

BANKERS MEET AT SAN FRANCISCO.

Many Prominent Financiers of the State in Attendance.

An Able Paper by President John J. Valentine Read.

The Monetary Standard of This Country and of the Commercial World is Gold, and the Experience of the United States in the Past Two Years Has Fully Vindicated the Gold Standard.

SAN FRANCISCO, Sept. 15.—In the rooms of the Chamber of Commerce today the sixth annual convention of the California Bankers' Association was convened.

Mayor Phelan welcomed the financiers, and in the absence of President John J. Valentine, Vice President J. M. Elliott of Los Angeles responded.

Mayor Phelan dwelt upon the advantages of San Francisco as a convention city, and passed to the effects of the war with Spain upon the financial future of the Pacific Coast.

The secretary of the association, Mr. J. M. Elliott, presented a report on the operations of the association during the past year.

Chairman Elliott, in reply, stated that many of the good intentions of the bankers were misconstrued, principally by politicians, who looked upon any legislation suggested by the bankers as coming from a body bent upon personal gratification and for personal ends.

A carefully prepared treatise by President Valentine was then read, as follows: To the members and guests of the California Bankers' Association—Gentlemen: It is with unfeigned regret that I find I cannot be present in person to welcome you to this, our sixth annual convention, but circumstances beyond my control impend which will render it impossible.

In addressing you thus it would be in order for me to preface my remarks with a brief summary, at least, of current financial happenings and of the stirring events that have occurred in national affairs since our last meeting, and point out how the pressing needs of the hour have demonstrated as probably nothing else could the vast importance of untarnished national credit; but all this, as also the discussion of matters of banking detail, the methods to be recommended for doing business in specified localities, etc., with which they are more familiar than I am—I will leave to the more fortunate gentlemen who will follow me in person, and at once proceed to the consideration of the paramount question that concerns us all—currency reform.

The monetary system, so called, of the United States has long been a reproach, not to say scandal, to both the intelligence and business honesty of the country. For years past it has staggered under no less than ten different forms of money, with variable functions, including a heterogeneous mass of old war-time devices adopted as temporary expedients to meet extraordinary emergencies, all of which appear to have become antiquated, and, by prescription and public apathy, crystallized into an aggregation of inefficient instrumentalities wholly unworthy of the name of a monetary system, and at variance with every accepted principle of monetary science and stability, as well as with sound financial policy.

It will not be necessary here to dwell upon the intolerable embarrassments that have been inflicted upon the business of the country by this condition of things. Business men and organizations have been protesting against it for years and pleading for relief, but in vain. Congress has for more than thirty years been toying with the subject in a more or less perfunctory manner, but at no time prior to the panic of 1893 have these efforts ever risen above mere tinkering with some temporary expedient. No broad and comprehensive plan of monetary policy founded upon the logical principles of monetary science had been attempted, and both political parties have apparently felt satisfied that they fully discharged their public duties by inserting in their political platforms some meaningless platitudes, in the way of a financial policy wholly inconsistent with its own terms.

But the financial panic of 1893 seems to have at last aroused the country to a sense of the inherent dangers of our present monetary agglomeration, and Congress has now become very much in earnest in its efforts to effect a radical and lasting reform. To this end a bill was introduced some two years ago, providing for the appointment by the President of a non-partisan commission of eleven business men which should take under consideration our entire monetary status and its relations to the financial and fiscal operations of the Government, and formulate a thoroughly consistent and logical system which would exclude the dangerous elements at present existing, and which have so long been a constant menace to our monetary stability and national credit.

Unfortunately this bill failed to be

come a law, but the business men of the country had meanwhile taken up the subject through the Boards of Trade in the leading cities, which appointed delegates to a monetary convention to be held at Indianapolis, Ind. This convention, wherein more than 100 cities in twenty-six States were represented, by delegates chosen by the most eminent business men in the country, convened, January 12, 1897, and was thoroughly non-partisan in character. Full accounts of its proceedings have been published, and you are therefore doubtless more or less familiar with them. Among other things the convention authorized, by resolution, its Executive Committee—of which the Hon. H. H. Hanna of Indianapolis is Chairman—in the event that Congress should fail to pass the bill providing for the appointment of a commission, to select from the business men of the country a similar number of gentlemen of known financial ability, to convene at Washington City and serve in that capacity. The commission so selected assembled August 1, 1897. It made an elaborate report, in which it recommended the establishment of a metallic currency, the demand obligations of the Government, and the national banking system were fully discussed. The result of its labors has been highly commended by many members of Congress, as well as the public press, and a bill embodying its recommendations was introduced into Congress by Representative Overstreet and referred to the Committee on Currency and Banking.

