 93 accident policies. As to nativity, 293 were foreign born, 2,169 native born, and the remainder not reporting as to nativity. Of the wage-earners, 3 per cent were under 16 years of age, 64 per cent between 16 and 35, 24 per cent between 35 and 50, and 9 per cent over 50. In addition to the above, 1,024 coal mine employees were interviewed. Of these 879 were native born, and 145 foreign born. Daily wages averaged \$2.44 for the 551 miners who reported on this item, and 151 reported savings aggregating \$19,973, or an average of \$132.27. Of the total mine employees, 692 were married, and of these 314 owned their homes. A number reported owning shares in building and loan associations, while others reported carrying life and accident insurance.

During the period from January 25, 1901, to May 17, 1902, there occurred 39 labor disputes, affecting 158 establishments, and involving, approximately, 7,650 employees directly and 24,170 indirectly. A large majority of the disputes were adjusted through the efforts of the State board of labor commissioners.

AGRICULTURAL STATISTICS.—Statistics are given by counties, showing for 1901 and 1902 the acreage and quantity of the chief agricultural products; also comparative tables showing the quantity produced for a series of years. The average wages paid for farm labor, including board, in 1901, varied, in the several counties, from \$10.17 to \$18.68 per month, and in 1902 from \$12.34 to \$19 per month.

RAILROAD STATISTICS.—Tables are given showing for each road operating in the State for the years ending June 30, 1901, and June 30, 1902, the earnings, operating expenses, and maintenance, passengers carried, freight tonnage, average passenger and freight rates, number of officials and employees, salaries and wages, hours of labor per day, days employed per year, and accidents.

IOWA.

Tenth Biennial Report of the Bureau of Labor Statistics for the State of Iowa. 1901, 1902. Edward D. Brigham, Commissioner. 608 pp.

The subjects following are presented in this report: History and purpose of the Bureau of Labor Statistics, 5 pages; factory inspection, 79 pages; graded wages and salaries, 39 pages; new industries, 66 pages; trade unions, 181 pages; employers' reports, 67 pages;

immigration, 12 pages; wage-earners, 46 pages; railroad employees, 19 pages; manual training, 21 pages; some phases of the labor question, 8 pages; directory of Iowa employers, 46 pages.

GRADED WAGES AND SALARIES.—This is a compilation showing, by industries and occupations, the maximum, medium, and minimum wages paid per hour, day, week, month, or year in 18 counties of the State. The number of hours worked per day and per week, together with the sex employed, are also shown.

NEW INDUSTRIES.—To this subject there are four parts: The first shows, by counties, the increase since 1900 in business houses and manufacturing establishments; the second, the new mercantile and manufacturing establishments desired in each locality, together with the advantages and inducements offered for their location; the third, an analysis of the totals furnished by the Twelfth United States Census of the 35 leading manufacturing and mechanical industries of the State, located in the 18 counties having the largest industrial development; and the fourth a report on the unused and undeveloped water powers of the State.

TRADE UNIONS.—The number of local unions in the State reported as holding charters in 1902 was 830, an increase of 434 over the number reported for 1900; the number of national and international organizations reported as having representation in the State was 65, an increase of 17 over the number reported for 1900. Reports were received from 762 out of the 830 locals, giving a total membership of 44,722, or an increase of 18,654 over the number reported for 1900. The 44,722 members were distributed among 6 industries as follows: Building trades, 5,692 members; domestic and personal service, 2,446 members; manufactures, 11,138 members; mercantile, 3,087 members; mines and mining, 12,499 members; transportation, 9,860 members.

Of the advantages gained by trade unions without strikes or lock-outs 90 reported increase of wages, reduction of hours of labor, improved conditions, recognition of union, etc. The chapter closes with the reproductions of 67 wage scales and trade agreements between employers and employees in Iowa.

EMPLOYERS' REPORTS.—Under this head are presented, by counties and industries, for the year 1902, returns from 1,627 establishments, giving number of employees, hours worked per day, weeks in operation, total wages paid, and increase or decrease of wages during the year. The average number of employees reported for the year was 62,299—47,857 adult males, 11,812 adult females, and 2,630 children under 16 years of age—or 38 to an establishment. The average length of the working day for women and children was 9½ hours. During the year an aggregate of \$26,660,004 was paid in wages. The average annual earnings of men was \$501.91, of women \$241.40, and of children \$122.85. The aggregate increase in business for 1902

approximated \$11,000,000. Employers reported 60 strikes as taking place during the year.

WAGE-EARNERS.—Data furnished by 395 individual wage-earners of the State engaged in 57 occupations relating to wages, hours of labor, savings, conditions of employment, insurance, ownership of home, etc., are presented in this chapter. The total wages earned during 1901 by 337 wage-earners who reported was \$223,142, or an average of \$662.14 for each. Savings for the year amounted to \$26,215 by the 138 persons who reported, or an average of \$189.96 for each. Life insurance averaging \$1,905 per individual was carried by 236 wage-earners, and 137 carried fire insurance on their homes to the extent of \$113,750, or an average of \$830 for each. Home owners numbered 133, of whom 74 valued their property at \$116,150, or an average of \$1,570 all being unencumbered, while 59 reported an equity of \$55,030 in property valued at \$96,300.

RAILROAD EMPLOYEES.—This is an investigation of the conditions surrounding the employment of railroad men in the transportation branch of the service, and a record of the accidents to railroad employees within the State for a period of about 32 months from January 1, 1901. During this period there were 86 accidents reported, 66 of which resulted fatally. This is not considered as a complete record of all accidents to railroad employees in the State during the time covered.

Returns from railway employees show that the average run per month was 3,408 miles for conductors; 3,058 miles for engineers; 2,933 miles for firemen, and 3,097 miles for trainmen. On the above mileage basis the average maximum annual earnings of conductors reporting at the maximum rate of \$3.45 per 100 miles was \$1,410, the average minimum annual earnings on the same mileage basis at the minimum rate of \$3 per 100 miles was \$1,224; the average maximum annual earnings of engineers on the mileage basis of those reporting at the maximum rate of \$4.50 per 100 miles was \$1,650, the average minimum annual earnings on the same mileage basis at the minimum rate of \$3.50 per 100 miles was \$1,283; the average maximum annual earnings of firemen on the mileage basis of those reporting at the maximum rate of \$2.50 per 100 miles was \$880, the average minimum annual earnings on the same mileage basis at the minimum rate of \$2.25 per 100 miles was \$790; the average maximum annual earnings of trainmen on the mileage basis of those reporting at the maximum rate of \$2.20 per 100 miles was \$817, the average minimum annual earnings on the same mileage basis at the minimum rate of \$2 per 100 miles was \$743.

KANSAS.

First Biennial Report of the Bureau of Labor and Industry, for 1901 and 1902. W. L. A. Johnson, Commissioner. iv, 472 pp.

Since its organization in 1885 the Kansas bureau has issued 16 annual reports; but the legislature of 1901 provided for biennial reports, the first of which is the present one. The contents of this report may be grouped as follows: Statistics of wage-earners, 198 pages; wages of railway employees, 10 pages; labor organizations, 31 pages; factory inspection, 22 pages; brick, tile, and cement industry, 28 pages; lead and zinc industry, 6 pages; oil and gas industry, 28 pages; railway shop construction and repair work, 18 pages; foundries and machine shops, 15 pages; strikes and labor difficulties, 35 pages; enforcement of labor laws, etc., 18 pages; proceedings of the fifth annual convention of the State Society of Labor and Industry, 46 pages.

STATISTICS OF WAGE-EARNERS.—This is an investigation of the industrial condition of the wage-earners of the State, showing earnings, cost of living, savings, investments, value of homes, incumbrances, etc. The returns cover 468 reports for the year 1901 and 334 for 1902, and embrace railway employees in train service and in railway trades other than train service, and employees in building and in miscellaneous trades. For the year 1901 the average total income of wage-earners from all sources was \$701.37; for 1902 it was \$741.62. The average cost of living of wage-earners in 1901 was \$637; the average cost in 1902 was \$658.61.

WAGES OF RAILWAY EMPLOYEES.—Salaries and wages paid employees of the largest railway companies operating within the State are presented under this head. During 1901 an aggregate of \$12,273,045.73 in salaries and wages was paid to 20,446 employees. Excluding officials and clerks, the highest average yearly earnings were received by locomotive engineers, namely, \$1,254.42, and the lowest by boiler-makers' apprentices, namely, \$253.40. During 1902 an aggregate of \$12,894,194.69 in salaries and wages was paid to 21,665 employees, and, excluding officials and clerks, the highest average yearly earnings were received by locomotive engineers, namely, \$1,244.75, and the lowest by trackmen, namely, \$345.20.

LABOR ORGANIZATIONS.—This chapter presents reports from 146 organizations in 1901 and 127 in 1902 relating to membership, occupations, conditions of employment, wages, hours of labor, strikes, accidents, etc. On December 31, 1901, 134 organizations reported a total membership of 8,649, and on December 31, 1902, 116 organizations a total membership of 7,715. The average hours of labor per day in 1901, for 124 organizations reporting, were 9.6, and in 1902, for 117 organizations reporting, were 9.3. The annual cost per member for

maintaining union, aside from insurance, was \$6.73 in 1901 for the 139 organizations reporting, and in 1902 it was \$7.23 for the 109 organizations reporting. In 1901, 19 organizations engaged in 36 strikes, and in 1902, 11 organizations engaged in 12 strikes.

BRICK, TILE, AND CEMENT INDUSTRY.—This is an investigation in 1901 and 1902 of the manufacture of brick, tile, and cement; and in addition to a textual discussion of the subject there are tables showing capital invested, value of product, capacity of plants, number of employees, salaries and wages, hours of labor, etc. In 1901 the average daily wages of unskilled labor was \$1.45, and of skilled labor \$2.15; in 1902 the average daily wages of unskilled labor was \$1.53, and of skilled labor \$2.38.

LEAD AND ZINC INDUSTRY.—In 1901 the output of the State was 92,707,854 pounds of zinc, valued at \$1,111,849, and 13,159,896 pounds of lead, valued at \$302,099; in 1902 the output of the State was 69,859,410 pounds of zinc, valued at \$1,013,662, and 8,659,190 pounds of lead, valued at \$202,770. For a shift of ten hours, wages ranged from \$1.50 to \$3.50 for various kinds of labor.

OIL AND GAS INDUSTRY.—This industry is one of the recent developments of the State, and in addition to a scientific and historic treatment of it, tables are given showing capital invested, acres of oil and gas territory owned and leased, number of wells drilled, capacity of wells, output for 1902, and other information.

RAILWAY SHOP CONSTRUCTION AND REPAIR WORK.—This part of the report is devoted to an investigation of the various railway repair and construction shops of the State. Tables are given showing number built, and cost of construction and repairs, of locomotives and cars, number of employees, days worked per annum, and average daily wages. In 1901, out of a total of 40 shops, 27 reported the employment of 4,711 workmen, and in 1902, out of a total of 23 shops, 21 reported the employment of 3,567 workmen.

FOUNDRIES AND MACHINE SHOPS.—In 1901 reports were received from 64 establishments and in 1902 from 21, showing capital invested, number of employees, hours of labor, salaries and wages, etc. For those reporting in 1901 the average daily wages for skilled labor were \$2.37 and for unskilled \$1.39, while the average hours of labor were 9.6 per day for each class. For those reporting in 1902 the average daily wages for skilled labor were \$2.43 and for unskilled \$1.33, while the average hours of labor were 9.7 per day for each class.

STRIKES AND LABOR DIFFICULTIES.—Text accounts are given of the more important difficulties occurring in the State during the year ending May 1, 1903. These were 17 in number and less than 2,500 working people were engaged in them. There were 8 strikes for increase of wages, of which 5 were successful; 7 for increase of wages

and contracts with employers, of which 4 were successful; and 2 for increase of wages and reinstatement of discharged employees, the results of which are not stated.

ENFORCEMENT OF LABOR LAWS, ETC.—Under this head are given court decisions, opinions of the attorney-general of the State, brief accounts of cases arising under the laws of the State relating to labor, and recent labor laws.

MISSOURI.

Twenty-fifth Annual Report of the Bureau of Labor Statistics and Inspection of the State of Missouri, for the year ending November 5, 1903. William Anderson, Commissioner. 422 pp.

The subjects treated in this report are the following: Industrial statistics, 60 pages; statistics of manufactures, 191 pages; labor organizations, 96 pages; free employment offices, 8 pages; Government lands in Missouri, 3 pages; cost of living, 5 pages; agreements between employers and employees, 34 pages; court decisions affecting labor, 14 pages.

INDUSTRIAL STATISTICS.—Under this head are given for each county of the State the surplus products shipped in 1902, together with the aggregate values of the same.

STATISTICS OF MANUFACTURES.—Returns covering 65 manufacturing industries show for 1902 a total capital invested of \$103,218,459, a total value of materials used of \$168,116,126, and a total value of products of \$270,456,232. There were employed during the year 87,282 males and 21,855 females, and there was paid out in wages a total of \$49,560,772. The number of days in operation during the year averaged 281. Detailed statements show, by occupations, for each industry, the number of males and females employed, the average daily wages, the hours of labor per day, and the advance in wages in 1902 over 1901.

LABOR ORGANIZATIONS.—This part of the report presents statistics for 1902, relative to the 636 labor organizations of the State. The membership of the organizations was 76,608 males and 2,835 females, a total of 79,443, or an increase over 1901 of 28,852. Of the total adult wage-earners employed in the various trades represented, 80.56 per cent were organized. The average number of hours constituting a day's work in 1902 was 9.26 as compared with 9.50 in 1901, while the average minimum wage per hour in 1902 was 27.77 cents as compared with 25.39 cents in 1901. During 1902 the average number of days employed was 278. On out of work, sick, death, strike, and accident benefits the organizations expended \$185,081.56. Out of work benefits were paid by 31 organizations, strike benefits by 189, sick and accident benefits by 157, and death benefits by 182. There were 159 strikes and lockouts during the year, of which 110 were settled satisfactorily to the unions involved, 25 were compromised,

and 24 were lost. The number of persons involved was 30,049, and the amount expended by the organizations in support of the strikes was \$45,711.10. Wages aggregating \$142,844.35 were lost to members through strikes during the year. Increase of wages during the year was reported by 70 organizations, reduction of hours of labor by 34. Appeals for arbitration were made in 70 instances, resulting in 59 disputes being settled by that method. The unions reported 1,497 accidents during 1902, of which 144 were fatal.

FREE EMPLOYMENT OFFICES.—Returns from the free employment offices, located in St. Louis, Kansas City, and St. Joseph, for the year ending September 30, 1903, show the following summarized results:

STATISTICS OF THE ST. LOUIS, KANSAS CITY, AND ST. JOSEPH FREE EMPLOYMENT OFFICES, FOR THE YEAR ENDING SEPTEMBER 30, 1903.

Kind of application.	St. Louis.		Kansas City.		St. Joseph.	
	Males.	Fe- males.	Males.	Fe- males.	Males.	Fe- males.
Applications for employment.....	7,688	512	5,507	850	1,689	383
Number filed.....	4,418	434	4,225	431	1,249	279
Applications for help.....	5,119	1,358	11,710	2,939	5,411	566
Number filed.....	4,418	434	4,225	431	1,249	279

The total applications for employment in the above cities for the year ending September 30, 1903, numbered 16,629 as compared with 11,642 for the previous year, while the number of persons provided with employment was 11,036 as compared with 7,263 for the previous year. The applications for help for the year ending September 30, 1903, numbered 27,103 as compared with 15,944 for the previous year. During the period from June 25 to July 20, 1903, the Kansas City office sent to the wheat fields of Kansas 2,142 harvest hands.

