



An Indianapolis, Ind., dispatch to the New York Sun, says: "Harvey M. Cook of Avondale, Pa., has nominated Governor Marshall for the presidency next year by means of two tomatoes, which have been sent to the governor. That such a nomination is effective Mr. Cook asserts is proved by the fact that he nominated Presidents Taft and Roosevelt in a similar manner. Each tomato bore on its ruddy surface the inscription 'Thomas R. Marshall, 1912.' The manner of its coming there was obvious. The grower had stitched some sort of fiber to the skins of the fruit while it was green, and the subsequent growth had made the letters appear, except for the stitches, as a part of the skin. In a letter to the governor Cook said that he was the originator of the process by which tomatoes may be made to make presidents. All he asked in return, he said, was the governor's autograph."

President Taft, in an address before the Marion club in Indianapolis, made a vigorous defense of Canadian reciprocity. He cited the work of Blaine and McKinley to show that it was not a departure from republican principles.

Colonel John T. Sullivan, of New Orleans, was elected grand exalted ruler of the Order of Elks at Atlantic City.

Several hundred persons were killed and several millions dollars worth of property were destroyed in forest fires in Ontario.

Carroll G. Pearse, superintendent of schools in Milwaukee, was elected president of the National Educational association in session at San Francisco.

John W. Gates, the trust magnate, is seriously ill in Paris.

Governor Hooper, of Tennessee, has under advisement the calling of the Tennessee legislature in extra session to consider the matter of refunding the state debt. Constitutional amendments passed by the legislature have been declared to be invalid.

A Trinidad, Colo., dispatch to the Denver News says: After having waited a week at Durango for the arrival of the body of her son whom she mourned as dead, Mrs. Thomas

Carr, sr., of Ludlow, was overjoyed upon the receipt of a message announcing that Thomas Carr, jr., was alive and well. A grave had been dug, a choir chosen and every arrangement made for the funeral. Last week the body of Thomas Carr, a carpenter of Denver, who had died in a hospital in Chicago, arrived in Durango. The widow of the Denver man, accompanied by her four children, explained at Durango that she had been persuaded to come there by the trainmen, who were sure that the body of Thomas Carr was destined for that point. Mrs. Carr of Ludlow, firm in the belief that the body in transit was that of her son, and that the Chicago undertaker, as well as the railroad people, had made a mistake, continued to wait at Durango. Later a friend at Ludlow wired her that her son was alive. This information was obtained from a letter which had lain in the post-office at Ludlow for several days. The letter was addressed to Mrs. Carr, and was from her son's wife, Thomas Carr, jr., resides in Fort Smith, Ark. He had previously been a patient in the hospital in which the Denver Thomas Carr died on July 3, and this is believed to have been responsible for the tangle.

The Lancaster county democratic convention met at Lincoln, Neb., and adopted resolutions from which the following is taken: "The democratic party of Lancaster county, in convention assembled, renews its fealty to the principles which have made it the people's party and arrayed it on the side of the people in all of the political struggles between greed and justice. We take a just pride in the fact that this county has furnished to the nation the standard bearer of the party in three national campaigns; that nearly every national reform since 1896 has been inspired by W. J. Bryan. We esteem him the greatest living exponent of the great truths which form the foundation of the republic and congratulate him that his tireless efforts in the advocacy of the great truths which he has espoused, have been so effective that his opponents have first ridiculed, then maliciously opposed, and enacted into law and sworn they were the originators. For the unparalleled public service he shall forever rank with the immortals in the heart of the American people. We congratulate Hon. John A. Maguire, our representative in congress, on the faithful, efficient work he has performed as our representative."

In an address before the Christian Endeavor convention in Atlantic City, Speaker Champ Clark declared that any man who misses two general elections should be disfranchised.

It is stated in Paris that the negotiations between Germany and France on the Moroccan situation are progressing favorably.

#### LUCKY

"Have pity on a poor, lame man who is hungry and cold."  
"Stranger, think yourself lucky. You're only cold in one leg; I'm cold in both."—Pele Mele.

"What are her days at home?"  
"Oh, a society leader has no days at home any more. Nowadays she has her telephone hours."—Smart Set.