In the meantime Mr. Walker, Chairman of that committee, and Mr. Fowler, a member, had each introduced a measure, but at the previous session, Mr. Gage, Secretary of the Treasury, had also formulated, in his annual report, a plan of currency reform upon the same lines, in many respects, with those of that monetary commission. The Secretary of the Treasury, therefore, invited before the Congressional committee to explain in detail the various provisions of the bill, and were subjected to a most rigorous and searching examination on the part of its Chairman and other members.

The final result was that the Committee on Currency and Banking appointed a special sub-committee from its own membership, to which were referred all the bills that had been presented, with a view to its embodying in a single bill the best provisions of each.

This sub-committee accordingly reported the bill now pending before the Committee on Currency and Banking, entitled: "A bill to provide for strengthening the public credit, for the retirement of the demand obligations of the United States, and the amendment of the laws relating to national banking associations." The bill embodies many of the provisions recommended by the monetary commission spoken of, and is doubtless the best considered measure yet presented to Congress, so far, at least, as it relates to the national banking system, respecting which it differs from all others in many of its provisions. It was accompanied by a report, admirably clear and lucid, giving a synopsis of its provisions and explaining them. Regarding it as the most important measure affecting the banking business of the country that has yet been presented to Congress, I cannot do better than to quote here the sub-committee's explanations of its scope and purposes.

"The purpose of this bill, as declared by its title, is the strengthening of the public credit, the relief of the United States Treasury, and the amendment of the laws relating to national banking. These objects, we believe, will be best attained by relieving the Treasury Department of the current redemption of demand notes, casting that burden upon the national banks, and permitting the banks to provide the elastic element of the paper currency of the country.

"National banks are required to assume the current redemption of the United States demand notes in order to obtain circulation based upon their commercial assets. A new class of notes, called 'national reserve notes,' is to be issued in lieu of the legal-tender notes deposited by the banks with the Treasury, and these reserve notes are to be redeemed by the banks out of the redemption fund, which they are required to maintain in gold. These reserve notes are not treated in any respect as banknotes, because the banks are not liable for their ultimate redemption.

"The basis of National Bank note circulation will eventually be the commercial assets of the banks. This result will be reached, however, only after a series of years, by a conservative method. National banks will continue to be required during one year after the passage of this bill to maintain the same amount of United States bonds as security for circulation which is required by existing law, but they will be permitted to issue notes to the face value of these bonds. This bond deposit may be reduced by one-fourth annually, beginning one year after the passage of this Act.

"National banks are to be permitted to issue 'national currency notes' upon their commercial assets to the amount of the reserve notes issued to them in return for deposits of United States notes. The purpose of this provision is to induce the conversion of United States notes into reserve notes, as well as to limit the issues of currency upon commercial assets.

"Reserve notes issued under the Act of July 14, 1890, are to be dealt with eventually upon the same basis as United States notes.

"A tax of 2 per cent. is levied upon national currency notes issued in excess of 60 per cent. of the capital of any national bank. A tax of 6 per cent. is levied upon circulation of the same character in excess of 80 per cent. of the capital.

"National reserve notes will continue to be legal tender until received in the treasury from failed and liquidating banks, when liability for them will be assumed by the Government and they will be redeemed and canceled. Provision is made that they shall cease to be required as a basis of circulation when the Secretary of the Treasury is satisfied that there is no longer a sufficient amount available to meet the demands for new banks and increased circulation of the same.

"National banks are required to pay a tax of 1/2 of 1 per cent. semi-annually upon their capital, surplus and undivided profits. (Subject, however, to reductions on account of national reserve notes taken out by them.)