COST OF LIVING, AGREEMENTS BETWEEN EMPLOYERS AND EMPLOYEES, AND COURT DECISIONS AFFECTING LABOR.—The matter presented under these captions consists of reprints from bulletins of the United States Bureau of Labor.

NEW JERSEY.

Twenty-fifth Annual Report of the Bureau of Statistics of Labor and Industries, of New Jersey, for the year ending October 31, 1902.
William Stainsby, Chief. v, 503 pp.

The subjects presented in this report are: Statistics of manufactures, 155 pages; steam railroads, 11 pages; fruit and vegetable canning, 11 pages; economic condition of the building trades, 20 pages; the problem of the unemployed, 45 pages; cost of living, 21 pages; population of the State, 9 pages; the oyster industry, 66 pages; diseases and disease tendencies of occupations, 22 pages; cooperative societies, 5 pages; labor chronology, 104 pages; decisions of courts, 7 pages.

STATISTICS OF MANUFACTURES.—This presentation of the statistics

of manufactures is based on returns secured for each of the years 1900 and 1901 from identical establishments, 1,610 representing 84 specified industries, and 50 classed as miscellaneous. The facts are grouped in twenty tables, which show management of establishments, capital invested, value of materials and of products, number of employ-ees, wages and earnings, daily hours of labor, days establishments were in operation each year, proportion of business done, and a special presentation of the foregoing facts for nine principal industries. Additional tables show for 1901 the aggregate quantities of specified articles of stock used, with their aggregate cost value, and the aggregate quantities of specified articles of goods made, with their aggregate selling value.

In 1900, of the 1,660 establishments reporting, 1,659 reported the aggregate capital invested at \$264,474,031; 1,655 the value of materials used at \$243,339,385, and 1,656 the value of products at \$408,406,834; in 1901, of the total establishments reporting, 1,659 reported the aggregate capital invested at \$284,332,492; 1,654 the value of materials used at \$257,258,761, and 1,656 the value of products at \$437,422,888. The average number of persons employed in 1,659 establishments was 174,883 in 1900 and in 1,660 establishments 191,307 in 1901. A total of \$77,333,138 was paid in wages during 1900 and of \$85,450,085 during 1901, while the average yearly earnings per employee were \$442.19 in 1900 and \$446.66 in 1901. For the total establishments considered, the average number of days in operation was 288.20 for 1900 and 289.37 for 1901, the average number of hours worked per day 9.64 in 1900 and 9.66 in 1901, and the average proportion of business done of the total capacity of all the establishments was 76.24 in 1900 and 77.46 in 1901.

The following table presents data relative to average time and average earnings in the 20 leading industries:

TIME AND EARNINGS IN 20 INDUSTRIES, 1900 AND 1901.

Industry.	Estab-lish-ments.	Hourswork- ed per day.		Days in opera- tion.		Yearly earn- ings.		Aggregate wages paid.	
		1900.	1901.	1900.	1901.	1900.	1901.	1900.	1901.
Brewery products	32	9.86	9.86	307.89	306.50	\$322.35	\$317.62	\$1,454,746	\$1,516,690
Brick and terra coita	58	9.61	9.70	218.92	232.50	402.37	406.14	1,879,461	2,100,540
Chemical products	40	9.63	9.75	313.12	313.58	490.89	474.08	1,867,662	2,057,526
Cotton goods	39	9.73	9.67	230.35	287.44	278.54	271.72	1,379,035	1,556,961
Electrical appliances.....	20	9.82	9.95	303.12	294.85	521.59	556.16	1,266,937	1,649,575
Foundries (iron).....	30	9.77	9.80	239.20	292.53	531.18	520.58	2,102,424	2,214,015
Glass (window and bottle).....	19	8.86	8.95	251.67	242.73	500.85	491.64	2,721,121	2,751,202
Hats (felt and wool).....	48	9.10	9.10	269.10	271.71	508.95	523.60	2,694,423	2,961,505
Jewelry	66	9.60	9.60	239.92	239.62	562.34	580.13	1,288,887	1,448,016
Leather.....	55	9.79	9.84	239.96	294.32	467.77	489.32	1,986,558	2,373,717
Machinery	92	9.79	9.70	298.55	293.77	586.10	574.36	6,930,582	7,567,747
Oils.....	15	9.27	9.33	282.87	297.33	601.44	619.54	1,576,380	1,626,294
Pottery.....	31	9.55	9.55	301.51	305.54	555.18	570.23	1,929,796	2,058,531
Rubber products.....	30	9.26	9.93	235.39	287.33	451.16	455.93	1,811,521	1,961,890
Shoes.....	40	9.54	9.65	277.45	274.73	376.28	367.47	1,691,372	1,689,361
Shirts.....	22	9.56	9.59	236.44	265.95	265.56	274.54	922,724	841,538
Silk (broad and ribbon)....	103	9.72	9.87	239.81	238.40	379.49	391.06	7,681,001	8,130,926
Silk dyeing.....	20	9.68	9.60	293.50	298.25	452.38	459.72	1,502,821	1,638,889
Structural steel and iron...	16	9.63	9.38	291.81	308.63	506.04	511.12	1,499,991	1,637,959
Woolen and worsted goods.	26	9.92	10.00	233.72	234.50	324.53	334.25	2,356,101	2,522,623

The table following presents, by sex, the total number of persons employed in 1900 and 1901 in all industries (1,660 establishments) at the specified weekly rates of wages:

EMPLOYEES IN ALL INDUSTRIES (1,660 ESTABLISHMENTS) RECEIVING CLASSIFIED WEEKLY RATES OF WAGES, BY SEX, 1900 AND 1901.

Classified weekly wages.	1900.			1901.		
	Males.	Females.	Total.	Males.	Females.	Total.
Under \$5	15,511	19,470	34,981	15,794	20,876	36,670
\$5 or under \$6	6,258	9,268	15,526	6,748	10,755	17,503
\$6 or under \$7	8,016	7,265	15,281	8,599	7,819	16,418
\$7 or under \$8	14,402	4,786	19,188	14,518	5,884	20,402
\$8 or under \$9	13,451	3,053	16,504	15,169	3,579	18,748
\$9 or under \$10	19,278	2,424	21,702	20,281	2,620	22,901
\$10 or under \$12	19,217	2,144	21,361	21,634	2,406	24,040
\$12 or under \$15	21,634	1,231	22,865	23,377	1,383	24,760
\$15 or under \$20	19,928	329	20,257	23,166	400	23,565
\$20 or over	8,733	26	8,759	9,356	45	9,401
Total	146,428	49,996	196,424	158,641	55,767	214,408

STEAM RAILROADS.—For the year ending June 30, 1902, the seven railroads in the State employed 34,809 persons for an average of 292 days per person, each working an average of 10.5 hours per day. The total paid in wages amounted to \$19,087,158, the average wages per day being \$1.87, and the yearly earnings \$548.34. Four of the companies reported the number of employees injured during the year as 1,100, of which the injuries of 40 resulted in death.

FRUIT AND VEGETABLE CANNING.—In 1901 the 46 canneries in operation in the State reported an invested capital of \$873,195. They gave employment to 6,014 work people, 2,094 males and 3,920 females, and paid out in wages a total of \$267,828. The selling value of the product was \$1,320,886.

ECONOMIC CONDITION OF THE BUILDING TRADES.—This is an inquiry into the working time, wage rates, yearly and weekly earnings, etc., of mechanics and laborers employed in the building trades in all the large cities of the State for the year ending February 28, 1902. The results of the inquiry are summarized in the following tables:

STATISTICS OF EMPLOYEES IN THE BUILDING TRADES, 1902.

Occupation.	Number of employees.	Number who are—		Days idle during year from—			Average days employed during year.
		Unionists.	Non-unionists.	Want of work.	Sickness.	Strikes.	
Bricklayers.....	183	151	32	82	5	2	217
Stone masons.....	74	53	21	76	9	.....	221
Masons' laborers.....	79	64	15	96	.....	5	205
Plasterers.....	73	69	4	90	2	.....	214
Lathers.....	79	69	10	89	6	.....	211
Stonecutters.....	24	15	9	58	4	.....	249
Architectural sheet-iron workers.....	118	71	47	59	6	.....	240
Roofers (tar, gravel, and slate).....	16	12	4	90	10	.....	206
Structural-iron workers.....	43	40	3	100	5	.....	201
Electrical workers.....	124	83	41	79	3	.....	224
Plumbers.....	191	113	78	44	7	2	253
Carpenters.....	211	146	65	62	6	2	236
Painters and paper hangers.....	174	88	86	80	5	1	221

Occupation.	Average hours worked per day.	Average daily wages.	Average yearly earnings.	Number who own homes.	Number who rent homes.	Average yearly rent.	Average size of family.
Bricklayers.....	8.6	\$3.42	\$752	65	118	\$114	4.0
Stone masons.....	8.8	3.69	815	33	41	112	4.5
Masons' laborers.....	8.4	2.32	485	5	74	85	4.0
Plasterers.....	8.3	3.62	772	15	58	115	3.8
Lathers.....	8.6	3.25	684	15	64	106	3.7
Stonecutters.....	8.2	3.64	801	7	17	142	3.2
Architectural sheet-iron workers.....	9.1	2.82	678	24	94	110	3.2
Roofers (tar, gravel, and slate).....	8.2	2.74	564	.....	16	132	3.2
Structural-iron workers.....	8.0	3.75	565	.....	1	42	3.2
Electrical workers.....	8.8	2.78	641	10	114	116	3.5
Plumbers.....	9.0	2.81	709	24	167	123	3.5
Carpenters.....	8.7	2.58	612	45	166	116	3.6
Painters and paper hangers.....	9.0	2.43	513	23	151	107	3.2

THE PROBLEM OF THE UNEMPLOYED.—This subject opens with an account of the free employment agencies established in the large cities of the States of Illinois, New York, and Ohio, but is chiefly devoted to an explanation of the plan recently adopted by the government of New South Wales for dealing with the problem of the unemployed.

COST OF LIVING.—This is a continuation of the presentation of previous years and shows the retail prices of 52 items of food and other commodities in the principal markets in all counties of the State in the month of June, 1902. Summary comparisons with the four years 1898 to 1901 are also given.

THE OYSTER INDUSTRY.—Under this title is given a historical account of the oyster fisheries of the State, together with the local and general laws enacted for their protection from the colonial period up to the present time. The presentation also includes statistics of the capital invested, wages, number of persons and vessels employed, and quantity and selling value of the product for the year 1901. During the year the 3,881 men employed on registered vessels in Delaware

Bay, Maurice River Cove, and the coast line to and including Atlantic City received \$854,150 in wages, the 1,157 floatmen and boatmen received \$599,924, and to shoremen was paid \$206,004.

DISEASES AND DISEASE TENDENCIES OF OCCUPATIONS.—This section of the report, which is continued from the report of 1901, is devoted to an inquiry into diseases and disease tendencies of occupations in the hat, jewelry, shoe, and cotton and woolen industries. The hat industry is represented by 6 establishments, the jewelry by 65, the shoe by 7, the cotton by 9, and the woolen by 3. The plan of presentation is similar to that for 1901.

COOPERATIVE SOCIETIES.—A brief account is here given of the 50 cooperative societies that have been organized in the State under the provisions of the act of 1884. Of these societies 9 were organized for manufacturing purposes and 41 for carrying on distributive or retail stores. Of the 9 manufacturing ventures 7 were organized between 1884 and 1890, and from reports made to the labor bureau in 1895 it appears that not one of these ever began business; the other 2 were incorporated in 1902. Of the 41 distributive societies 33 were incorporated previous to 1895 and 8 since that time. Before a start was made 8 out of the 33 dissolved and 25 succeeded in opening stores, 10 of which were in operation in 1895; but it is believed that none of the latter are now in existence. Five societies have been organized since 1901, but the time since their organization has been too brief to announce the results of the ventures.

LABOR CHRONOLOGY.—Under this title are recorded the occurrences relating to or affecting labor for the eight months ending September 30, 1902, and embrace labor disputes, accidents to labor, organization of new labor unions, establishment of new industrial enterprises, etc.

DECISIONS OF COURTS.—This consists of extracts from recent decisions of the New Jersey courts in cases affecting the interests of labor.

PENNSYLVANIA.

Annual Report of the Secretary of Internal Affairs of the Commonwealth of Pennsylvania. Vol. XXX, 1902. Part III, Industrial Statistics. James M. Clark, Chief of Bureau. 446 pp.

This report contains: Comparative statistics of manufactures, 396 pages; statistics of iron, steel, and tin-plate production, 31 pages; statistics of coal mining, 4 pages; directories of pig-iron furnaces, steel and rolling mills, and tin-plate plants, 6 pages.

STATISTICS OF MANUFACTURES.—A summary statement of the comparative statistics for the 88 manufacturing industries, representing 771 establishments, for the seven-year period, 1896 to 1902, is presented in the following table:

REPORTS OF STATE BUREAUS OF LABOR—PENNSYLVANIA. 1651

COMPARATIVE STATISTICS OF 771 IDENTICAL MANUFACTURING ESTABLISHMENTS,
1896 TO 1902.

Year.	Capital invested in plants, and working capital.	Cost of basic material.	Market value of product.	Per cent of cost of basic material of value of product.	Average days in operation.
1896	\$196,940,994	\$91,252,619	\$185,249,628	49.3	270
1897	199,589,439	100,781,337	202,282,309	49.8	286
1898	204,508,452	114,164,071	237,590,026	48.0	286
1899	236,300,736	163,102,615	320,743,139	50.9	288
1900	253,684,241	181,416,894	351,876,655	51.6	288
1901	260,452,976	186,054,607	366,722,365	50.7	293
1902	262,685,694	212,922,682	421,141,115	50.5	293

Year.	Persons employed.	Aggregate wages paid.	Average yearly earnings.	Average daily wages.	Value of product per employee.	Per cent of wages of value of product.
1896	129,240	\$49,430,808	\$382.47	\$1.42	\$1,433.38	26.7
1897	134,918	51,827,646	384.14	1.34	1,499.37	25.6
1898	150,990	60,681,022	401.89	1.40	1,573.55	25.5
1899	173,302	75,797,895	437.37	1.52	1,850.78	23.7
1900	184,623	81,029,889	439.97	1.53	1,923.21	23.1
1901	191,153	86,103,628	450.44	1.54	1,918.48	23.5
1902	203,927	98,432,570	482.68	1.65	2,065.15	23.4

IRON, STEEL, AND TIN PLATE PRODUCTION.—The statements following present the principal data for 1902 in the production of pig iron, steel, rolled iron and steel, and tin plate:

PIG IRON.	
Capital invested	\$158,391,090
Gross tons of production	8,111,642
Realized value	\$126,857,231
Value of basic material	\$61,634,972
Average days in operation	314
Number of workmen employed	17,101
Aggregate wages paid	\$10,191,759
Average yearly earnings	\$595.97
Average daily wages	\$1.89
Cost of labor per ton	\$1.25
Tonnage per man per day	1.51

STEEL.	
Gross tons of production:	
Bessemer	4,208,354
Open hearth, acid process	791,216
Open hearth, basic process	3,429,063
Crucible and other processes	82,562
Total	8,511,195

ROLLED IRON AND STEEL.	
Capital invested	\$247,870,718
Gross tons of production:	
Rails	1,272,222
Iron and steel structural shapes	1,074,856
Cut nails and spikes	33,638
Plates and sheets (including black plate for tinning)	1,808,992
Other rolled products	5,239,657
Total	9,429,365

Value of product (not including the tin-plate works)	\$360, 338, 972
Workmen employed (not including those in the tin-plate works)	95, 720
Aggregate wages paid	\$60, 721, 858
Average days in operation	285
Average yearly earnings	\$634. 68
Average daily wages	\$2. 23
Average value per ton	\$39. 16
Cost of labor per ton	\$6. 60

TIN PLATE (BLACK PLATE WORKS).