## Preparing for the Central Bank

The peculiar features of the new money organization in New York known as the "National City company" is described by the New York correspondent for the Philadelphia Public Ledger in this way:

New York, July 9.—Before the dog days are ended the National City company will, in all probability, have been organized. It will be sure to attract attention and possibly to invite strong criticism by reason of the fact that it is a child of the National City bank and is to take over certain business heretofore done by that bank, and in addition is to seek or accept other business not permitted to a national bank. It is to be in alliance with some of the greater banking institutions of the United States—the Riggs, of Washington; the American Security and Trust, of Washington; the Newport Trust company, of Rhode Island, and the Fidelity Trust company, of Kansas City, as well as a number of smaller institutions. And it is to be intimately associated with the second largest bank of the United States, the Continental and Commercial, of Chicago. In addition to the interest which will be occasioned by this organization, because of the powerful financial groups which are to be associated with it, there are two other features which at this time should be regarded as of great importance.

First, the National City company, when organized, will represent the most perfectly artificialized organization yet perfected for carrying on large financial operations, and so perfected as to stand wholly outside the national banking law, so far as the character of the business to be done by it, its organization and its ownership are concerned. It may be that it is the last and highest refinement of the principle of co-operative organization. Recently the National City bank declared a cash dividend of 40 per cent. It was then announced that any stockholder could take this dividend in cash, if that were his wish, but that any stockholder could, on the other hand, give his assent to such use of the dividend as would enable him to become a beneficiary participant in a proposed securities company to be called the National City company. Therefore, if all the stockholders preferred to participate in the organization of the National City company, then the \$10,000,000, which is the aggregate dividend at 40 per cent, would become the working capital of the National City company. But the stockholders must make choice on or before July 15.

At first some of the stockholders were somewhat puzzled by this announcement. They sought explanations and received them verbally as well as by a printed circular. The explanation showed that if a stockholder preferred to take his dividend, not in cash, but in the form of participation in the ownership of the National City company, then, following certain legal formalities, by which he expressed assent to that plan, his stock in the National City bank would bear upon it a certified formula, stating that the owner of the stock assented to the plan. Of course, the statement is very technical and the assent of the stockholders is framed in careful legal verbiage, but the effect of such assent is this—the national City bank stockholder, who gives his assent, finds his stock clothed or enriched with a new value, namely, that which it acquires through its participation in the organization of the National City company and the presumable dividends it will thereby earn.

One effect of this assenting partici-

patation seems almost paradoxical, for, by reason of it, the book value of the National City bank stock is decreased, whereas the market value is sure to be considerably and possibly greatly increased in the course of a few years. No one but a stockholder in the National City bank is permitted to share in the ownership of the National City company. If any stockholder should sell his stock then the value that is in that stock by reason of these participation rights would pass into the ownership of the purchaser of the stock. Here, then, is a financial organization to be possessed of \$10,000,000 of working capital, and yet it is an organization which is to have no capital stock at all. It is to be the closest kind of a close corporation. The stockholders consent to the formation of a board of trustees whose power is to be absolute and permanent. This board of trustees will name the directors. The board, which is to be constituted late in July, is to consist of James Stillman, who is the creator of the National City bank, as we now know that institution; Frank A. Vanderlip, its president, and Stephen S. Palmer, a director. There seem to be in this organization certain characteristics of the Atlantic Mutual Insurance company's highly successful method of declaring scrip dividends, upon which interest is paid for several years, itself considered one of the great triumphs of modern financing, and also a page taken from the record made by Thomas F. Ryan when he created the board of trustees of the Equitable Life Assurance society, which possessed absolute control over the stock bought by Mr. Ryan of James Hazen Hyde, that being a majority of the stock of the Equitable. But the organizers of the National City company have gone much farther than any of those who have created trusteeships have hitherto gone. The trusteeship is as absolute as any created by will for the management and control of very large estates. The trustees are to pay over to the National City bank all profits that may be earned by their operations, and if expectations are met some of these profits will be very large. The National City bank is to receive these profits as an agent, disbursing them pro rata to the stockholders of the bank.

#### Purpose of the New Company

Of course the purpose of this organization is to make it possible for the National City bank to do by indirection and in a perfectly lawful way many things which it is unable to do under the national banking law. For instance the new organization may buy bank stock; the national banking law forbids any national bank to become the owner of bank stock. The National City company may deal in real estate; the national banking law forbids a national bank to hold any real estate excepting such as is necessary for its banking house for a longer period than five years. In no event can a national bank buy real estate, but it is permitted to take real estate to secure a bad debt, but must dispose of that real property within five years. The plan as it has been worked out appears to be a step in advance of the plan adopted for the organization of a securities company created by the First National bank a few years ago. It will enable the National City bank, many of whose stockholders are also controlling stockholders in other national and state banks, indirectly to operate these banks as branch institutions. The national banking law does not permit a national bank to have any branch institutions.

HOLLAND.



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