"The bill also provides for the establishment of a metallic currency to be prescribed by the Secretary of the Treasury.

"Branch banking is a system in almost universal use in other civilized countries where the methods of modern finance are well developed, and is almost essential to the economical use of capital and the distribution of credit. One of the most striking benefits of branch banking is that a branch may be created and maintained at a profit in a community without sufficient business or an independent bank. This permits the extension of money to remote localities in the thinly settled portions of the country where it is now impossible. Branch banking, moreover, permits the more ready flow of capital from communities where it is not needed to those where it is needed. It does not need the operation of independent banks. It requires the operation of a community where money is needed, as would be the case with banks required to invest their deposits in securities, but carries into every community where the interest rate is high enough to attract money the amount which is there demanded and which is in less demand at other points.

"One of the essential purposes of the bill is to relieve the United States Treasury from the burden of the constant redemption of Government paper money, and to obviate the necessity of selling Government bonds, for a long term, in order to obtain gold for the continued and repeated redemption of notes under the present status.

"The foregoing is a brief summary of the chief features of the bill. Doubtless it is impossible to frame a measure of this kind that would suit any one particular class of interests, or any association, representing only one section of the country, would differ among ourselves as to details, and perhaps, also, as to some principles. The difficulty of securing an agreement of business interests all over the land on what is a subject of such magnitude, and which is known to us all. The bill combines the most important principles to be followed in the revision of our monetary legislation, those in regard to which thinking minds are almost unanimous, in a form politically feasible. It prescribes the means for the reform which is known to us all. The bill combines the most important principles to be followed in the revision of our monetary legislation, those in regard to which thinking minds are almost unanimous, in a form politically feasible. It prescribes the means for the reform which is known to us all.

"From the standpoint of sound money, the bill is the best considered measure yet presented to Congress, and yet it concedes more than any of the others to the honest inflationist, whose real need is improved banking facilities. As Chairman Hanna says: 'Every advocate of change in our currency laws, and every citizen and business man who seeks safe and stable things in finance should immediately recognize the vital importance of complete support of this measure. It is a great step forward.'

"In conclusion: Under date of August 20th, the press dispatches from New York reported as follows: 'Members of Democratic committees in fifteen States in the South and West, emphatically and unanimously continue to be required during one year after the passage of this bill to maintain the same amount of United States bonds as security for circulation which is required by existing law, but they will be permitted to issue notes to the face value of these bonds. This bond deposit may be reduced by one-fourth annually, beginning one year after the passage of this Act.'

"The monetary standard—the standard of value—of this country, and of the commercial world, is gold, and the experience of the United States in the past two years has fully vindicated the gold standard.

"In the war just closed our army and navy displayed invincible prowess and set an example of intrepidity, chivalrous magnanimity, fortitude, patience and compassionate forbearance that is the admiration of mankind. Let the commercial and financial interests of the United States no less fearlessly and considerably press forward in the path of right and duty, undeterred by the clamor of illusion, prejudice and misconception, toward the attainment of a monetary system that shall command what our country in other particulars enjoys—the respect and confidence of the world. Very truly yours,

JOHN J. VALENTINE, President California Bankers' Association. San Francisco, Cal., September 8, 1898.

would address the convention later in the day.

Frank Miller, President of the First National Bank of D. O. Mills, delivered an address upon "Currency Reform and Reorganization of the National Banking System."

E. G. Newlands of the House Committee on Banking and Currency of the late Congress spoke on "The Monetary System of the Country."

Hugh Craig, President of the Chamber of Commerce, took an opposite position to that of Mr. Newlands, by advocating the gold standard.

Mr. Craig was supported in his arguments by Mr. Albert of the First National Bank of Salem, Or.

Several others participated in the discussion.

NEVADA REPUBLICANS. Nominate William McMillan of Storey County for Governor.

RENO, Sept. 15.—The delegates to the Republican State Convention met in caucus at noon to-day and decided to make no nomination for Congressman.

The platform strongly indorses President McKinley and his administration in its successful and speedy termination of the war with Spain.