Capital invested (22 plants)	\$10, 858, 403
Pounds of production of black plate:	
Tinned	352, 544, 992
Not tinned	75, 898, 600
Total	428, 443, 592
Value of product	\$16, 116, 755
Workmen employed	8, 905
Aggregate wages paid	\$4, 506, 105
Average days in operation	198
Average yearly earnings	\$506. 02
Average daily wages	\$2. 55

TIN PLATE (DIPPING WORKS.)

Capital invested (5 plants)	\$718, 503
Pounds of production of tin and terne plate	44, 250, 396
Value of product	\$2, 274, 552
Workmen employed	358
Aggregate wages paid	\$164, 540
Average days in operation	279
Average yearly earnings	\$459. 61
Average daily wages	\$1. 61

STATISTICS OF COAL MINING.—In the table following are presented statistics of the anthracite and bituminous coal operations for the year ending June 30, 1902:

Items.	Anthracite coal.	Bituminous coal.
Miners	35, 842	79, 121
Inside workmen	58, 592	18, 858
Outside workmen	47, 346	13, 255
Aggregate wages paid to miners	\$17, 776, 586	\$39, 867, 090
Aggregate wages paid to inside workmen	\$21, 296, 393	\$10, 306, 272
Aggregate wages paid to outside workmen	\$14, 504, 659	\$6, 016, 817
Average days worked (miners)	175	232
Average days worked (inside workmen)	173	244
Average days worked (outside workmen)	177	243
Average yearly earnings (miners)	\$495. 97	\$508. 87
Average yearly earnings (inside workmen)	\$363. 47	\$546. 67
Average yearly earnings (outside workmen)	\$306. 37	\$453. 93
Average daily wages (miners)	\$2. 33	\$2. 16
Average daily wages (inside workmen)	\$2. 10	\$2. 24
Average daily wages (outside workmen)	\$1. 73	\$1. 87
Value on board cars of 43,807,862 tons shipped	\$93, 680, 586	.....
Realized value of 93,174,295 tons mined .....	.....	\$93, 725, 939
Average tons mined per man per year	1, 222	1, 177
Average tons mined per man per day	7	5

RECENT FOREIGN STATISTICAL PUBLICATIONS.

AUSTRIA.

Die Wohlfahrts-Einrichtungen der Arbeitgeber zu Gunsten ihrer Angestellten und Arbeiter in Oesterreich. Herausgegeben vom k. k. arbeitsstatistischen Amte im Handelsministerium. I. Theil. Wohlfahrts-Einrichtungen der Eisenbahnen. I. Heft. Privat-Eisenbahnen. 240 pp.

This is the first of a series of three volumes, published by the Austrian bureau of labor statistics, containing the results of investigation of various institutions for the welfare of employees. The present volume relates to employees of private steam railways and steam tramways. The two other volumes deal with employment on State railways and in manufacturing and mercantile establishments, respectively.

The present volume contains twelve chapters dealing respectively with the following subjects: Number of establishments and employees; systems of salary and wage payments and statistics of salaries and wages; treatment of employees during military service; hours of labor, night work, leaves of absence, and disposition of employees during times of slackness in traffic; contractual relations between the companies and their employees; loan and savings institutions; sickness, accident, and other relief institutions; arrangements for the cheap supply of commodities to employees; housing of employees; prevention of accidents and hygiene; education and apprenticeship; spiritual, ethical, and social improvement of employees. An appendix contains copies of schedules of inquiry and by-laws of various institutions.

The information was obtained partly from published official reports and partly by means of printed schedules of inquiry sent to the railway companies. It mostly covers the years 1898 to 1900, but that relating to hours of labor is for the year 1901.

RAILWAY EMPLOYEES AND WAGES.—The following table shows the number of private steam railways and steam tramways considered in this report, and their aggregate mileage in 1898, 1899, and 1900.

NUMBER AND MILEAGE OF PRIVATE STEAM RAILWAYS AND TRAMWAYS IN AUSTRIA,
1898 TO 1900.

Year.	Steam railways.								Steam tramways.		Total.	
	Principal railways.		Independent local railways.		Cog-wheel railways.		Total.		Num-ber.	Mile-age.	Num-ber.	Mile-age.
	Num-ber.	Mile-age.	Num-ber.	Mile-age.	Num-ber.	Mile-age.	Num-ber.	Mile-age.				
1898	14	4,192	28	639	5	20	47	4,851	6	86	53	4,937
1899	14	4,192	31	676	5	20	50	4,888	7	89	57	4,977
1900	14	4,233	36	737	5	20	55	4,990	7	83	62	5,073

^aThe decrease in mileage here shown is due to a decrease for one tramway, as shown in the original report, from 10.130 kilometers (6.29 miles) ^bin 1899 to 0.221 kilometers (0.14 mile) in 1900. As the report shows for 1900 a great increase in number of employees on this tramway, the mileage figures appear to be in error.

The next table shows the number of employees and their aggregate salaries, wages, and other allowances in 1898, 1899, and 1900, arranged according to the classification adopted by the Austrian railway companies:

NUMBER OF EMPLOYEES AND WAGES PAID ON PRIVATE STEAM RAILWAYS AND TRAMWAYS IN AUSTRIA, 1898 TO 1900.

Occupation classes	Persons employed.			Aggregate salaries and wages.		
	1898.	1899.	1900.	1898.	1899.	1900.
Principal railways:						
Officials (<i>Beamten</i>).....	9,271	9,461	10,165	\$5,984,472.89	\$6,266,612.44	\$6,597,668.49
Inferior officials (<i>Unterbeamten</i>).....	4,765	5,126	5,695	2,177,213.16	2,309,742.12	2,633,573.20
Female employees.....	1,261	1,311	1,378	92,034.11	94,524.11	113,420.36
Other permanent employees (<i>Diener</i>).....	23,320	25,179	26,668	6,286,726.83	6,855,882.87	7,197,343.28
Workmen engaged by the day.....	51,844	53,546	58,513	7,662,491.59	7,955,158.72	8,578,494.79
All employees.....	90,461	94,623	102,419	22,202,938.64	23,481,920.26	25,120,500.12
Independent local railways:						
Officials.....	192	188	225	103,203.57	100,329.50	107,130.00
Inferior officials.....	106	100	137	32,053.98	31,201.91	38,196.08
Female employees.....	5	10	9	725.93	1,680.08	1,971.74
Other permanent employees.....	529	539	557	109,415.78	115,176.52	119,904.38
Workmen engaged by the day.....	1,142	1,195	1,412	128,568.02	132,694.61	150,998.71
All employees.....	1,974	2,032	2,340	373,972.28	381,082.57	418,200.91
Cogwheel railways:						
Officers.....	11	11	13	5,279.22	5,558.95	6,351.06
Inferior officers.....	17	17	19	5,571.54	5,689.69	6,264.78
Female employees.....	7	7	7	840.83	815.25	845.50
Other permanent employees.....	31	31	25	5,430.66	5,152.54	3,178.98
Workmen engaged by the day.....	49	54	55	6,998.22	7,266.18	8,161.21
All employees.....	115	120	119	24,120.47	24,432.61	24,801.58
Steam tramways:						
Officers.....	48	66	70	26,344.12	33,050.43	33,000.29
Inferior officers.....	65	67	85	22,212.26	21,769.72	28,156.91
Female employees.....	5	6	9	995.51	1,169.68	1,476.01
Other permanent employees.....	134	144	266	33,015.11	31,701.29	46,369.67
Workmen engaged by the day.....	322	334	408	57,507.06	64,512.18	74,943.13
All employees.....	574	617	838	140,074.06	152,203.30	183,946.01
All private steam railways:						
Officers.....	9,522	9,726	10,473	6,119,299.80	6,405,551.32	6,744,149.84
Inferior officers.....	4,953	5,310	5,936	2,237,055.94	2,368,403.44	2,706,190.97
Female employees.....	1,278	1,334	1,403	94,596.88	98,189.07	117,713.61
Other permanent employees.....	24,014	25,893	27,516	6,434,588.44	7,007,913.22	7,366,796.31
Workmen engaged by the day.....	53,357	55,129	60,388	7,855,564.89	8,159,631.69	8,812,597.84
All employees.....	93,124	97,392	105,716	22,741,105.45	24,039,688.74	25,747,448.57

The exact meaning of the terms "*Beamten*," "*Unterbeamten*," and "*Diener*" is not clear. In the first class are probably included all higher officials, including station masters in the cities and others having responsible administrative posts. The second class probably includes

inferior officials, such as station agents, baggage masters, locomotive engineers, conductors, etc. The term "*Diener*" is applied to all other permanent railway employees in the regular classified service of the companies.

The employees on the regular permanent rolls of the companies receive fixed salaries or wages. These include the first four groups of the preceding table. The day workers and other temporary employees, which are included in the last group, are paid in some instances by the day and in some by the task. The collective contract system is common on the private roads, by which workmen organize into groups and appoint a foreman to represent them in their relations with their employers. The collective earnings of a group are determined by a piece-price list agreed upon in the contract, and are distributed among the members of the group at the end of each wage period. The companies in some cases guarantee the contract workers a certain normal daily wage, and in some cases advance money to cover deficiencies that may occur in the earnings during a wage period. The contract workers are required to make a deposit with the company to secure the performance of the contract, this deposit being refunded with interest at the termination of the contract. The classes of labor performed under this system vary in the different companies. They include building and construction work, shop work, loading and unloading, delivery of merchandise, etc.

The systems of allowances supplemental to the regular wages and salaries are somewhat complicated. Regular allowances for quarters are made to certain classes of employees, and free coal is given in some instances; also extra allowances for overtime, night work, extra mileage, travel pay, etc., are granted. In addition to these a number of companies give increased pay for long-continued service; prizes for economy in the use of fuel, oil, and other materials; rewards for discovering defects or obstructions in the road bed, dangerous defects in the engines or rolling stock, or for otherwise preventing accidents; and premiums for meritorious service in the handling of trains, facilitating transportation, etc.

The original report contains detailed tables showing for the year 1898 the highest and lowest salaries, wages, and allowances for quarters paid to certain classes of employees on 19 railways in Austria. The following table gives this information for the three leading roads, which employ nearly two-thirds of all the persons in the private steam-railway service.

HIGHEST AND LOWEST YEARLY SALARIES AND DAILY WAGES PAID CERTAIN EMPLOYEES ON THE THREE LEADING PRIVATE STEAM RAILWAYS IN AUSTRIA, 1898.

Occupation.	Kaiser Ferdinands-Nordbahn.				Südbahn-Gesellschaft.				Oester.-ungar. Staats-Eisenbahn-Gesellschaft.			
	Salaries and wages per year.		Allowance for quarters.		Salaries and wages per year.		Allowance for quarters.		Salaries and wages per year.		Allowance for quarters.	
	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.
Permanent employees other than officials (<i>Diener</i>)	\$263.90	\$146.16	\$97.44	\$73.08	\$341.04	\$121.80	\$121.80	\$48.72	\$324.80	\$109.62	\$113.68	\$48.72
Temporary salaried employees (<i>Provisorische Bedienstete</i>)	a 1.62	a. 32			243.60	97.44			a. 81 b 80.45	a. 28 b 16.24		
Female office employees	a. 81	a. 61	97.44	97.44		146.16	48.72	24.36	194.88	b 12.18		
Female laborers	a. 35	a. 10			97.44	24.36			a. 51	a. 16		
Wageworkers	a 1.34	a. 24			a 1.06	a. 30			a 1.22	a. 28		

a Per day.

b Per month.

The same railway companies paid during 1898 the following amounts for rewards, prizes, and premiums:

AMOUNTS PAID AS REWARDS, PRIZES, AND PREMIUMS TO EMPLOYEES OF CERTAIN RAILWAYS IN AUSTRIA, 1898.

	Kaiser Ferdinands-Nordbahn.		Südbahn-Gesellschaft.		Oester.-ungar. Staats-Eisenbahn-Gesellschaft.	
	Permanent employees.	Wage-workers.	Permanent employees.	Wage-workers.	Permanent employees.	Wage-workers.
Rewards	\$100,375.38	\$5,392.49	\$5,485.87	\$227.36	\$30,628.12	\$260.33
Prizes for economy	a 99,062.69	(b)	102,352.48		a 30,354.34	(b)
Service premiums	a 4,222.40	(b)		289.46		

a Including payments to wage workers.

b Included in payments to permanent employees.

MILITARY SERVICE.—In 1890 representatives of the leading railways of Austria and Hungary formulated a set of uniform regulations governing the treatment of railway employees called to perform military service. According to these regulations, all permanent employees (*Beamten, Unterbeamten, and Diener*), as well as persons in training for such positions, and those temporarily employed by the month or year, and who have served at least one year in some regular position, when called upon to perform the regular term of military service, are given a furlough without pay during the continuance of such service. If they return within thirty days after the completion of their term they are reinstated. During such term an employee need not contribute to the pension and provident funds. If he does, however, his time is credited to him as if it had been spent in the railway service.

When such employees are required to go to war they are considered as being indefinitely furloughed. In such case persons in the ranks of the army or navy receive one-half their regular pay and their entire allowance for quarters, if they have families or other dependents; if not, they receive one month's salary upon leaving, and if they serve over six months they receive one month's salary upon returning to the company's service. Persons receiving military pay during such service and having families or other dependents obtain one-third their regular railway service pay and allowance for quarters. This amount is increased to one-half if their military pay and allowances amount to less than one-half their railway pay. Persons receiving military pay and having no families or dependents receive, upon leaving, an amount equal to one-twelfth their annual salary and allowances. During such war service the contributions for pension and provident funds are deducted from their pay, and the time absent on such duties is credited to them for the purposes of the funds as if they had continued in the railway service.

If, upon returning from the regular military service or from war, the employee is found upon examination to have become physically incapacitated during such service, he or, if he dies in the interim, his family have the same claim upon the railway pension and provident funds as if the employee had been in the service of the company, except that in case the injury occurred during military service the time spent in the military service is not credited in the fixing of the amount of the claim.

All of the above-mentioned employees when required to participate in the periodical military practice exercises obtain a furlough with full pay and allowances for quarters during such service. Payments to the pension and provident funds must be continued while on such temporary military duty, and the time of absence is not charged against them.

Persons not included in the above classes are considered as having severed their connection with the railway company when they enter the military service, but after such service they are preferred for reemployment when vacancies occur.

HOURS OF LABOR, LEAVES OF ABSENCE, ETC.—The investigation of the hours of labor, night work, leave of absence, and the disposition of employees at times of depression was the subject of a special schedule inquiry made at the beginning of the year 1901. Returns were received from 19 railway companies, but they are not presented in such a way that they can be reproduced in summary form. The hours of continuous duty as reported for the different roads range from 2 to 25½ hours, and the periods of rest following labor from 2 to 30 hours.

