

the New York banks is justified in the circumstances.

"Within the last six weeks I have approved the issuance to the national banks of New York City of more than \$140,000,000 of new or additional national bank currency. This was done for the purpose of easing rates and helping the situation generally.

"The New York banks generally have not been hoarding money or maintaining excessive reserves, but they appear to be charging higher rates of interest than conditions seem to justify. I am using every just effort to persuade the banks throughout the country to extend reasonable rates of interest to meet the existing unusual conditions created by the European war, which, if dealt with in a helpful spirit by all concerned, should quickly ameliorate.

"I should like to see the New York banks take the lead in establishing and maintaining moderate rates of interest for accommodations, as their example always has a large influence upon banking action and sentiment in the country. If this course is pursued by the leading banks in New York and other great money centers, a real public service will be rendered and a return to normal conditions of business will be quickened."

Many responses from state superintendents of banking were received by Secretary McAdoo pledging their co-operation in furnishing information with respect to the hoarding of money by state institutions.

Washington, D. C., September 26, 1914.—The following is a copy of a telegram received by Secretary McAdoo from M. A. H. Wiggin, chairman of the clearing house committee of New York:

"New York, September 25, 1914.—Your telegram received. Except on some Wall Street loans on paper placed by brokers, the rate charged to customers and to correspondents by New York banks does not exceed six per cent. Please give us the specific instances to which you refer and, while we have no authority to control the rates of interest charged, if there is any action that is unjustified or unreasonable, we will use our influence to correct it. It is the desire of New York to set an example that cannot be criticized."

The secretary sent the following telegram to Mr. Wiggin in reply:

"Washington, September 26, 1914.—Replying to your telegram received last night, as a specific instance I am informed by a large bank in the south that the (names of two banks in New York City have charged it seven per cent on loans aggregating in each case more than a quarter million dollars. As is usual in such cases, the complainant naturally does not wish to have identity disclosed, but if these banks deny having made such loans at seven per cent interest, I will take the matter up with the southern bank to which I refer and get further details. I am pleased with the assurance in your telegram that the New York clearing house will use its influence to correct any unjustified or unreasonable charges on the part of its member banks, and I appreciate the spirit which is manifested in your statement that 'it is the desire of New York to set an example that can not be criticized.'"

Washington, D. C., September 28, 1914.—Secretary McAdoo received the following telegram from Mr. A. H. Wiggin, chairman of the clearing house committee of New York:

"Have made investigation of matter referred to in your telegram of the twenty-sixth. First named bank states it has not charged any bank more than six per cent interest, and asks that the complainant give you particulars or withdraw the charge. Second bank named states emphatically that they have no loan in their institution of any kind or nature at over six per cent, and request name of complainant. The clearing house committee in justice to its members urge that you give us the name of the southern bank referred to, and withdrawal of the charge."

The secretary sent the following reply to Mr. Wiggin:

"Telegram received. On Friday last, the twenty-fifth instant, (name of officer of a bank in the south) stated to me, Assistant Secretary Malburn and Comptroller of the Currency Williams that (names of two banks of New York City) had each charged (name of the southern bank) seven per cent on loans aggregating large amounts. This afternoon Assistant Secretary Malburn received letter from Mr. (name of southern bank officer) in which he states: 'I find upon investigation that the rate charged to us by (name of one of the New York banks referred to) is six per cent the same as (name of the other New York bank referred to).'"

I am at a loss to understand how Mr. (name of southern bank officer) could have made an error, as his statements to us about the seven per cent rate were positive. I am asking Mr. (name of southern bank officer) for a further explanation. I am glad to discover, however, from his corrected statement, that the banks in question are not charging his bank seven per cent on loans, as I certainly have no desire to do injustice to anyone."