It declares in favor of the immediate construction of the Nicaragua Canal, and the permanent control by the United States Government; also the enlargement and strengthening of the navy and coast defenses, and a standing army commensurate with the dignity of the nation.

It commends the annexation of the Hawaiian Islands, and declares in favor of territorial expansion.

The platform reiterates faith in the great Republican principles of bimetallism, protection and reciprocity, and declares that, as the Republican party is pledged to bimetallism, the settlement of the financial question may safely be left to the National Republican Convention.

It declares in favor of the construction of storage reservoirs for irrigation, and urges representatives in Congress to secure their construction by the General Government.

It declares in favor of the submission of the women's suffrage question to the people.

The following ticket was then nominated by acclamation: Governor, Wm. McMillan of Storey; Lieutenant Governor, J. W. Ferguson; State Treasurer, E. J. Burton; State Controller, G. P. Turner; Attorney General, Allen C. Bragg; Superintendent of Public Instruction, Orvis Ring; State Printer, Joseph Eckles; Regent State University, Long Term, R. K. Colcord, short term, J. W. O'Brien.

The office of Attorney General and Justice of the Supreme Court were passed, and left to be filled by the State Central Committee.

The convention then adjourned sine die.

PITCHED BATTLE. Twenty Shots Were Fired, But No One Was Injured.

BOLINAS, Sept. 15.—There was a lively encounter here last night between J. W. Pierson, Jr., manager of the Golden Crown Mining Company, and Wally Madison and Walter Langley, sons of prominent farmers.

Pierson refused to treat them at a saloon in Bolinas, which he had stopped in his wagon. A quarrel ensued, and Pierson retreated into the Postoffice, closing the door after him. Madison drew a knife and attempted to enter, but was disarmed.

When Pierson returned to his wagon he was followed by Langley and Madison, who made several attempts to lasso him. Pierson secured a rifle and again started for home, but before reaching it was waylaid by the two men and a pitched battle ensued, during which twenty shots were fired, none taking effect.

ROYAL Baking Powder Most healthful leavener in the world. Goes farther. ROYAL BAKING POWDER CO., NEW YORK.

Los Angeles Citizen Badly Burned. LOS ANGELES, Sept. 15.—C. McCray, a member of the oil producing firm of McCray Brothers, was badly burned about the head last night by an explosion of natural gas in one of the wells owned by the firm.

Change of Ownership. TOMBSTONE, Sept. 15.—Smith Bros. and Moore of this city sold to-day to Stein and Borek of Philadelphia seventeen mining claims of wolframite in the Dragon Mountains. This is said to be the largest deposit of this ore in the world.

The Sixth Regiment. SAN FRANCISCO, Sept. 15.—Colonel Johnson has induced Governor E. D. to alter his decision regarding the mustering out point for the Sixth California Regiment. It is to be mustered out in this city and not in Stockton.

Southern Pacific Improvements. STOCKTON, Sept. 15.—The Southern Pacific Company is rushing the work of ballasting its track. It is the intention of the company to increase the speed of its trains and to give better service to the public.

Charged With Arson. HANFORD, Sept. 15.—Wm. Fisher of Cincinnati has been arrested here charged with arson. He is accused of burning the residence of J. W. Lang and the barn of W. S. Porter.

San Francisco Republicans. SAN FRANCISCO, Sept. 15.—The Republicans of this city decided to hold their legislative, judicial and educational convention and their municipal convention on September 27th.

Oro Grande Train Robbery. LOS ANGELES, Sept. 15.—To-day, upon application of attorneys in the case, the trial of Rennington and his associates for the Oro Grande train robbery, was continued in the Federal Court to November 15th.

Terrorism in London. The state of affairs at present existing in South London has reached such a pass that the shopkeepers of that district, or rather the least nervous of the place, are recently to devise measures against the "reign of terror" at present holding sway.

Democratic Nominee Indorsed. SAN JOSE, Sept. 15.—The County Committee of the People's Party met to-day, accepted F. B. Brown's resignation as nominee for District Attorney and indorsed J. H. Campbell, the Democratic nominee for the position.