The private railways grant their permanent employees (*Beamten*, *Unterbeamten*, and *Diener*) annual leave of absence, the length of which varies with the character of the employment. Sometimes a certain length of service, as from 3 to 10 years, is required before leave is granted. The salaries usually do not continue for a longer period than one month when on leave. If absent for a longer period, employees receive either part pay or their salary is discontinued entirely. Laborers receive leave of absence, but usually without pay.

During seasons of slackness in traffic, employees are retained in service by being employed and laid off in turns, or by being given work in other departments.

RELATIONS BETWEEN THE COMPANIES AND THEIR EMPLOYEES.—The regulation of the relations between the railway companies and their employees varies with the different roads. Certain qualifications are required for employment, such as a specified age, physical condition, etc. Salaries increase with length of service. Employees usually receive free transportation after they have served a certain time. The railway employees are members of railway relief funds and receive in case of sickness or other disability either regular relief from these funds or allowances from the companies.

In the employment of women preference is given to dependents of deceased employees. They perform either clerical work or are employed at flag or signal stations or as charwomen or laborers.

Employees on most railroads are required to obtain permission if they wish to marry. This permission is given, as a rule, only when the employee's total earnings are considered sufficient for a married man. Persons marrying when not entitled to insurance in the regular relief funds are sometimes required to take out life-insurance policies. Refusal to comply with the requirements concerning marriage usually involves forfeiture by the wife and children of all claims for relief, and in some cases the punishment of the offender.

LOAN AND SAVINGS INSTITUTIONS.—Most of the railway companies make loans or advances to their permanent employees without charging interest. In a number of the larger railway companies loan and savings institutions have been founded either by the companies or by the employees. There is usually a specified maximum and minimum amount that may be deposited by any individual, and the same is true of loans made to employees by the companies or loan associations.

RELIEF AND INSURANCE.—The introduction of compulsory sick and accident insurance in Austria has narrowed the scope of voluntary relief institutions among railway employees. Some of the existing voluntary institutions secure the continuance of the regular wages or salaries of members for a limited time during illness, pay funeral expenses, or give pensions to dependents of deceased employees. The

most important of these voluntary institutions, however, are the old age and disability pension and provident funds, supported by contributions in part from the companies and in part from members. In addition to these special funds, the railroad companies grant direct relief in some cases. The following statement shows the receipts and expenditures of 26 sick-relief institutions in 1900:

Receipts:	
Contributions of members	\$296, 997. 32
Contributions of railway companies.....	155, 216. 64
Other receipts.....	23, 222. 39
Total receipts	475, 436. 35
Expenditures:	
Sick relief, medicines, etc.....	403, 113. 75
Physicians' fees	61, 145. 43
Other expenditures.....	6, 889. 00
Total expenditures	471, 148. 18
Assets at the close of the year	516, 332. 53

In addition to the relief required by law, these institutions also give medical attendance, medicines, hospital treatment, etc., to the wives of members, and to their children under 18 years of age.

All employees of private steam railways are insured against accident in an organization known as the *Berufsgenossenschaftliche Unfall Versicherungs-Anstalt der österreichischen Eisenbahnen*. The law of June 20, 1894, requires the railway companies to assume the entire burden of accident insurance.

The following statement shows the contributions and relief payments made to this fund by 36 railway companies in 1900:

Railways reporting contributions	36
Amount of contributions.....	\$940, 154. 10
Railways reporting relief payments	30
Expenditures for relief during temporary disability, medical attendance, etc	\$146, 217. 45
Permanent pensions to—	
Disabled employees	\$105, 000. 74
Widows	26, 596. 04
Children.....	28, 183. 50
Parents.....	2, 312. 58
Total permanent pensions.....	162, 092. 86
Final settlements.....	1, 005. 46
Funeral expenses.....	1, 543. 00

The table which follows shows the number of persons killed and injured by accidents reported on 23 private steam railways in Austria in 1900:

PERSONS KILLED AND INJURED BY ACCIDENTS ON PRIVATE STEAM RAILWAYS IN AUSTRIA, 1900.

Character of accidents.	Persons killed.	Persons injured.	Total.
Derailments.....		9	9
Collisions.....	1	59	60
Other accidents.....	54	398	452
Total.....	55	466	521

Following is a statement showing the total receipts and expenditures of the old age and disability pension institutions of 18 Austrian railways in 1900:

Receipts—

Contributions of members.....	\$721, 252. 91
Contributions of railway companies.....	1, 251, 875. 22
Other receipts.....	623, 084. 14
Total receipts.....	<u>2, 596, 212. 27</u>

Expenditures—

Pensions.....	1, 968, 521. 65
Final settlements.....	15, 872. 16
Education of children.....	47, 901. 30
Voluntary aid.....	376. 36
Other expenditures.....	99, 775. 52
Total expenditures.....	<u>2, 132, 446. 99</u>
Assets at the close of the year.....	13, 278, 104. 55

In addition to these pension institutions 16 local railways participate in another institution which, in 1900, expended 5,392 kroner (\$1,094.58) for pensions to widows, relief to orphans, etc.

COMPANY STORES.—A number of the railway companies have established company or cooperative stores for the purpose of enabling their employees to obtain their commodities at the cheapest possible prices. The companies assist these institutions by giving the free use of buildings, and by shipping the goods at reduced rates. As a rule these stores sell only to employees of the company and only in such quantities as are needed for the use of the purchaser and his family. In some cases a limit depending upon the amount of the wages or salary received by the employee is placed upon the amount that he may purchase during any period. Purchasers may buy either for cash or on credit, certain categories of employees being in some instances excluded from the privilege of making credit purchases. The amount of credit given usually depends upon the earnings of the purchaser, but sometimes a maximum figure is fixed. Payments of credit purchases are

usually made by deductions from the wages or salaries, but occasionally installment payments are permitted. The profits from these concerns are either devoted to relief or reserve funds or are distributed among the purchasers in proportion to the purchases made.

The railway companies regularly furnish their employees with fuel at cost price. In some cases where employees live in company houses they receive fuel free of cost.

The railway companies do not conduct dining rooms, but nearly all of them have contracts with owners of station dining rooms, restaurants, etc., whereby employees pay from 10 to 25 per cent less than the regular rates for meals.

HOUSING OF EMPLOYEES.—Special institutions for the encouragement of home ownership among employees do not exist on the Austrian private railways. The companies, however, erect dwelling houses, and the larger ones establish colonies in localities where they employ many persons, especially in the vicinity of workshops. Persons connected with the railway stations and whose presence is constantly required, are given quarters in the station buildings. Flag and signal men are likewise furnished with homes at or near their posts of duty. In some instances the pension institutions construct working people's dwellings as an investment for part of their funds. Most of the railway companies allow certain employees (station agents, flagmen, etc.) ground for cultivation, either free of cost or for a small rent. In 1900, 25 private railway companies had erected 5,036 houses for station men, flagmen, and switchmen, and 735 buildings for other employees.

PREVENTION OF ACCIDENTS.—Special attention is given by the Austrian railways to the prevention of accidents. The arrangements, appliances, regulations, etc., for this purpose are so manifold that they can not be enumerated here. Among them may be mentioned vestibule cars, inclosed shelters for brakemen, cabs for locomotive engineers, etc., on trains; guards on machinery, and sanitary arrangements, such as proper light, heat, ventilation, and cleanliness in workshops. All the companies have carefully prepared rules and regulations for the health and safety of employees. The train and station employees are instructed and examined by the company physicians in giving first aid to the injured, and certain stations are supplied with rescue appliances, bandages, and stretchers.

EDUCATION.—Many of the larger railway companies have at times endeavored to establish day nurseries, kindergartens, orphan asylums, and schools for the children of employees, and some companies provide for the education of the children of employees by the payment of tuitions or for free scholarships in certain educational institutions.

At the instance of the Austrian Railway Officials' Club, the Austrian State railways and several private railways maintain in Vienna a continuation school for the technical education of certain classes of rail-

way employees in active service. The administration of this school is in the hands of a board of governors consisting of five members, three of whom are appointed by the conference of Austrian railway directors and two by the above-mentioned club. The expenses of the school are borne by the participating railways in proportion to their railway mileage within the borders of Austria.

Apprentices are indentured only in the workshops of the larger private railways.

RELIGIOUS, ETHICAL, AND SOCIAL IMPROVEMENT.—All railway employees are given at least one Sunday per month for church attendance. In Vienna and Oderberg special services are held for the employees of one of the larger roads. The same company has subsidized many churches and it affords special transportation facilities for employees stationed at a distance from churches.

Several larger railway companies have established libraries for their employees. Sometimes employees' social clubs and singing societies receive substantial aid from the railway companies.

COST OF BETTERMENT INSTITUTIONS.—It was not possible to obtain accurate statistics of the actual cost to the railway companies of the various institutions enumerated above. In round numbers the aggregate expenditures of the companies in 1898 were 5,000,000 kroner (\$1,011,500) for the old age and invalidity funds, 3,500,000 kroner (\$708,050) for compulsory sick and accident insurance, 2,500,000 kroner (\$505,750) for rewards, prizes, etc., and about 1,000,000 kroner (\$202,300) for other betterment purposes, making a total of about 12,000,000 kroner (\$2,427,600). This, however, is probably more than the average yearly cost, because in 1898 many special donations were made on account of the celebration in that year of the fiftieth anniversary of the Emperor's accession to the Austrian throne.

CANADA.

Report of the Royal Commission on Industrial Disputes in the Province of British Columbia. Issued by the Department of Labor. 1903. ix, 77 pp.

This is the report of a commission appointed in April, 1903, to inquire into and report upon disputes between owners of coal and metalliferous mines and their employees, and between transportation companies and their employees in the Province of British Columbia. The disputes investigated by the commission were: Strike of United Brotherhood of Railway Employees, and sympathetic strikes; disputes in the coal mines of British Columbia during 1903; strike of coal miners at Ladysmith, and strike of coal miners at Union.

After detailing the causes which led up to the strikes investigated,

the commission proceeds to a discussion of the general questions raised. From the conclusions of the commission the following extracts are reproduced:

With respect to the employers and the employed, it is their clear duty to the community, whose protection they both enjoy, to meet each other, either by themselves or through the mediation of third parties, and by temperate discussion and conciliation settle their difficulties as best they can, each making considerable sacrifice, if necessary, to avoid the loss and injury which will otherwise occur to the public.

With respect to the rights of employers and workmen in relation to strikes and lockouts, we think much would be gained if these could be clearly set forth in a code.

It is clearly one of the fundamental rights of every employer that he may employ any man he chooses, subject, of course, to any laws that may be regulating the particular business. * * * We think that strikes solely because of the employment of nonunion labor ought to be made punishable by law.

It must be remembered that unionism and the demand for recognition of the union, i. e., of the right to make a collective bargain, are the natural outcome of the present stage of industrial development. * * * The right view of this matter seems to be that the strike for recognition, that is, for the right to make a collective bargain, should not be declared unlawful, but that it is specially incumbent on the authorities, when such a strike takes place, to see that no illegal methods are used to reenforce it.

The majority of workmen feel the necessity for some kind of organization, and organize they will, in some form or other, and therefore their right to combine to improve their conditions and to form unions for that purpose ought to be better recognized and regulated by law than it is. It is better that they be encouraged to establish legitimate unions which will be clothed with responsibility for the exercise of power, and which will, therefore, be more readily recognized and dealt with by employers, than that they should join secret organizations.

We think that legitimate trade unionism ought to be encouraged and protected, * * * We would therefore suggest that provision be made for the incorporation of trade unions with a model constitution; that among other things it should be provided that no strike should be declared without at least thirty days' notice to the employer. * * * To protect the union it ought to be made an offense for the employer to discriminate against or discharge any member of an incorporated union for the reason only that he is or intends to become a member of such union. * * *

With regard to preventive measures by the parties themselves, obviously the simplest and best way is for the contending parties to settle their differences by compromise and mutual concession, either with or without the mediation of others, * * * As to the best method of minimizing the danger of strikes and lockouts by legislation, we think the most effective means will be found in compelling publicity at the earliest stage of the trouble.

There is no doubt that the establishment of boards of conciliation will go far in the direction of avoiding strikes and lockouts. The weight of opinion in Great Britain and the United States, both among

employers and employed, seems to be that conciliation ought to be the method invariably resorted to in the settlement of industrial disputes, and that a general scheme of compulsory arbitration would be productive of more harm than good, the chief grounds of objection being that it is a very serious interference with the freedom of contract; that it is generally a compromise which is not satisfactory to either party, being arrived at in the last result by an umpire who may not fully appreciate the position of one or other of the parties, and that it is seldom loyally accepted and lived up to by both parties.

* * * The weight of opinion as expressed before the commission was against compulsory arbitration, and while we do not think that a law applying this method of settling disputes to industries generally would meet with general approval, there are special cases in which it would seem to be the necessary final resort.

One of the most legitimate modes in which a legislature can aid in improving the condition of the workmen is by the shortening of hours. Of course this ought to be done gradually, and after carefully taking into account the conditions of the particular industry in other countries, so as not to transfer it elsewhere or drive it out of our own country.

GREAT BRITAIN.

Statistics of proceedings under the Workmen's Compensation Acts, 1897 and 1900, and the Employers' Liability Act, 1880, during the years 1901 and 1902. 38 pp.; 39 pp. (Published by the Home Office.)

These reports contain such statistical information as the Home Office could collect with reference to the workings of the workmen's compensation acts, 1897 and 1900, and the employers' liability act, 1880, during the years 1901 and 1902. They show for each of the countries, England and Wales, Scotland, and Ireland, statistics regarding the cases of arbitration under the workmen's compensation act in the county and sheriff courts and memoranda registered in the same, the number and results of actions in county and sheriff courts under the employers' liability act, statistics of the proceedings of each court, appeals to higher courts under each act, and a list of appeals under the workmen's compensation acts. As these statistics cover only cases which have come before the courts, they leave untouched the great body of cases in which compensation was settled by agreement and by informal arbitration. The tables contain the same particulars as those for preceding years, except that the workmen's compensation act of 1900, which came into operation on July 1, 1901, extended the benefits of the act of 1897 to agricultural laborers.

In England and Wales during the year 1902, under the workmen's compensation acts, 1,269 cases were dealt with by county court judges and county court arbitrators, as compared with 1,370 in the previous year. The number decided by judges was 1,200 in 1902, as against 1,289 in 1901, while the number of cases in which it was necessary to

appoint a special arbitrator was 9 in each year, and 60 cases in 1902 and 72 in 1901 were settled by acceptance of money paid into court. In addition to these there were 538 cases in 1902 and 548 in 1901 which were either withdrawn, settled out of court, or otherwise disposed of.

During 1902, of the claims for compensation finally settled within the courts 801 cases were in favor of the plaintiff and 167 in favor of the defendant. The award in 360 cases was in lump sums and in 441 in weekly payments. Compensation in 264 cases was awarded on account of death, in all of which the deceased left dependents. The amount awarded was £44,353 5s. 1d. (\$215,845.11), or an average award to each dependent of £168 0s. 1d. (\$817.59). With regard to the awards of compensation for the 537 cases of injury, in 96 cases the compensation was in lump sums, averaging £36 3s. 11d. (\$176.15) per case, and in 441 cases weekly sums were assigned, 242 being cases of total and 199 cases of partial disability. The average weekly allowance in the former was 12s. 2d. (\$2.96) and in the latter 9s. 11d. (\$2.41).

