

me, for this has by no means kept pace with the advances in the prices of securities, or in the return of hoarded money to the banks.

More strikingly than in general business improvement is it displayed in assurances which the year has given of a greater stability in large and small business operations, due to improvement in banking and brokerage methods, to the elimination of the unsound, impractical incompetent from the banking world and the domain of big corporate enterprise and, more important still, to court decisions defeating much confiscatory legislation and to a noteworthy quieting of the anti-corporation propaganda.

Twelve Months Ago.

At the beginning of the year the panic had subsided, but had been succeeded by heavy depression in practically all lines of industry and trade. From the fright of the panic the business community had been relieved and the money hoarded in dollars, stockings and safe deposit boxes was gradually finding its way back into circulation. Yet the early days of the year constituted essentially a halting period.

Bank exchanges were improving, but were still remarkably small. Bank deposits were increasing, but clearing house certificates still passed as currency in many sections and the associated banks of New York were still \$20,000,000 below their reserve requirements. Money was returning, but the return movement had not assumed great enough proportions to permit anything more than a formulation of plans for investment when the banking embarrassment should have been entirely removed. In respect to the improvement in the banking situation in the following twelve months the figures of the bank statements for the last week of 1907 and 1908 tell the story and tell it emphatically. They show increases over the corresponding week in 1907 of \$129,000,000 in loans, \$272,000,000 in deposits, \$105,000,000 in cash and \$37,000,000 in surplus reserve. For the same two weeks bank exchanges in the clearing house cities were \$2,695,526,511 as compared with \$1,787,517,429 in 1907. In New York alone the closing week of the year showed an increase of 82.6 per cent in exchanges.

The strength of the clearing house banks has been increased by changes in personnel, and by the new methods of inspection and examination as well as by a restoration of confidence and the accompanying increase of deposits. It is true that four clearing house banks failed during the course of the year, but in every case the failure was due to the inability

INDIANAPOLIS BANKS ENJOY PROSPERITY

Close Successful Year With Indications for More Business in 1909.

MONEY RATES IMPROVED

Seven National Institutions Have Resources Exceeding \$50,000,000.

The heads of seven national banks of Indianapolis are virtually a unit in saying that the business outlook for Indianapolis and Indiana the coming year was never brighter.

"It is getting better every day," said a president of a leading bank of the city. "Money is tighter, but reasonable and the financial end is getting to a good healthy normal condition again. Men who had gone in deeper than they should during the dizzy part of our prosperity are paying out and getting on a substantial foundation. The banking business reflects the sentiment in most every other business and I can assure you that banks in general are much gratified. Indianapolis will see a decided increase in business the coming year and in my opinion the banks will make a better showing than ever."

The seven national banks have an aggregate capital of \$5,000,000 and surplus and undivided profits of over \$3,000,000. Two of the national banks have a capital of \$1,000,000 each and one of \$1,500,000.

The total resources of the national banks exceed \$50,000,000.

The trust company business of the city

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that four clearing houses banks failed the course of the year, but in every the failure was due to the inability the bank to repay advances made to in the course of the panic.

The moral effect of the failures, in sharp contrast to those of 1907, was rather beneficial than otherwise, for they marked the final step in the elimination of Helms, the Thomases, Morses and many others of less prominence from clearing house circles. Also they left the clearing house a more compact organization and one with no weak members to detract from the strength of the main body.

Reform in New York.

In the final settlement of clearing house troubles, the organization was made more effective with the result that the members are in a better position to observe the operations of every member. In this form the controller of the currency and the state superintendent of banks have assisted by making concurrent examinations of state and national banks and it is now considered that a repetition of troubles arising from criminal or improper operations in clearing house banks—a matter of vast importance to the entire country, since these banks are depositories for hundreds of interior banks—is impossible.

Other causes tending to restore confidence in New York banking circles were the speedy resumption of the Knickerbocker Trust Company and other smaller institutions which went down in the panic and the prompt payment of the depositors of the institutions which have not reopened.

The enactment of the emergency currency law finally is another of the developments of the year which have convinced the belief in important financial circles that the banking situation in the financial center rests on a more solid basis than at any previous time. In this respect the adversity experienced in the panic has been, it is everywhere considered, extraordinarily useful.

First Improvement in Bonds.

The improvement in the security markets was first in bonds. As money returned to circulation it sought in the beginning the highest class of securities and the movement first produced increased activity and strength in the market for municipal bonds and first mortgage securities of the best known railroads. The portions of the movement increased week by week until before the end of the year it embraced the junior issues of the railroads and most of the industrials.

Of the new railroad financing of the year, however, it was noteworthy that the corporation managers brought out the majority of cases first mortgage bonds or bonds which will become first mortgage securities on the retirement of all underlying issues in the near future.

The total resources of the national banks exceed \$50,000,000.

The trust company business of the city is also large. Seven trust companies have a combined capital and surplus of about \$25,000,000. In addition to these there are two deposit companies, making a total of twenty-one financial institutions.

Is Reserve City.

Indianapolis is one of the designated reserve cities of the United States Government, which means that a large amount of the Government's surplus is deposited in the national banks of this city.

Indianapolis is within thirty-five miles of the center of population of the United States, being 183 miles southeast of Chicago, 110 miles northwest of Cincinnati, 242 miles east of St. Louis, 110 miles north of Louisville and 283 miles west of Cleveland. It is peculiarly situated for the transaction of a large amount of financial business. The surrounding country produces a vast amount of grain and other products of the soil, while coal and building stone abound in many parts of Indiana and adjoining states.