Washington, D. C., September 28, 1914.—Secretary McAdoo received the following telegram from Mr. T. B. Beal, president of the Boston clearing house association:

"In reply to your telegram of September twenty-five, received too late for action last week, the clearing house committee begs to state that to the best of their knowledge, six per cent is the almost universal rate charged by banks in Boston to other banks for advances or re-discounts. We have impaired our reserves without hesitation in order to take care of all deserving customers, and we do not hear of any complaints on their part. Should you have such specific instances, please advise us."

"HOARDING BANKS" OF COUNTRY AS NAMED BY SECRETARY McADOO

The list of national banks which Secretary of the Treasury McAdoo charges are carrying reserves in excess of the legal 15 per cent minimum is as follows by states and reserve percentages:

NEW ENGLAND STATES

Maine—Bath National, 35; First National, Biddeford, 32; Biddeford National, 27; Messalonskee National, Oakland, 25; York National, Saco, 27; South Berwick National, 44.

New Hampshire—Manchester National, 40; Merchants' National, Manchester, 34; First National, Newport, 32; First National, Somersworth, 39.

Vermont—Howard National, Burlington, 30; Rutland County National, Rutland, 29; Woodstock National, 40.

Massachusetts—First National, Clinton, 30; Metacomet National, Fall River, 31; National Grand, Marble Head, 43; Milford National, 40; First National, New Bedford, 47; Merchants' National, New Bedford, 29; Old Colony National, Plymouth, 28; Plymouth National, 28; Shelburne Falls National, 29; Machinists' National, Taunton, 38; Bristol County National, Taunton, 27;

Rhode Island—Providence National, 41. Connecticut—National Exchange, Hartford, 33; Middletown National, 26; Naugatuck National, 35; Second National, New Haven, 36; New London City National, 25; Thames National, Norwich, 30; First National, Putnam, 29; Stamford National, 33.

EASTERN STATES

New York—Chester National, 34; First National, Corona, 28; National of Coxsackie, 44; Home National, Ellenville, 58; National Chautauqua County, Jamestown, 26; Keesville National, 28; National Union, Kinderhook, 36; First National of Rondout, Kingston, 51; State of New York National, Kingston, 32; Sullivan County National, Liberty, 28; Commercial National, Long Island City, 28; First National, Lowville, 36; Black River National, Lowville, 35; Mount Kisco National, 42; First National, Port Henry, 61; Union National, Schenectady, 41; United National, Troy, 34; First National, Warwick, 48; National of Watervliet, 42.

New Jersey—Atlantic City National, 26; Atlantic Highlands National, 26; Bloomsbury National, 47; Carlstadt National, 25; First National, Clinton, 28; Central National, Freehold, 47; First National, Jersey City, 41; Third National, Jersey City, 31; National State, Newark, 37; Mechanics National, Trenton, 30.

Pennsylvania—First National, Barnesboro, 26; First National, Columbia, 29; Columbia National, 25; Harrisburg National, 30; National, Johnstown, 38; Lewisburg National, 34; First National, Newcastle, 30; First National, South Fork, 25; First National, Selins Grove, 29; First National Strasburg, 49; Second National, Titusville, 27; National of Fayette County, Uniontown, 34; First National, Warren, 29; East Pittsburgh National, Wilmerding, 34;

Maryland—Farmers' National, Annapolis, 26.

SOUTHERN STATES

Virginia—Planters' National, Fredericksburg, 32; First National, Graham, 41; Marshall National, 45; Tazewell National, 29; First National, Wytheville, 27.

West Virginia—Citizens' National, Morgan-

town, 40; First National, Sistersville, 27; Citizens' National, Wheeling, 30.

North Carolina—Concord National, 28. South Carolina—Central National, Spartansburg, 26.

Georgia—National Exchange, Augusta, 36; Third National, Columbus, 62; City National, Dawson, 46; Jackson National, 67; First National, Lyons, 33; La Grange National, 64; Atkins National, Maysville, 29; First National, Rome, 25; Exchange National, Rome, 33.