During 1901, of the claims for compensation finally settled within the courts 1,007 cases were in favor of the plaintiff and 167 in favor of the defendant. The award in 399 cases was in lump sums and in 608 in weekly payments. Compensation in 301 cases was awarded on account of death, in all of which the deceased left dependents. The total awarded was £56,702 3s. 7d. (\$275,941.15), or an average award to each dependent of £188 7s. 7d. (\$916.75). With regard to the awards of compensation for the 706 cases of injury, in 98 cases the compensation was in lump sums, averaging £32 5s. 1d. (\$156.96) per case, and in 608 cases weekly sums were assigned, 345 being cases of total and 263 cases of partial disability. The average weekly allowance in the former was 11s. 10d. (\$2.88) and in the latter 9s. 8d. (\$2.35).

The cases in 1902 in which memoranda were registered in county courts numbered 2,161, of which 2,152 were settled by agreement, 1 by committee, and 8 by agreed arbitrator. There were 134 cases of death and 2,027 of disability. The average award to dependents in case of death was £157 12s. 9d. (\$767.14), and the average weekly payment in case of disability 13s. 1d. (\$3.18).

The cases in 1901 in which memoranda were registered in county courts numbered 1,636, of which 1,623 were settled by agreement and 13 by agreed arbitrator. There were 120 cases of death and 1,516 of disability. The average award to dependents in case of death was £167 5s. (\$813.92), and the average weekly payment in case of disability 13s. 5d. (\$3.26.).

During the year 1902 the cases under the employers' liability act in county courts numbered 548, of which 136 resulted in favor of the plaintiff, 70 in favor of the defendant, 1 was removed to a higher court, and 341 were otherwise disposed of. The damages awarded

amounted to £9,330 9s. 6d. (\$45,406.76), the average in the 33 cases of death being £115 7s. 10d. (\$561.55).

During the year 1901 the cases under the employers' liability act in county courts numbered 590, of which 159 resulted in favor of the plaintiff, 100 in favor of the defendant, 2 were removed to a higher court, and 329 were otherwise disposed of. The damages awarded amounted to £11,294 11s. 4d. (\$54,965.01), the average in the 30 cases of death being £89 15s. (\$436.77).

The number of cases in 1902 under the workmen's compensation acts carried to the court of appeal was 59, of which 27 were by workmen and 32 by employers; in 1901 the number carried to the court of appeal was 61, of which 22 were by workmen and 39 by employers. In 1902 there was 1 appeal by workmen to the House of Lords and in 1901 there were 3 appeals, while there was none by employers in either year. Under the employers' liability act in 1902 there were 6 appeals to the high court of justice, 2 by workmen, and 4 by employers; in 1901 there were 16 appeals, 4 by workmen and 12 by employers.

On June 30, 1902, 47 compensation schemes, as against 50 on June 30, 1901, were certified by the registrar of friendly societies as being in operation. The 47 schemes in 1902 affected 127,344 workmen, distributed among the following industries: Railways, 2 schemes, affecting 40,288 workmen; factories, 17 schemes, affecting 20,782 workmen; mines, 27 schemes, affecting 65,981 workmen; quarries, 1 scheme, affecting 293 workmen. In 1901 the 50 schemes in operation affected 133,592 workmen, as follows: Railways, 2 schemes, affecting 40,431 workmen; factories, 20 schemes, affecting 22,719 workmen; mines, 27 schemes, affecting 70,142 workmen; quarries, 1 scheme, affecting 300 workmen.

In 1902 there were 2,393 deaths by accident in railways, factories, mines, and quarries. Of claims for compensation 429 cases, or 18 per cent of all deaths, were brought before the county courts, 410 being under the workmen's compensation act and 19 under the employers' liability act. In 1901 the deaths by accident in railways, factories, mines, and quarries numbered 2,275. Of claims for compensation 437 cases, or 19 per cent of all deaths, were brought before the county courts, 420 being under the workmen's compensation act and 17 under the employers' liability act. As regards claims for injury, it is believed that the number of litigated cases in each year was less than 1 per cent of the total number of cases in which compensation was payable. Therefore, the cases which come before the courts represent but a small proportion of those in which compensation is paid under the acts; the great majority are settled by agreement, and only a small percentage are carried to formal arbitration.

In Scotland, of the 338 cases under the workmen's compensation acts

during 1902, coming before the sheriff courts, 220 were heard by the sheriff and 118 were withdrawn or otherwise settled out of court. Of 198 cases settled in court, 130 were in favor of the plaintiff and 68 in favor of the defendant. The compensation awarded in the 130 cases in favor of the plaintiff was in the form of lump sums aggregating £8,270 0s. 9d. (\$40,246.14) for 61 cases, and weekly payments amounting to £39 15s. 3¼d. (\$193.51) for 69 cases. There were 159 cases in which memoranda were registered in the sheriff courts; and of these 158 were settled by agreement and 1 by agreed arbitrator. Lump sums aggregating £9,424 2s. (\$45,862.38) were awarded for 95 cases, and for 54 cases the awards were for weekly sums aggregating £33 4s. 1d. (\$161.59).

In 1901, of the 311 cases under the workmen's compensation acts coming before the sheriff courts, 203 were heard by the sheriff and 108 were withdrawn or otherwise settled out of court. Of 189 cases settled in court, 123 were in favor of the plaintiff and 66 in favor of the defendant. The compensation awarded in the 123 cases in favor of the plaintiff was in the form of lump sums aggregating £5,978 9s. 5d. (\$29,094.23) for 43 cases, and weekly payments amounting to £45 16s. 5d. (\$222.99) for 80 cases. There were 76 cases in which memoranda were registered in the sheriff courts, and of these 75 were settled by agreement and 1 by agreed arbitrator. Lump sums aggregating £3,420 2s. (\$16,643.92) were awarded for 36 cases, and for 37 cases the awards were for weekly sums aggregating £25 5s. 9d. (\$123.06).

Of the 167 cases under the employers' liability act coming before the sheriff courts during 1902, 3 were decided in favor of the plaintiff, 26 in favor of the defendant, 21 were removed to the court of session, and 117 were otherwise disposed of. Damages aggregating £410 (\$1,995.27) were awarded in the 3 cases in favor of plaintiff. Of the 159 cases during 1901, 7 were decided in favor of the plaintiff, 14 in favor of the defendant, 18 were removed to the court of session, and 120 were otherwise disposed of. Damages aggregating £675 (\$3,284.89) were awarded in the 7 cases in favor of plaintiff.

In 1902 there were 26 cases of appeal to the court of session under the workmen's compensation acts, 14 by workmen and 12 by employers, and 41 cases under the employers' liability act, 40 by workmen and 1 by employers. In 1901, under the workmen's compensation acts, there were 23 cases of appeal, 8 by workmen and 15 by employers, and under the employers' liability act there were 23 cases, 22 by workmen and 1 by employers.

In Ireland, of the 171 cases under the workmen's compensation acts during 1902 coming before the county courts, 132 were heard by judges and 1 by arbitrator, 2 were settled by the acceptance of money paid into court, and 36 were otherwise disposed of. Of the 135 cases settled in court, 85 were for the plaintiff and 50 for the defendant.

The amount of compensation awarded in the 85 cases in favor of the plaintiff was in the form of lump sums aggregating £3,199 15s. 10d. (\$15,571.79) for 45 cases, and weekly payments amounting to £15 5s. (\$74.21) for 40 cases. There were 42 cases in which memoranda were registered, all of which were settled by agreement. Lump sums aggregating £978 7s. (\$4,761.14) were awarded in 25 cases, and in 15 the awards were for weekly sums amounting to £7 16s. 3d. (\$38.02).

Of the 126 cases under the workmen's compensation acts during 1901 coming before the county courts, 104 were heard by judges, 3 were settled by the acceptance of money paid into court, and 19 were otherwise disposed of. Of the 107 cases settled in court, 82 were for the plaintiff and 25 for the defendant. The compensation awarded in the 82 cases in favor of the plaintiff was in the form of lump sums aggregating £2,220 (\$10,803.63) for 32 cases and weekly payments amounting to £20 7s. 6d. (\$99.16) for 50 cases. There were 23 cases in which memoranda were registered, all of which were settled by agreement. Lump sums aggregating £683 3s. (\$3,324.55) were awarded in 8 cases, and in 15 the awards were for weekly sums amounting to £7 8s. 2d. (\$36.05).

During 1902, of the 14 cases under the employers' liability act coming before the county courts, 6 were decided in favor of the plaintiff, 4 in favor of the defendant, and 4 were otherwise disposed of. Damages aggregating £159 (\$773.77) were awarded in the 6 cases in favor of plaintiff. During 1901, of the 13 cases coming before the county courts, 6 were decided in favor of the plaintiff, 3 in favor of the defendant, and 4 were otherwise disposed of. Damages aggregating £214 12s. (\$1,044.35) were awarded in the 6 cases in favor of plaintiff.

During 1902 there were 16 cases of appeal to the court of appeal under the workmen's compensation acts, 9 by workmen and 7 by employers, and 3 cases to the high court of justice under the employers' liability act, 2 by workmen and 1 by employers. During 1901 there were 3 cases of appeal to the court of appeal under the workmen's compensation acts, 1 by workmen and 2 by employers, and 4 cases to the high court of justice under the employers' liability act, 2 by workmen and 2 by employers.

The following table shows the number of cases in the United Kingdom coming before the county and sheriff courts under the workmen's compensation acts, 1897 and 1900, and the employers' liability act, 1880, during 1901 and 1902, classified according to the nature of the employment of the persons concerned:

CASES DURING 1901 AND 1902 COMING BEFORE THE COUNTY AND SHERIFF COURTS UNDER THE WORKMEN'S COMPENSATION ACTS, 1897 AND 1900, AND THE EMPLOYERS' LIABILITY ACT, 1880.

1901.

Nature of employment.	Cases under workmen's compensation acts, 1897 and 1900.				Cases under employers' liability act, 1880.			
	Eng-land and Wales.	Scot-land.	Ire-land.	United King-dom.	Eng-land and Wales.	Scot-land.	Ire-land.	United King-dom.
Railway	162	27	11	200	17	10	.....	27
Factory	992	152	79	1,223	377	68	3	448
Mine	337	78	.....	415	8	27	.....	35
Quarry	48	7	3	58	6	.....	3	9
Engineering work	117	15	8	140	21	6	5	32
Building	243	32	25	300	124	37	.....	161
Agriculture	19	.....	.....	19	6	1	.....	7
Other .....	.....	.....	.....	.....	31	10	2	43
Total	1,918	311	126	2,355	590	159	13	762

1902.

Railway	144	19	14	177	7	14	1	22
Factory	865	123	94	1,082	351	77	4	432
Mine	335	121	.....	456	4	9	.....	13
Quarry	70	8	10	88	7	.....	.....	7
Engineering work	114	28	9	151	31	21	1	53
Building	197	31	22	250	122	38	8	168
Agriculture	82	8	22	112	4	1	.....	5
Other .....	.....	.....	.....	.....	22	7	.....	29
Total	1,807	338	171	2,316	548	167	14	729

Since 1898 there has been a falling off in the number of cases under the employers' liability act, as a result of the new rights given by the workmen's compensation acts.

Report of the Committee on the Establishment of Cooperative Credit Societies in India. 47 pp.

This is the report of a committee appointed to consider and report upon the establishment of cooperative credit societies (agricultural banks) in India. The agricultural banks, which have been so successful in improving the condition of the poorer classes in European countries, rest upon cooperative credit, and the committee confined its attention to banking on this basis. In concluding that a system of cooperative credit is capable of affording great benefits to the agricultural people of India the committee had the general support of the opinions expressed in the reports recently received from local governments.

Accepting the establishment of cooperative credit societies as the object in view, the committee considered first the lines on which such societies should be worked, the privileges which should be accorded to them, and the extent to which it might be advisable that they should be aided by government funds and subjected to government control. The committee next considered what practical form or forms a society constituted on these principles should assume, and drew up two model schemes of management for the two classes of society contemplated—a model scheme of management for cooperative credit societies with limited liability with shares, and a model scheme of management for cooperative credit societies with unlimited liability and without shares.

Finally the committee discussed the extent to which legislation is required to secure to such societies as might be started the privileges recommended for them and to provide for their proper working and supervision; therefore the committee embodied the results of its deliberations in the form of a proposed bill.

There are also presented in the report notes on the Madras loan funds (associations) and on village banks in the northwestern provinces and Oudh, and the rules of the Dhandla fund.

NORWAY.

Tabeller vedkommende Arbejdsloenninger i Aaret 1900. Norges Officielle Statistik. Fjerde Raekke Nr. 60. Udgivne af det statistiske Centralbureau. 1903. 27 pp.

This work on wages in Norway is one of a series of publications of the Norwegian statistical bureau. It consists of a compilation of statistics showing the wages of male and female servants in rural districts and in cities and towns in 1890, 1895, and 1900, by districts, towns, and localities; the wages, with and without board, of men, women, and children engaged as farm hands and as day laborers in the summer and winter of 1900; the daily wage rates paid in 1900 in certain skilled and unskilled occupations; summary tables showing the average wages paid in rural districts and in cities and towns in certain skilled and unskilled occupations in 1880, 1885, 1890, 1895, and 1900; and the yearly wages of male and female servants in every fifth year from 1850 to 1900. Tables are also given showing the average wages of railway and road laborers in Norway and of employees in the fire and engineering departments of the city of Christiania for each year and for five-year periods from 1871 to 1901.

The following table shows the wages paid in cities and towns in 1880, 1885, 1890, 1895, and 1900, in twenty skilled trades selected from the list given in the report:

DAILY WAGES PAID IN 20 SKILLED TRADES IN CITIES AND TOWNS IN NORWAY,
1880 TO 1900.

Occupation.	1880.	1885.	1890.	1895.	1900.
Bakers.....	\$0.61	\$0.67	\$0.72	\$0.76	\$0.88
Blacksmiths.....	.63	.67	.76	.73	.88
Bookbinders.....	.65	.69	.72	.72	.87
Bricklayers and masons.....	.84	.94	1.02	1.04	1.24
Butchers.....	.59	.59	.67	.68	.77
Carpenters.....	.59	.65	.77	.77	.90
Coopers.....	.66	.69	.66	.68	.89
Hatters.....	.68	.66	.79	.72	.91
Iron molders.....	.67	.76	.78	.85	.94
Joiners.....	.58	.64	.70	.68	.85
Millers.....	.54	.59	.66	.64	.73
Painters.....	.63	.69	.77	.79	.98
Printers and compositors.....	.73	.75	.77	.77	.98
Rope makers.....	.59	.59	.63	.63	.73
Sailmakers.....	.58	.58	.66	.66	.79
Ship carpenters.....	.55	.61	.68	.71	.82
Shoemakers.....	.54	.56	.61	.62	.77
Tailors.....	.62	.64	.71	.71	.83
Tanners.....	.61	.62	.66	.69	.79
Tinsmiths.....	.59	.65	.72	.70	.86

DECISIONS OF COURTS AFFECTING LABOR.

[This subject, begun in Bulletin No. 2, has been continued in successive issues. All material parts of the decisions are reproduced in the words of the courts, indicated when short by quotation marks, and when long by being printed solid. In order to save space, matter needed simply by way of explanation is given in the words of the editorial reviser.]

DECISIONS UNDER STATUTORY LAW.

