The following dispatch, dated Berlin, January 2, appeared in the St. Louis Republic:

To obliterat the loan shark and enable American wage earners to borrow money easily, cheaply and under self-respecting conditions, is the dominating purpose of a great banking enterprise shortly to be launched under the auspices of Julius Rosenwald of Chicago.

Mr. Rosenwald is about to leave Europe for Egypt, prior to returning to Chicago at the end of March, and has given a detailed account of the scheme which, in many respects, is unique in the history of American philanthropy.

The plans for the establishment of Mr. Rosenwald's first bank, which is intended to be only the forerunner of a great chain of similar institutions throughout the United States, are at the point of completion. The bank will be opened in Chicago with a capital of several hundred thousand dollars. The aggregate capital, when all the other banks which are projected are ready for business, will approximate $2,000,000.

Mr. Rosenwald does not authorize the statement, but it is understood that the enterprise is being formed, with Andrew Carnegie and Vincent Astor, is prominently associated with him in the enterprise.

"The object of our industrial loan banks," said Mr. Rosenwald, "is to make small loans at a low rate of interest—loans of so trifling a character that the ordinary bank would not consider them—to working men, whose means are too insignificant to give them any standing with the banks. We shall require no collateral, but simply an endorsement from some fellow-wage earner. These banks, it is hoped, will in large measure eliminate the loan shark evil and nourishing all over the country. We aim to kill this system, which encourages the small man to borrow beyond his means."

"No loans will be made by our industrial banks without conclusive knowledge that the money is to be used for legitimate purposes. Another feature will be the issuing of certificates in small denomination, payable on small weekly or monthly payments and bearing 5 per cent interest. These certificates will be redeemable on demand. A workman is thus encouraged to invest his savings."

"As the chief object to these banks is to inculcate thrift in the small wage earner, he will be enabled to borrow in an honourable, businesslike way should he find himself in financial difficulties for any legitimate reason. He will then be encouraged to save once the crisis is passed."

ST. LOUIS BANK A SUCCESS

The Republic tells the following story of the successful operation of such a bank in St. Louis:

"The system by which Andrew Carnegie, Vincent Astor and others are planning to start a chain of poor man's banks throughout the United States has been in operation successfully in St. Louis for a year."

The Industrial Loan company of 730 Chestnut street, of which James Q. Butler is president, yesterday celebrated its first anniversary. The concern is capitalized at $200,000. During its year of business, 6,000 loans were made, totaling $1,600,000. The losses on the loans was $424,000. Of this amount, about 1.5 of 1 per cent, or $1,909, was lost on worthless loans. Not more than fifty borrowers were compelled to pay for defaults and a number of these losses gradually are being refunded by the makers of the loans through the bank."

"Since we commenced business we have forced nineteen loan sharks to close their doors," said Arthur Blumeyer, the cashier, yesterday.

"There now are only twelve concerns of this character in the city and their clientele is decreasing. We were forced to change locations three times because of our quarters becoming crowded."

"It is estimated that more than $1,700,000 has been saved by customers who have not paid interest. When a borro-

War Against Loan Sharks