Florida—First National, Arcadia, 30; Citizens & People's National, Pensacola, 28; National Bank of Commerce, Pensacola, 49; First National, St. Augustine, 27.

Alabama—First National, Montgomery, 30; Exchange National, Montgomery, 27; First National, Opelika, 28.

Mississippi—First National, Greenwood, 48; First National, Greenville, 25; Capital National, Jackson, 34;

Louisiana—First National, Jeanerette, 33; Louisiana National, Baton Rouge, 29.

Texas—Farmers & Merchants' Nat. Comanche, 41; State National, El Paso, 52; Ennis National, 44; Ferris National, 47; First National, Frost, 50; National of Grand Salina, 45; Hamilton National, 47; Jacksboro National, 41; First National, Kaufman, 47; First National, Kemp, 74; First National, Valley Mills, 42; Victoria National, 45; National of West, 47.

Arkansas—First National, Eureka Springs, 31; First National, Huttig, 44; German National, Little Rock, 28; First National, Newport, 43; First National, Tuckerman, 46; First National, Van Buren, 40.

Kentucky—Plaintsville National, 30; Ashland National, 26; State National, Frankfort, 28; First National, Owensboro, 26.

Tennessee—Clarksville National, 45; First National, Memphis, 30.

MIDDLE STATES

Ohio—Farmers National, Ashtabula, 40; First National, Ashland, 40; First National, Blanchester, 35; Winters' National, Dayton, 42; Teutonia National, Dayton, 29; Wayne County National, Wooster, 33; Farmers' National, Williamsport, 30; Citizens' National, Xenia, 35; Xenia National, 46.

Indiana—First National, Mays, 58; Second National, Richmond, 35; People's National, Rushville, 37.

Illinois—State National, Bloomington, 32; First National, Bloomington, 41; Champaign National, 55; German-American National, Lincoln, 30; Grundy County National, Morris, 45; Farmers' & Merchants' National, Morris, 46; Peru National, 34; Rock Island National, 42; Union National, Streator, 40.

Michigan—First National, Bay City, 29; First National, Lake Linden, 33; Hackley National, Muskegon, 27.

Wisconsin—Rock County National, Janesville, 26; First National, Kenosha, 25; First National, Monroe, 26; Manufacturers' National, Racine, 27; First National, Whitewater, 28.

Minnesota—American Exchange National, Duluth, 38; City National, Duluth, 29; First National, Park Rapids, 38.

Iowa—Union National, Ames, 45; Centerville National, 40; First National, Gowrie, 26; First National, Galva, 33; First National, Indianola, 27; Farmers National, Kingsley, 26; Commercial National, Waterloo, 27.

Missouri—First National, Joplin, 37; Cunningham National, Joplin, 39; Joplin National, 30; First National, Liberty, 30; Scotland County National, Memphis, 46; Union National, Springfield, 40; McDaniel National, Springfield, 38; First National, Stewartville, 70; First National, Plattsburg, 48; National of Webb City, 31; People's National, Warrensburg, 39; First National, West Plains, 36.

WESTERN STATES

North Dakota—First National, Buffalo, 27; First National, Dickinson, 35; First National, Grand Forks, 26; First National, Goodrich, 29.

South Dakota—First National, Deadwood, 31; Scandinavian-American, Sioux Falls, 62; Minnehaha National, Sioux Falls, 25; Sioux Falls National, 48; First National, Watertown, 26.

Nebraska—First National, Wisner, 34; Citizens National, Wisner, 34; First National, Wymore, 29.

Kansas—First National, Edmont, 50; Emporia National, 39; Farmers' National, Goodland, 52; First National, Hutchinson, 52; Commercial National, Hutchinson, 38; Leavenworth National, Leavenworth, 35; Farmers' National, Salina, 37.

Montana—First National, Butte, 41; Yellowstone National, Billings, 36; First National, Great Falls, 35; First National, Glasgow, 29.

Wyoming—First National, Douglas, 49; Doug-