EXEMPTION OF WAGES—SUCCESSIVE GARNISHMENTS—ABUSE OF PROCESS—PUNITIVE DAMAGES—*Cooper v. Scyoc, St. Louis Court of Appeals, 79 Southwestern Reporter, page 751.*—In this case David R. Scyoc appealed from a judgment against him in an action brought by Charles F. Cooper, in the Hannibal court of common pleas, to recover damages for abuse of process in procuring successive garnishments, resulting in the discharge from employment of the plaintiff Cooper. Cooper was a mechanic employed in the shops of a railway company, and was indebted to Scyoc in the sum of \$14.20 and costs, to recover which repeated garnishments, each requiring answer and release, were served on the employing company, though it was known that Cooper's wages were exempt under the statute. It was in evidence that Scyoc had declared that by following up the case he would compel Cooper's discharge, which, after nine garnishments and a letter threatening the withdrawal of patronage from the railroad, was accomplished. Cooper was awarded damages, both actual and punitive, whereupon Scyoc appealed. The appeal resulted in the affirmation of the judgment of the court below, with a partial remission of damages.

Judge Bland, for the court, after stating the facts in the case, spoke in part as follows:

The evidence is so clear and convincing as to leave no reasonable doubt that the defendant maliciously directed the repeated service of summons on the railroad company as garnishee, when he had no reasonable ground to believe that anything could be collected from the railroad company as the debtor of the plaintiff, and knew that the wages of the plaintiff he sought to garnish were exempt from process of garnishment, and that his purpose in having repeated service of summons on the railroad company, as garnishee, was to either force the plaintiff to pay the judgment and costs, or to so annoy the railroad company with process of garnishment as to cause it to discharge plaintiff from its employ. It is contended by the defendant, however, that, conceding he was actuated by express malice, and that his purpose was to

oppress the plaintiff, and that he knew the process of garnishment would not be available for the collection of the judgment, or any part of it, yet he had a legal right to order the executions, and to have them renewed from time to time, and to order the constable to garnish the railroad company; and, being possessed of this legal right, he can not be mulcted in damages for the exercise of it, notwithstanding his motive. On principle, an action for wrongfully, maliciously, and without probable cause levying an execution upon exempt property of the debtor or garnishing his wages that are exempt can not be distinguished from an action for maliciously and without probable cause levying an attachment against a debtor or garnishing his exempt property. Both are equally an abuse of judicial process. We think the remedy resorted to by the plaintiff in this case is the only adequate one, and that it is sanctioned by the law. Therefore we conclude that the petition states a good cause of action, and the demurrer to the evidence and motion in arrest of judgment were properly overruled.

No case has been cited, nor have we been able to find one, where in a case like this the plaintiff was entitled to damages for loss of time by being thrown out of employment. It was not in the power of the defendant to discharge him, nor to compel the railroad company to do so. The act of discharging plaintiff was that of the railroad company, not of the defendant. It is true that the evidence shows that the wrongful and malicious conduct of the defendant in annoying the railroad company by repeatedly summoning it as garnishee was the cause that moved the company to discharge the plaintiff. The conduct of the defendant was, perhaps, the remote cause of plaintiff's discharge, but it was not his act, and for this reason we do not think defendant is liable for his loss of time directly caused by the act of another with whom defendant was not acting in concert.

It is finally contended that it was the duty of the constable to have protected the plaintiff from the unlawful and oppressive use of the execution in his hands, and that he erred in serving the summons of garnishment on the railroad company. All this may be granted, yet the fact remains that the constable, in all he did, obeyed the express directions of the defendant, and all he did was expressly ratified by the defendant. In such circumstances the law is well settled that the officer and the defendant are jointly and severally liable for the wrongful acts of the officer.

For error in authorizing the jury to assess damages for loss of time, the judgment will be reversed, and the cause remanded, unless within 10 days from the date of the filing of this opinion plaintiff remits \$174 of the actual damages awarded by the jury on the second count of the petition. If the remittitur be entered as herein provided, it is ordered that the judgment stand affirmed for the balance of the damages awarded by the jury on both counts.

LABOR LAW—CURRENT RATE OF WAGES—CONSTITUTIONALITY OF STATUTE—WAIVER—*Ryan v. City of New York, Court of Appeals of New York, 69 Northeastern Reporter, page 599.*—This case came before the court of appeals on appeal from the appellate division of the supreme court. Pierce Ryan had sued the city of New York for the sum of \$600, representing the difference between the rate of

wages which he had received for a period of years and the amount which he would have received if he had been paid according to the act of 1899, which requires that employees of the State and municipalities thereof shall receive not less than the current rate of wages in their respective employments in the localities in which such service is rendered. The claim sued upon had accrued between 1894 and 1900. In deciding the case two questions were considered: First, the power of the legislature to enact a statute thus fixing the rate of wages to be paid; second, whether or not the claimant's right to recover had failed from lapse of time. The judgment of the lower court had been against Ryan, and this judgment was affirmed in the court of appeals, on the ground that he had waived his right to an action by accepting the wages proffered during the term of six years. The following extracts from the remarks of Judge Parker, who delivered the opinion of the court, present the majority views, upholding the constitutionality of the statute in question:

Here the legislature undertakes to provide for the payment of not less than the prevailing rate of wages, not only to the direct employees of the State, but also to its indirect employees working in its several subdivisions—the cities, counties, towns, and villages. In the administration of the affairs of those subdivisions, as well as in those of the State at large, the legislature is unrestrained, unless by express provisions of the constitution. As expressed in *Rodgers' case*, 166 N. Y. 1, 29, 59 N. E. 716, 726, 82 Am. St. Rep. 605, 52 L. R. A. 814 [see Bulletin of the Department of Labor No. 35, p. 805]: “The authority of the State is supreme in every part of it, and in all of the public undertakings the State is the proprietor. For convenience of local administration the State has been divided into municipalities, in each of which there may be found local officers exercising a certain measure of authority, but in that which they do they are but the agents of the State, without power to do a single act beyond the boundary set by the State acting through its legislature.” Thus all of these agencies and employees in the several municipalities are doing the work of the State, which is the sovereign and master.

Since the foregoing was written, the opinion of the United States Supreme Court in *Atkin v. State of Kansas*, 191 U. S. 207, 24 Sup. Ct. 124, has been brought to our attention. [See Bulletin of the Bureau of Labor No. 50, p. 177.] It is in point, and decides the question in accordance with the views we have already expressed. Our conclusion is that so much of the statute as is involved in this case is constitutional.

MECHANIC'S LIEN—ATTORNEY'S FEE—CONSTITUTIONALITY OF STATUTE—*Atkinson et al. v. Woodmansee*, *Supreme Court of Kansas*, 74 *Pacific Reporter*, page 640.—This was a suit for the foreclosure of a mechanic's lien and the recovery of attorney's fees under section 5125, Gen. St. 1901, which reads as follows:

“In an action brought by any artisan or day laborer to enforce any lien under this act, where judgment be rendered for plaintiff, the

plaintiff shall be entitled to recover a reasonable attorney's fee to be fixed by the court, which shall be taxed as costs in the action."

Judgment was given the claimants in the district court of Wyandotte County, which judgment was modified on appeal to the supreme court, by striking out the allowance for attorney's fees on the ground that the section above quoted is unconstitutional.

From the remarks of Judge Burch, who delivered the opinion of the court, the following is reproduced as showing the grounds of the court's conclusions:

The statute in question singles out property owners who are charged with receiving from artisans or day laborers labor going to the improvement of their property, by virtue of contract made by themselves or through contractors employed by them, and mulcts them in damages if they should be unsuccessful in resisting a claimed lien therefor. Under the statute such persons are subjected to a liability for attorney's fees when owners of other classes of property, and when other classes of persons employing artisans and day laborers are not subjected to such burden, and their contracts for labor are segregated from all other contracts and separately classified, as if they possessed some distinctive attribute calling for the imposition of special legislative penalties for their enforcement.

In the baldest and most arbitrary manner imaginable, this act "singles out a certain class of debtors and punishes them, when for like delinquencies it punishes no others. They are not treated as other debtors, or equally with other debtors. * * * It is no sufficient answer to say that they are punished only when adjudged to be in the wrong. They do not enter the courts upon equal terms. They must pay attorney's fees if wrong; they do not recover any if right; while their adversaries recover if right, and pay nothing if wrong. In the suits, therefore, to which they are parties, they are discriminated against, and are not treated as others. They do not stand equal before the law. They do not receive its equal protection." (Gulf, Colorado & Santa Fé Ry. v. Ellis, 165 U. S. 150, 153, 17 Sup. Ct. 255, 41 L. Ed. 666.) [See Bulletin of the Department of Labor No. 11, p. 504.] There is, therefore, a perfectly manifest and utterly irreconcilable conflict between the statute and the constitution.

DECISIONS UNDER COMMON LAW.

EMPLOYER AND EMPLOYEE—PROCURING DISCHARGE—LIABILITY OF THIRD PERSON FOR INTERFERENCE—*London Guarantee and Accident Company v. Horn, Supreme Court of Illinois, 69 Northeastern Reporter, page 526.*—This was an action by Gustave Horn against the London Guarantee and Accident Company to recover damages for an alleged unlawful discharge from employment procured by said company. Horn was foreman in the bicycle factory of Arnold, Schwinn & Co., in the city of Chicago, and while there employed was injured by an accident in connection with the operation of a milling machine. The manufacturing company had a contract with the insurance com-

pany above named indemnifying itself against loss from injuries to its employees to the extent of \$5,000 in case of injury to a single person, the policy containing a provision that all suits should be defended by the insurance company unless it should elect to pay to the manufacturers the indemnity above named. The firm was not permitted to settle any claim except at its own cost nor to interfere in any legal proceeding arising out of demands for accidents without the consent of the company previously given in writing. A Mr. Robinett, as representative of the insurance company, called on Horn at different times, offering him various small sums if he would sign a release of all claims for damages on account of the injury incurred. This he declined to do and entered suit against his employers, during the pendency of which the insurance company's representative called at the factory of Horn's employers and attempted again to make a settlement, which Horn refused. This representative threatened Horn that if he did not accept the sum offered his (Horn's) discharge would be procured and he would be prevented from obtaining employment elsewhere. The firm's manager, O'Connell, declined at first to discharge Horn when the demand was made, saying that the policy contained no provision requiring them to do so. The threat was then made that the indemnifying contract with the firm would be immediately abrogated unless Horn was discharged, whereupon O'Connell directed Horn to complete his job and call for his final payment. He was told at the time that it was the purpose of the firm to continue his employment all the year round, but that on account of the position of the insurance company they would have to discharge him. A contract with the insurance company allowed for a cancellation of the policy at any time upon giving five days' previous notice. The threat was, however, "to cancel this policy to-day." On the grounds of having maliciously caused his discharge, Horn sued in the superior court of Cook County and obtained judgment, which was afterwards affirmed in the appellate court, and on this appeal was affirmed by the supreme court of the State, Judges Wilkin and Cartwright dissenting. From the remarks of Judge Scott, who delivered the opinion of the court, the following is quoted:

We have been favored with most elaborate and exhaustive briefs by counsel for both parties. The case principally relied upon by counsel for appellant [the insurance company] is that of *Allen v. Flood*, 67 L. J. Q. B. 119, decided by the House of Lords in 1897.

In *Quinn v. Leatham*, App. Cas. of 1901, p. 495 (decided by the House of Lords), Lord Macnaghten, in speaking of *Allen v. Flood*, stated that its headnote might well have run in these words: "An act which does not amount to a legal injury can not be actionable because it is done with a bad intent;" and in this case last referred to it is said that "it is a violation of legal right to interfere with contractual relations recognized by law, if there be no sufficient justification for the interference."

We are of opinion that the contention of appellant in the case at bar, to the effect that competition in trade, employment, or business is such a justification, is in accord with the authorities.

In our judgment the cases cited by appellant, in so far as they lend support to its theory, will be found to be cases where the party who secured the discharge of the employee was in some way in competition with that employee in the business or work in which the employee was then engaged, or was a member of some organization which was in competition with the employee or some organization to which that employee belonged, and the fact that such competition existed has been treated by some of the courts as justification for the act of the defendant in bringing about the discharge. In fact, appellant seems to take this view, for it devotes a considerable portion of its argument to an attempt to show that plaintiff and defendant were in competition with each other, in that appellant desired to secure or satisfy the alleged right of action of appellee for the least possible sum, while appellee desired to secure for that right of action the greatest possible sum. While it is true that the temporal interests of Horn and appellant were involved in the negotiations between them, we believe that the authorities which look upon competition as a justification for the act of one party in securing the discharge of an employee have regarded the term in a more restricted sense, and given to the term "competition" its ordinary meaning and signification. It can not be held that appellee and appellant were, in any ordinary sense of the term, in competition with each other. It is also to be observed that the injury which it was sought to visit upon Horn was not primarily to subject him to a deprivation of his employment, but was to compel him to surrender a right not connected with his employment. If the only object of appellant had been to secure appellee's discharge for the purpose of obtaining his position for another, or for the reason that the employment of appellee by Arnold, Schwinn & Co. in some way conflicted with the right of appellant, or some organization to which it belonged, to obtain the same or similar employment, a very different question, and one not now before this court, would be presented, and *Allen v. Flood*, supra, and other cases of that character, cited by appellant, would then be worthy of greater consideration.

It is further contended on the part of the appellant that while the evidence may have shown that it was animated by "malice," in the ordinary acceptance of the term, toward Horn, the proof fails to show any legal malice. In this connection it is argued that appellant had the right to have Horn discharged under the terms of the contract, or, if it did not have that right, that it seriously and in good faith believed that it had, and that it is thereby relieved of any imputation of malice. There is no provision in the policy which by the wildest stretch of the imagination could be held to give any such right to appellant; and its conduct in attempting to secure a settlement of this claim shows it to have been animated by a wanton disregard of the rights of appellee. When Mr. Robinett made this threat, which resulted in appellee's discharge, he was making a threat to do an unlawful thing—to do a thing which appellant, by the terms of the contract, had no right to do. The contract provided only for its cancellation upon five days' notice. It is not pretended that any such notice had been given, but Robinett secured Horn's discharge by threatening to cancel the contract "to-day." We think it perfectly

apparent that the attorney for appellant, and its agent, Robinett, each sought to bring about, and finally did bring about, the discharge of appellee by threatening to do acts which each, respectively, knew he had no right to do.

We therefore conclude, both upon reason and authority, that where a third party induces an employer to discharge his employee who is working under a contract terminable at will, but under which the employment would have continued indefinitely, in accordance with the desire of the employer, except for such interference, and where the only motive moving the third party is a desire to injure the employee and to benefit himself at the expense of the employee by compelling the latter to surrender an alleged cause of action, for the satisfaction of which, in whole or in part, such third party is liable, and where such right of action does not depend upon and is not connected with the continuance of such employment, a cause of action arises in favor of the employee against the third party.

**LAWS OF VARIOUS STATES RELATING TO LABOR ENACTED SINCE
JANUARY 1, 1896.**

[The Second Special Report of this Bureau contains all laws of the various States and Territories and of the United States relating to labor in force January 1, 1896. Later enactments are reproduced in successive issues of the Bulletin from time to time as published.]

GEORGIA.

ACTS OF 1903.

Act No. 394.—Employment of children while parents live in idleness.

(Page 46.)

SECTION 1. From and after the passage of this act section 453, volume 3 of the Code of 1895 is hereby amended so that said section, thus amended, shall read as follows:

* * * * *

7. All persons who are able to work and who do not work, but hire out their minor children and live upon their wages, shall be deemed and considered vagrants;

* * * * *

Approved August 17, 1903.

Act No. 345.—Contract of employment with intent to defraud.

(Page 90.)

SECTION 1. From and after the passage of this act if any person shall contract with another to perform for him services of any kind with intent to procure money, or other thing of value thereby, and not to perform the service contracted for, to the loss and damage of the hirer; or after having so contracted, shall procure from the hirer money, or other thing of value, with intent not to perform such service, to the loss and damage of the hirer, he shall be deemed a common cheat and swindler, and upon conviction shall be punished as prescribed in section 1039 of the Code.