State University President. SAN FRANCISCO, Sept. 15.—The Regents of the University of California have not indicated who is likely to succeed Dr. Kellogg as President of that institution.

Rosser Case Goes Over. SAN FRANCISCO, Sept. 15.—The case of Walter Rosser, the Tennessee soldier who shot Henry Hildebrand, was called in Judge Joachimson's court to-day, but at the request of the defense the matter went over until next Tuesday.

Nevada County Republicans. NEVADA, Sept. 15.—The Republican County Convention to-day nominated the following ticket: Assemblyman, W. S. Robinson; Sheriff, D. H. Geichell; Assessor, Theodore Wilhelm; Treasurer, A. C. Cook; District Attorney, E. B. Power.

Ex-Judge Sterer Dead. SAN DIEGO, Sept. 15.—Ex-Judge Samuel Sterer died to-day on his ranch at Mission Valley. He was 78 years of age, and had lived in San Diego County thirty years.

Suicide at San Francisco. SAN FRANCISCO, Sept. 15.—George Ruge, a German saloon-keeper, committed suicide this afternoon by hanging. No cause was assigned for the deed.

DISFIGURED FOR LIFE. Our little girl's humor commenced with a tiny sore on one nostril, but it kept on spreading till we thought she would never get it cured. We tried everything we could get, but it kept getting larger all the time, till both nostrils, the upper lip, a part of the lower lip, and up one side of the eye, were a solid sore.

WATERHOUSE & LESTER. (Incorporated.) WAGON AND CARRIAGE MATERIALS. Hardware, Lumber, Iron, Steel and coal, Horsehoes, and Blacksmiths' Supplies. 109, 111, 113, 7th Street, Sacramento, Cal.

THE NONPAREIL STORE. Women's Ready-to-wear Suits. TAILOR-MADE LEADS—We have received and placed on display in the past few days over a hundred of these stylish man tailored costumes, which are to be such prominent factors in attiring the correct dressers this Fall and Winter.

Stylish Fall Millinery. On all sides, fresh from our work rooms, are to be seen delightful color combinations and the most tasteful and stylishly trimmed Fall hats and bonnets.

Women's Flannelette Wrappers, \$1.25. Women's wrappers for Fall and Winter have taken upon themselves an unusually neat and attractive appearance, both in style of cut, trimming and pattern of fabric, as well as in the blending and combinations of colors.

Children's School Shoes. Are another necessity. Vacation time is hard on footwear. We show a favorite dressy line, made of serviceable kid, lace or button, shapely round or square toe, made on extra good fitting patterns, with the best of oak bottoms; excellent for school or dress wear.

WASSERMAN, DAVIS & CO. Gargements Arrested. Police Sergeant Dolan and Officers Fisher and Maley last night arrested John Doe King, F. J. Warner, Joe Campbell, Charles Brown and J. Mack for gaming.

YOU DON'T NEED GLASSES. You think because you see so well, but pain in and around the eyes, headache, inflamed eyelids and neuralgia are due to eye-strain, and even though you do see well, the constant conscious or unconscious effort to conceal the necessity of glasses will ultimately result in their collapse.

CHINN, Optician, 526 K, near Sixth. BANKING HOUSES. NATIONAL BANK OF D. O. MILLS & CO. Sacramento, Cal.—Founded 1850.

THE OLDEST SAVINGS BANK in the city, corner Fifth and G streets, Sacramento. Capital, \$1,000,000; paid up capital, gold coin, \$400,000; reserve fund, \$25,000; term and ordinary deposits, \$5,224,031.50; loans on real estate January 1, 1897, \$2,685,701.75.

FARMERS' and MECHANICS' SAVINGS BANK. Fourth and J Streets, Sacramento, Cal. LOANS MADE ON REAL ESTATE. Interest paid semi-annually on Term and Ordinary Deposits.

PEOPLE'S SAVINGS BANK. Sacramento, Cal. Paid up capital, \$225,500; Reserve and surplus, \$105,000.

CROCKER-LOWELL NATIONAL BANK. Crocker Building, Market and Post Streets, San Francisco. PAID UP CAPITAL, \$1,000,000. SURPLUS, \$611,085.

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