As an indication of the financial importance of Indianapolis the Clearing House Association of this city took the initiative in asking the controller of the currency to issue a bank call during the recent financial flurry.

Indianapolis has been looked to for financial policies in which the prosperity of the entire country was involved. In November, 1896, the governors of the Indianapolis Board of Trade issued a call for a convention of representatives of the boards of trade, chambers of commerce, commercial clubs and other similar bodies of the United States. This convention was held Jan. 12 the following year, and was afterward known as the Indianapolis monetary convention. The larger work of the convention was subsequently carried on by the executive committee, of which H. H. Hanna of Indianapolis was chairman. In 1903 Mr. Hanna was appointed by the secretary of state as a member of the international exchange committee, the other members being Charles A. Conant and Jeremiah Jenks.

Business Shows Growth.

At the present time John H. Holliday of the Union Trust Company is a member of the executive council of the American Bankers' Association, and John Perrin, president of the American National Bank, also a member of this commission for a time, is now a member of the currency commission of the Bankers' Association.

The various financial movements centering in Indianapolis in the past is a fair indication, bankers say, of the general growth of business here. That it will be continued and that business will show material increases for the year is forecasted by bankers themselves.

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...which went down in the panic...
...of the depositors...
...the institutions which have not...

The enactment of the emergency...
...law...
...of the year which have...
...to create the belief in important...
...circles that the banking...
...the financial center rests on a...
...solid basis than at any previous...
...In this respect the adversity ex-
...perienced in the panic has been...
...it is...
...where considered... extraordinarily...
...ful.

First Improvement in Bonds.

Improvement in the security markets...
...first in bonds. As money returned...
...circulation it sought in the beginning...
...highest class of securities and the...
...movement first produced increased activ-
...and strength in the market for mul-
...tiple bonds and first mortgage securi-
...ties of the best known railroads. The...
...portions of the movement increased...
...week by week until before the end of the...
...it embraced the junior issues of the...
...roads and most of the Industrials.

Of the new railroad financing of the...
...year, however, it was noteworthy that...
...corporation managers brought out...
...the majority of cases, first-mortgage...
...bonds or bonds which will become first-
...mortgage securities on the retirement of...
...all underlying issues in the near future...
...trend was particularly noteworthy...
...the issues of the Pennsylvania, Union...
...Pacific, Burlington, Delaware & Hudson...
...companies of similar high standing...
...for the most part the year was thus...
...in which railroad managers ventured...
...out only the highest class of securi-
...ties and only companies able thus to do...
...financing were in a position to de-
...vote large sums to extension and im-
...provement work.

The bond market, as a whole, was the...
...most active and generally the most sat-
...isfactory of any year in the past decade...
...a close of the year finds Wall street...
...in possession of a scant supply of the bonds...
...in demand, for the public absorp-
...tion has been extraordinary, and this...
...supplies an assurance of a healthy...
...and vigorous bond market for a long...
...period to come.

It is a Wall street axiom that after a...
...period of stock market stagnation an im-
...provement in the bond market is the...
...precursor of an improvement in the...
...stock market; that the bond market...

...of the wall...
...in many parts of In-
...and adjoining states.

As an indication of the financial im-
...portance of Indianapolis the...
...Association of this city took the...
...initiative in asking the controller of the...
...currency to issue a bank bill during the...
...second financial flurry.

Indianapolis has been looked to for...
...leaders to plan and carry out large...
...financial policies in which the prosperity...
...of the entire country was involved. In...
...November 1891 the governors of the In-
...dianapolis board of trade...
...called for a convention of representatives...
...of the boards of trade, chambers of commerce...
...commercial clubs and other similar...
...bodies of the United States. This con-
...vention was held Jan. 12 the following...
...year and was afterward known as the...
...Indianapolis monetary convention. The...
...larger work of the convention was sub-
...sequently carried on by the executive...
...committee, of which H. H. Hanna of In-
...dianapolis was chairman. In 1901 Mr...
...Hanna was appointed by the secretary of...
...state as a member of the international...
...exchange committee the other members...
...being Charles A. Conant and Jerome...
...Jenks.

Business Shows Growth.

At the present time John H. Holliday...
...of the Union Trust Company is a mem-
...ber of the executive council of the Amer-
...ican Bankers' Association, and John Per-
...rin, president of the American National...
...Bank, also a member of this commission...
...for a time, is now a member of the cur-
...rency commission of the Bankers' Asso-
...ciation.

The various financial movements cen-
...tering in Indianapolis in the past is a fair...
...indication, bankers say, of the general...
...growth of business here. That it will be...
...continued and that business will show...
...material increases for the year is fore-
...casted by bankers themselves.

"Indications for better business the...
...coming year are bright," said Frank D...
...Stalnaker, of the Capital National Bank...
..."I don't mean anything sensational, but...
...simply a good, solid growth with condi-
...tions a healthy normal."

"Although our bank is the youngest in...
...the city," said James McIntosh, president...
...of the Union National, "yet our business...
...has been all that could be desired and our...
...deposits show healthy increases, indicat-
...ing growth of business in all lines. Other...
...bankers spoke optimistically of the out-
...look for 1909, and unite in saying that...
...business in Indianapolis is getting back...
...to a normal condition that indicates solid...
...growth."

FIGURES ON THOROUGHBREDS

Statistics on Aristocrats of Live Stock...
...Presented for First Time.

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