SEC. 2. Satisfactory proof of the contract, the procuring thereon of money or other thing of value, the failure to perform the services so contracted for, or failure to return the money so advanced with interest thereon at the time said labor was to be performed, without good and sufficient cause and loss or damage to the hirer, shall be deemed presumptive evidence of the intent referred to in the preceding section.

Approved August 15, 1903.

Act. No. 307.—Interference with employment.

(Page 91.)

SECTION 2. Section 1 of said act [approved December 17, 1901] is amended * * * so that said section, when amended, shall read as follows:

Section 1. When the relation of employer and employee, or of landlord and tenant of agricultural lands, or of landowner and cropper, has been created by written contract or by parol contract partly performed, made in the presence of one or more witnesses, it shall be unlawful for any person during the life of said contract, made and entered into in the manner above described, to employ, or to rent lands to, or to furnish lands to be cropped by said employee, tenant or cropper, or to disturb in any way said relation, without first obtaining the written consent of said employer, landlord or landowner, as the case may be.

Approved August 7, 1903.

MINNESOTA.

ACTS OF 1903.

CHAPTER 69.—*Hours of labor of locomotive engineers and firemen.*

SECTION 1. On all lines of steam railroads or railways operated in whole or in part within this State the time of labor of locomotive engineers or locomotive firemen employed in running or operating the locomotive engines on or over such railroads or railways shall not at any time exceed fourteen (14) consecutive hours without an opportunity be given them for rest. At least nine (9) hours, or as many hours less than nine (9) as is asked for by said engineers or firemen, shall be allowed them for rest before said engineers or firemen are again ordered or required to go on duty: *Provided, however,* That nothing in this section shall be construed to allow any engineer or fireman to desert his locomotive in case of accident, storms, wrecks, washouts, snow blockades or any unavoidable delay arising from like causes, or as prohibiting said engineers or firemen from working longer if they do not object.

SEC. 2. Any railroad company or superintendent, chief dispatcher, train master, master mechanic or other railroad or railway official who shall order or require any locomotive engineer or locomotive fireman to labor contrary to the provisions of section one (1) of this act shall be deemed guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not less than twenty-five (25) dollars or more than one hundred (100) dollars, or by imprisonment for not less than thirty (30) days or more than sixty (60) days; and all railroad or railway corporations operating lines or [of] railways or railroads, in whole or in part in this State, shall be liable for all injuries to said engineers or firemen resulting from their being required to labor contrary to the provisions of section one (1) of this act.

Approved March 19, 1903.

CHAPTER 117.—*Examination and licensing of steam engineers, etc.*

SECTION 1. The third subdivision of section ten (10) of chapter two hundred and fifty-three (253) of the General Laws of one thousand eight hundred and eighty-nine (1889) [shall] be amended so as to read as follows:

Third. No license shall be granted to any person to act as second-class engineer who has not taken and subscribed an oath that he has had at least one year of actual experience in operating steam boilers and steam machinery, or whose experience and habits of life are not such as to warrant the belief that he is competent to take charge of all classes of steam boilers and steam machinery not to exceed one hundred horsepower: *Provided,* That any person who shall operate or take charge of any steam boiler or steam machinery of any kind of a higher or greater horsepower than the maximum horsepower of the class for which he is licensed shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment of not less than twenty days nor more than ninety days, or by a fine of not less than ten nor more than fifty dollars: *Provided further,* That every master, engineer or pilot who shall receive a license shall, when employed upon any vessel, place his certificate of license, which shall be framed under glass, in some conspicuous place in such vessel or engine room where it can be seen by passengers and others at all times, and that any master, engineer or pilot who shall neglect to comply with this provision shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment of not less than ten nor more than ninety days, or by a fine of not less than ten nor more than one hundred dollars, and in addition thereto said license may be revoked.

Approved April 3, 1903.

CHAPTER 131.—*Inspection of steam boilers, etc.—Examination and licensing of steam engineers, etc.*

SECTION 1. Section four hundred and eighty (480) of General Statutes 1894, as amended by chapter ninety-one (91) of the General Laws of Minnesota for eighteen hundred and ninety-nine (1899) hereby is amended so as to read as follows, to wit:

Section 480. Within sixty (60) days after the passage of this act, and biennially thereafter, there shall be appointed by the governor a board of fifty-three (53) inspectors, one (1) of whom shall reside in each senatorial district, except as hereinafter provided, whose duty it shall be to inspect all steam boilers in use within the State, not subject to inspection under the laws of the United States and not hereafter excepted, and to examine and grant certificates of license to steam engineers entrusted with the care and management of steam boilers: *Provided, however,* The provisions of this act shall not apply to heating plants in private residences: *And provided further,*

That when there is more than one senatorial district within any one county in this State, in such counties there shall be but one boiler inspector for each of such counties. Said inspectors shall examine and license all masters and pilots on inland waters of the State, and such examination shall be conducted, as near as may be, pursuant to the rules and regulations provided by the laws of the United States for the examination of masters and pilots. Said inspectors shall hold their respective offices for two (2) years from February first (1st), respectively, and until their successors are appointed and qualified, unless sooner removed by the governor. Said inspectors shall annually on or before the thirty-first (31st) day of January, render a report to the secretary of state, and to the legislature, showing a detailed statement of the number of inspections made, licenses issued, and the amount of fees received therefor, also showing the amount of disbursements of their offices.

Sec. 2. Section four hundred and ninety-four (494) of General Statutes 1894 [shall] be amended to read as follows, to wit:

Section 494. Each boiler inspector may appoint one or more deputies within his respective district who shall possess the same qualifications as are prescribed for boiler inspectors, and shall qualify by taking the oath prescribed by section four hundred and eighty-one (481) General Statutes 1894, and such deputies shall have the authority within the district for which they are appointed as the boiler inspectors have.

Approved April 3, 1903.

CHAPTER 393.—*Employment of labor—Blacklisting—Participation in strikes.*

SECTION 1. It shall be unlawful for any individual or corporation or member of any firm, or any agent, officer or employee of any company or corporation to contrive or conspire to prevent any person from obtaining or holding employment, or to discharge, or to procure or attempt to procure a discharge of any person from any employment by reason of such person having engaged in any strike.

Sec. 2. It shall be unlawful for any individual or corporation, whether acting for himself directly or through another person, agent or agency, or whether acting as agent or employee of another person or persons, or as a member of any firm, or as an officer, agent or employee of any company or corporation, to require from any person, as a condition to any contract of employment, any written statement as to his participation in any strike, or any written statement as to his personal record, except as to conviction for crime or misdemeanor, for a period of more than one year immediately preceding the date of making application for such employment, and the use or requirement by any such individual or corporation acting in any of the capacities aforesaid of blanks or forms of application for employment in contravention of the provisions of this act are hereby forbidden.

Sec. 3. Any violations of any of the provisions of this act shall be deemed a misdemeanor and shall be punishable by a fine not exceeding \$100, or by imprisonment in the county jail for a period not exceeding three months.

Approved April 21, 1903.

CHAPTER 397.—*Protection of employees on buildings—Elevator shafts.*

SECTION 1. If any contractor, person, firm, or corporation use or causes to be used any elevating machines or hoisting apparatus in the construction or building of any building or other structure for the purpose of lifting or elevating materials to be used in such construction, such contractor, person, firm or corporation engaged in construction [of] such building shall cause the shafts or openings in each floor to be enclosed or fenced in on all sides by a barrier of suitable material at least four feet high: *Providing, however,* That this bill shall not apply in any way to mining operations.

Sec. 2. Any contractor, person, firm or corporation violating any of the provisions of this act shall be guilty of a misdemeanor, and shall be fined not less than twenty-five dollars nor more than one hundred dollars.

Approved April 22, 1903.

MISSOURI.

ACTS OF 1903.

PAGE 82.—*Examination and licensing of plumbers.*

SECTION 1. Any person, firm or corporation desiring to engage or continue in the business of plumbing or drain laying either as a master plumber or as a journeyman plumber or as a plumbing inspector in any city or town in this State having a population of fifty thousand or more inhabitants shall first comply with the provisions of this act.

SEC. 2. There shall be in every such city or town a board of examiners, which shall be known as the board for the examination of plumbers.

SEC. 3. Every person desiring to engage in or work at the business or trade of plumbing, except apprentices working with duly licensed plumbers, shall first be examined by and obtain from said board a certificate of his qualification and fitness to carry on and work at the business or trade of plumbing.

SEC. 4. In all cities or towns provided for in this act said board shall be composed of the following persons:

1st. The chief plumbing inspector of said city or town who shall be chairman ex officio; and who shall serve on the said board without pay.

2nd. One master or employing plumber and one journeyman plumber, each of whom are residents of, and shall have resided in said city or town for at least three years next before their appointment and who shall have been actively engaged at the business or trade of plumbing for not less than five years, which two members shall be appointed by the mayor of said city or town and shall hold their respective offices at the pleasure of the mayor of said city or town, whose compensation shall be fixed by ordinance of said city or town to be paid out of the general revenue of said city or town.

SEC. 5. It shall be the duty of the mayor of the cities or towns provided for in this act, within thirty days after the provisions of this act shall take effect, to make the appointments therein provided for, and to call a meeting of said board within ten days thereafter for the purpose of organizing said board and to have the provisions of this act enforced.

SEC. 6. It shall be the duty of the members of said board, when notified by the mayor of said city or town, to meet and organize, adopt rules to carry into effect the provisions of this law, and designate the times and places of meeting for the examination of applicants as to their practical and mechanical knowledge of plumbing, house drainage and plumbing ventilation; and upon satisfactory proof of the qualification and fitness of the applicant, shall so certify to the chief supervisor or inspector of plumbing of said city or town. Said board shall thereupon issue a license to such applicant authorizing him to engage in or work at the business or trade of plumbing or drain laying as a master or employing plumber or as a journeyman plumber.

SEC. 7. The board shall elect one of its members secretary, whose duties shall be to keep a record of the business transacted by the board, and to account for all moneys collected by him, and who shall be required to execute a bond to said city or town in the sum of one thousand (\$1,000) dollars, to be approved by the mayor of said city.

SEC. 8. The board shall have the power to revoke any license issued by it upon satisfactory proof that the holder of said license has violated any of the provisions of this act or any city ordinance intended to carry the provisions of this act into effect, or for violation of any rule of said board, and if any such license shall be revoked, the same shall not be reissued within six (6) months thereafter. If any person, firm or corporation be charged with violation of any of the provisions of this act, it shall be the duty of the secretary of the board to serve a copy of said charges in writing on the person, firm or corporation so charged and notify him to appear on a day certain before said board and show cause why his license should not be revoked.

SEC. 9. The examination fee for a master or employing plumber shall be two (\$2) dollars. The fee for a journeyman plumber shall be two (\$2) dollars, which fee shall be paid to the secretary of said board, when the applicant for a license files his application for examination. All fees so paid to the secretary shall be paid by him to the treasurer of said city or town. Any license issued by any such board shall be valid throughout this State, and each license so issued shall be renewed annually upon the payment to the secretary of the board renewing the same a fee of one (\$1) dollar and the same may be renewed by any board created by this act.

SEC. 11. Any person, firm or corporation, or the agent or officer of any such person, firm or corporation, who shall violate, or cause or permit to be violated any of the provisions of this act, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not less than ten (\$10) dollars nor more than one hundred (\$100) dollars for each offense.

SEC. 13. The provisions of this act shall be inoperative until adopted by proper ordinance by the city or town to which it relates.

Approved March 27, 1903.

PAGE 218.—*Inspection of factories.*

SECTION 1. Section 2 on page 197 of the Session Acts of 1901, entitled "Labor: factory inspector," is hereby amended * * * so that said section when amended shall read as follows:

Section 2. The factory inspector may divide the State into districts, assign one or more assistant inspectors to each district, and may, in his discretion, transfer them from one district to another. It shall be the duty of all inspectors provided for by this act to make at least two inspections during each year, the last to be completed on or before the first day of October, of all factories located in cities having a population of thirty thousand inhabitants or more and enforce all laws relating to factory inspection and prosecute all persons violating the same. Any lawful municipal ordinance or regulation relating to factories or their inspection and not in conflict with State laws shall be observed and enforced by the factory inspector. The factory inspector and all assistant inspectors and clerks may administer oaths and take affidavits in matters relating to the enforcement of the various factory inspection laws.

Approved March 27, 1903.

PAGE 218.—*Arbitration of labor disputes.*

SECTION 1. Section 5 of an act to create a State board of mediation and arbitration, approved March 7, 1901, is hereby repealed and three new sections enacted in lieu thereof, to be known as Sec. 5, Sec. 5a, and Sec. 5b, to read as follows:

Section 5. Whenever it shall come to the knowledge of the board that a strike or a lockout is about to occur, or is seriously threatened, involving ten or more persons, in any part of the State, it shall be the duty of said board to proceed as soon as possible to the locality of such dispute, strike or lockout and place itself in communication with the parties to the controversy, and endeavor by mediation to effect a settlement. Should all efforts at conciliation fail, it shall be the duty of the board to inquire into the causes of said grievance or dispute, and to this end, it is hereby authorized to subpoena and examine witnesses, and send for books and papers. Subpoenas may be signed and oaths administered by any member of the board. Said board is further authorized to subpoena as witnesses anyone connected with the department of business affected, or other persons whom they may suspect of having knowledge of the matters in controversy or dispute, and anyone who keeps the records of the wages earned in such department and examine them under oath touching such matters and require the production of books and papers containing the record of wages earned or paid. All process issued by said board may be delivered or sent to any sheriff, constable or police office [officer], who shall forthwith serve or post the same as may be required, and make due returns thereof, according to directions, and for such service he shall receive the fees allowed by law in similar cases, payable from the treasury of the county or city wherein the controversy to be arbitrated exists, upon a warrant signed by the president of the board of mediation and arbitration. Witnesses shall receive the same compensation as witnesses in courts of record, which shall be paid in the same manner as sheriffs, constables and police officers above mentioned. And the board shall have power and authority to maintain and enforce order at its hearings and obedience to its process.

Sec. 5a. In case any person shall willfully fail or refuse to obey such subpoena, it shall be the duty of the circuit court, or any judge thereof in any county, upon the application of said board, to issue an attachment for such witness and compel such witness to attend before the board and give his testimony upon such matters as shall be lawfully required by said board; and the court shall have power to punish for contempt as in other cases of refusal to obey the process and order of such court.

Sec. 5b. Any person who shall willfully neglect or refuse to obey the process of subpoena issued by said board to appear and testify as therein required, shall be deemed guilty of a misdemeanor, and shall be liable to arraignment and trial in any court having competent jurisdiction, and on conviction thereof shall be punished for such offense by a fine of not less than twenty nor more than five hundred dollars, or by imprisonment not exceeding thirty days, or both, at the discretion of the court before which such conviction shall be had.

Approved March 23, 1903.

PAGE 219.—*Hours of labor of employees in smelters, etc.*

SECTION 1. It shall be unlawful for any person, persons or corporation engaged in smelting, refining or reducing ores, to work their employees at such labor or industry longer than eight hours in a day of twenty-four hours, and it is hereby declared that eight hours shall constitute a day for all laborers or employees engaged in the kind of labor or industry aforesaid.

SEC. 2. Any person or persons or corporation who shall violate any of the provisions of the preceding section shall, on conviction, be fined in a sum not less than twenty-five nor more than five hundred dollars.

Approved March 9, 1903.

PAGE 220.—*Payment of wages of railroad employees—Monthly pay day.*

SECTION 1. All persons or corporations engaged in operating a railroad or railroad shops in this State shall pay their employees once in every thirty days in lawful money of the United States, and at no pay day shall there be withheld more than ten days of the earnings of the employees. Any such operator or employer failing or refusing to pay his employees, their agents, assigns or any one duly authorized to collect such wages as in this section provided shall immediately become liable to such employees, his agent or assigns or any one duly authorized by such employee for an amount double the sum due such employee at the time of such failure or refusal to pay the wages due, to be recovered by civil action in any court of competent jurisdiction.

Approved February 23, 1903.

PAGE 242.—*Mine regulations—State examining boards.*

SECTION 1. A State board of coal mining is hereby created, composed of three members to be appointed by the governor, one of whom shall be a practical miner, one an expert mining engineer, and who shall, when practicable, be also hoisting engineer and one shall be mine owner. Each member of the board shall serve for a term of two years, or until his successor is appointed and qualified.

SEC. 2. It shall be the duty of said board to make formal inquiry into and pass upon the practical and technical qualifications and personal fitness of persons seeking certificates of competency as mine managers, mine foremen, assistant mine foremen, mine examiners and as hoisting engineers.

SEC. 3. Meetings of the board may be held at any time, and they may make such rules and conduct such examinations as in their judgment may seem proper for the purpose of such examinations. Public notice shall be given through the press or otherwise announcing the time and place at which examinations are to be held. The board shall report their action to the commissioners of labor and at least two of the members thereof shall certify to the qualifications of each candidate who has passed such examination.

SEC. 4. Persons coming before the State mining board as candidates for appointment as State inspectors of mines must produce evidence satisfactory to the board that they are citizens of this State, at least thirty years of age; that they have had a practical mining experience of ten years and that they are men of good repute and temperate habits; they must also submit to and satisfactorily pass an examination as to their practical and technical knowledge of mining engineering and mining machinery and appliances, of the proper development and operation of mines, of ventilation in mines, of the nature and properties of mine gases, of the geology of the mineral measures in this State and of the laws of this State relating to mines.

SEC. 5. At the conclusion of the examination for inspectors the board shall certify to the governor the names of all successful candidates.

SEC. 6. Persons coming before the board for certificates of competency as mine managers must produce evidence satisfactory to the board that they are at least 25 years old, that they have had at least five years practical mining experience, and that they are men of good repute and temperate habits, they must also submit to and satisfactorily pass such examination as to their experience in mines and the management of men, their knowledge of mine machinery and appliances, the use of surveying and other instruments, the properties of mine gases, the principles of ventilation and the specific duties and responsibilities of mine managers, as the board shall see fit to impose.

SEC. 7. Applicants for mine foremen and assistant mine foremen shall be at least 25 years of age, shall have had at least five years practical mining experience, give satisfactory evidence that they are men of good moral character and of known temperate habits. They must also submit to and satisfactorily pass such an examination as to their experience in mines, their knowledge of the properties of mine gases, the principles of ventilation and the specific duties and responsibilities of mine foreman and assistant mine foremen as the board shall see fit to impose.

SEC. 8. Persons seeking certificates of competency as mine examiners must produce evidence satisfactory to the board that they are at least 25 years of age, and of good repute and temperate habits. They must also submit to and satisfactorily pass an examination as to their experience in mines generating dangerous gases, their practical and technical knowledge of the nature and properties of fire damp, the laws of ventilation, the structure and uses of the safety lamp.

SEC. 9. Persons seeking certificates of competency as hoisting engineers must produce evidence satisfactory to the board that they are at least 21 years of age, that they have had at least two years experience as firemen or engineer of a hoisting plant, and are of good repute and temperate habits. They must submit and satisfactorily pass an examination as to their experience in handling hoisting machinery,

and as to their practical and technical knowledge of the construction, cleaning and care of steam boilers, the care and adjustment of hoisting engines, the management and efficiency of pumps, ropes, and winding apparatus, and their knowledge of the laws of this State in relation to signals and hoisting and lowering of men at the mines.

SEC. 10. Applicants giving satisfactory evidence of having had at least five years continuous experience immediately preceding the examination in one of the following duties, mine manager, mine foreman, assistant mine foreman, mine examiner, hoisting engineer, as the case may be shall receive a certificate of service, which shall entitle them to continue in the duties of the position they held when said certificate was granted, for a period of two years and no longer: *Provided, however,* Any such person holding a certificate of service may at any time apply for and receive a certificate of competency in the manner provided in the preceding sections.

SEC. 11. The certificates provided for in this act shall be issued under the signatures and seal of the State mining board to all those who receive a rating above the minimum fixed by the rules of the board, such certificates shall contain the full name, age and place of birth of the recipient, and the length and nature of his previous service in or about mines.

SEC. 12. The board may exercise its discretion in issuing certificates of any class, but not without examination, to persons presenting with proper credentials, certificates issued by competent authority in other States.

SEC. 13. It shall be unlawful for the operator of any mine to employ, or suffer to serve, as mine manager, mine foreman, assistant mine foreman, or mine examiner, any person who does not hold a certificate of competency or of service issued by a duly authorized board of examiners of this State: *Provided,* That whenever any exigency arises by which it is impossible for any operator to secure the immediate services of a certified mine manager, mine foreman, assistant mine foreman, mine examiner as the case may be, he may place any trustworthy and experienced man, subject to the approval of the State mine inspector, to act temporarily for a period not to exceed ten days.

SEC. 14. It shall be unlawful for the operator of any mine to employ, or suffer to serve as hoisting engineer of said mine, any person who does not hold a certificate of competency or service issued by a duly authorized board of examiners of this State, to permit any other person to operate his hoisting engine except for the purpose of learning to operate it and then only in the presence of the certificated engineer in charge, and when men are not being hoisted or lowered: *Provided,* That whenever any exigency arises by which it is impossible for any operator to secure the immediate services of a certified hoisting engineer, he may place any trustworthy and experienced man, subject to the approval of the State mine inspectors, in charge of his engines to act as temporary engineer, for a period not to exceed 30 days.

SEC. 15. The certificate of any manager, mine foreman, assistant mine foreman, hoisting engineer or mine examiner may be canceled and revoked by the State mining board whenever it shall be established to the satisfaction of said board that the holder thereof has become unworthy of official endorsement, by reason of violation of the law, intemperate habits, manifest incapacity, abuse of authority, or for other causes satisfactory to said board: *Provided,* That any person against whom charges or complaints are made shall have an opportunity to be heard in his own behalf, and he shall have thirty days notice in writing of such charges.

SEC. 16. An applicant for any certificate herein provided for, before being examined, shall register his name with the secretary of the board, and file with him the credentials required by this act, to wit: An affidavit as to all matters of fact establishing his right to receive the examination, and a certificate of good character and temperate habits signed by at least ten of the citizens in the place in which he lived. Each candidate, before receiving the examination, shall pay to the secretary of the board the sum of one dollar as an examination fee, and those who pass the examination for which they are entered, before receiving their certificate, shall also pay to the secretary the further sum of two dollars each as a certificate fee. Also persons receiving certificates of service shall pay the sum of two dollars as certificate fee. All such fees shall be duly accounted for by the board and paid into the State treasury at the close of each fiscal year.

SEC. 17. The members of the State mining board shall receive as compensation for their services the sum of five dollars per day, for a term of not exceeding thirty days in any year, and whatever sums are necessary to reimburse them for such traveling and all necessary expenses as may be incurred in the discharge of their duties. All such salaries and expenses of the said board shall be paid upon vouchers duly sworn by each and approved by the president of the board and by the governor, and the auditor of public accounts is hereby authorized to draw his warrants on the State treasury for the amount thus shown to be due, payable out of any money in the treasury not otherwise appropriated.

SEC. 18. Any owner, agent, operator or managing officer of any coal mine to which this act applies found guilty of violating any of the provisions of this act shall be punished by a fine not exceeding five hundred dollars or less than one hundred dollars or by imprisonment in the county jail not exceeding six months or by both fine and imprisonment in the discretion of the court.

SEC. 19. The provision[s] of this act shall apply only to coal mines.

Approved April 4, 1903.

PAGE 245.—*Mine regulations—Inspectors.*

SECTION 1. Section 8817 of article 2, chapter 133, Revised Statutes of the State of Missouri, 1899, is hereby amended * * * so that the section, as amended, shall read as follows:

Section 8817. There is hereby created a department to be known as the bureau of mines, mining and mine inspection, with its office located in the State capitol. The governor shall, for the inspection of coal mines, appoint an inspector and one assistant to the same, both of whom shall have been practical miners in coal mines. For lead, zinc and mines other than coal mines the governor shall appoint two inspectors, both of whom shall have had practical experience in lead and zinc mining; one of said inspectors shall be appointed to serve in the western lead and zinc district and the other inspector in the eastern lead and zinc district. Said districts in the lead and zinc field to be divided from north to south through the State by a line which will border the western boundary line of Cooper and Webster counties. Neither of the above-named inspectors shall be interested in any mine and each shall receive a salary of \$1,500 per annum, and there shall also be allowed and paid out of the general revenue fund the actual traveling expenses of the inspectors. The inspector so appointed shall have authority to appoint a secretary of the bureau of mines, mining and mine inspection, who, in addition to his other qualifications, shall be a competent draughtsman and receive a salary of \$1,500 per annum.

Approved April 13, 1903.

PAGE 246.—*Payment of wages of mine employees, etc.—Semimonthly pay day.*

SECTION 1. Section 8791, article 2, chapter 133 of the Revised Statutes of Missouri of 1899 is hereby repealed and two new sections enacted in lieu thereof, to be known as sections 8791 and 8791a, which shall read as follows:

Section 8791. All persons or corporations engaged in or operating any mines, stone or granite quarries in this State shall pay their employees once in every fifteen days in lawful money of the United States, and at no pay day shall there be withheld any of the earnings due any such employee: *Provided*, Persons or corporations operating coal mines may withhold not to exceed five days of the earnings of employees. Any such operator or employer failing or refusing to pay his employees, their agents or assigns or anyone duly authorized to collect such wages as in this section provided, shall become immediately liable to such employee, his agent, assigns or anyone authorized to collect such wages for an amount double the sum due such employees at the time of such failure or refusal to pay the amount due, to be recovered by civil action in any court of competent jurisdiction within this State.

Sec. 8791a. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

Approved March 23, 1903.

PAGE 247.—*Mine regulations—Explosives, etc.*

SECTION 1. An act to repeal sections 8826 and 8827, article 2, of chapter 133 of the Revised Statutes of Missouri, 1899, entitled "Safety and inspection of mines," and enact three new sections in lieu thereof, approved March 12, 1901, is hereby repealed and the following new sections enacted in lieu thereof:

Section 8826. All owners, agents or operators of coal mines shall require of all miners or other persons employed in and about a mine, using gun, blasting powder or other explosives, to have and keep a strong box in which all surplus gun, blasting powder or other explosives in the mine shall be kept, excepting so much as is necessary for immediate use. These boxes shall be kept locked and not opened unless it be to put in or take out powder. Nor must these strong (or powder) boxes be kept nearer than one hundred feet to the place of blasting. And in all dry and dusty coal mines discharging light carbonated hydrogen gas, or in mines where the coal is blasted off of the solid, shot firers must be employed by the operator of said mine or mines, to fire all shots after the employees and other persons have retired from the mine. And all shots prepared by the miner for the extraction of coal from off of the solid, must be so placed, drilled and charged, that the same, when fired, shall perform safely the duty required of such shots; but if the shot firers find or discover that a drill hole is gripping too much or that it is drilled too much into (what the miners term) "the

tight," and as may in the judgment of the shot firers, prove a windy, blow-out or otherwise dangerous shot, said shot firers shall there and then condemn such shot as too dangerous to fire and pass the same without firing it. It shall also be the duty of the shot firers to notify the mine foreman as soon as practicable, when a shot is condemned, who shall in turn attract the attention of the miner or miners responsible for the preparation of said condemned shot and said miner or miners shall immediately after returning to work provide the necessary remedy to render the said condemned shot harmless.

Section 8827. Any agent, owner or operator of any coal mine in this State violating the provisions of the preceding section shall be deemed guilty of a misdemeanor, and for each offense on conviction shall be fined not less than one hundred dollars nor more than two hundred and fifty dollars or by imprisonment in the county jail not less than six months nor more than one year or by both such fine and imprisonment. Proceedings to be instituted in any courts having competent jurisdiction.

Approved March 10, 1903.

PAGE 251.—*Fire escapes on factories, etc.*

SECTION 1. Section one (1) of an act entitled, "An act to provide for the construction and maintenance of fire escapes for * * * factories, office buildings, * * * approved March 27th, 1901, is hereby repealed, and the following new section enacted in lieu thereof:

Section 1. It shall be the duty of the owner, proprietor, lessee or keeper of every * * * factory, office building in the State of Missouri, and every building therein where people congregate or which is used as a business place, * * * which has a height of three or more stories to provide said structure with stair fire escapes attached to the exterior of said building and by stair cases located in the interior of said building. The fire escapes shall commence at the sill of the second story window, and run to the upper window sill of the upper story with an iron ladder from the upper story to the roof. The fire escape shall extend downward from said second story to within nine feet of the ground pavement or sidewalk. * * * In no case shall a fire escape run past a window where it is practicable to avoid it. All fire escapes required by this act must be of the kind known as stationary fire escapes. All buildings heretofore erected shall be made to conform to the provisions of this act.

Sec. 2. Section (2) of said act is hereby repealed and the following new section enacted in lieu thereof:

Section 2. When fire escapes are to be attached to buildings within a city they shall be constructed under the supervision of and subject to the approval of the commissioner or superintendent of public buildings within such city, and if there be no such office within such city they shall be subject to the approval of the chief of the fire department of such city. Whenever a fire escape attached to any building located within a city, shall, upon inspection by the commissioner or superintendent of public buildings, or chief of the fire department of such city, be found in an unsafe and dangerous condition, the owner, lessee, proprietor or keeper of said building shall forthwith rebuild or repair same or replace same in safe condition, upon written notice of such commissioner or superintendent. When fire escapes are to be attached to buildings not within the limits of any city, they shall be subject to the approval of the sheriff of the county in which such building is located. And should such fire escape, through age or otherwise, be or become unsafe or dangerous, the same shall be repaired and placed in safe condition, upon written notice by said sheriff to the person in charge of such building. All fire escapes shall have proper and safe balconies for each story thereof, surrounded on the sides with wire bank and pipe rail not less than three feet in height with openings from the building to said balconies. Whenever a stair fire escape is to be constructed, the stairway shall, where practicable, be of an angle of not more than fifty-five degrees and constructed so as to be placed on a blank wall. The stair fire escape shall be provided with one or more landings in each story, and inclosed on the sides with wire bank and pipe rail not less than three feet in height and running on the same angle as the stairs.

Sec. 3. Section three (3) of said act is hereby repealed and the following new section enacted in lieu thereof:

Section 3. The number of fire escapes to be attached to any one building as required in this act shall, when the building is located within a city, be determined by the commissioner or superintendent of public buildings within such city, and if there be no such officer in such city, then by the chief of the fire department of such city: *Provided, however,* That all buildings of nonfireproof construction three or more stories in height used for manufacturing purposes, * * * shall have not less than one fire escape for every fifty persons or fraction thereof for whom working * * * accommodations are provided above the second story * * *.

Approved March 24, 1903.

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