

ried on the books as cash. The accounts seem to have been kept either without any system, or upon a system devised to deceive. Many notes were not registered; debits and credits were made without showing what they represented; many entries were so indefinite that they could not be traced out; the bank was permitted to acquire a large amount of real estate, and the extent of these operations were canceled by carrying this property in HENRY GREENEBAUM'S name. ELMER WASHBURN is known to be a careful, prudent, and thorough-going man, and when he says that "The conclusion is irresistible that the late President of the German National Bank used its funds to bull the real-estate market and sustain the credit of various private banking institutions of which he was a member," the public will begin to regard the statement as entirely trustworthy.

THE GREENEBAUM BANIS.

The report of ELMER WASHBURN, Bank Examiner, as the result of his careful investigation of the affairs of the German National Bank, leaves little room to doubt that the institution was run mainly to sustain a little ring of banks and certain real estate operations. Personal consideration for Mr. HENRY GREENEBAUM and those associated with him in the active management of the German National does not justify any concealment or extenuation of the irregularities and abuses that have been revealed. In point of fact, a literal interpretation and strict enforcement of the United States Banking law would subject the responsible officers of more than one of the collapsed banks to prosecution, and the violation of the law in the case of the German National should not be permitted to escape proper official notice. Whether the affair be judged by the embarrassment which depositors suffered, or by the actual losses sustained by the stockholders, there is a demand for such action as will be calculated to prevent similar manipulation of bank-funds in the future by those who are managing banks under the National law.

The indebtedness of the GREENEBAUM family to the German National Bank figured up nearly \$187,000. It was divided between HENRY GREENEBAUM, on his individual account, HENRY GREENEBAUM & Co., GREENEBAUM Brothers & Co., H. & D. S. GREENEBAUM, ISAAC GREENEBAUM and SARAH GREENEBAUM, in addition to collateral indebtedness from relations not bearing the name of GREENEBAUM. A savings bank, a private banking and brokerage business here and another in New York, seem to have been practically run by these funds. Of the entire sum of \$187,000, only \$62,000 has been actually paid back, nearly \$59,000 has been scratched off under the head of "profit and loss," by the terms of composition; the amount still due is \$65,846, which Mr. WASHBURN estimates to be actually worth about \$5,725, and it is safe to say that this is all that will be realized from the notes and collaterals on hand. A part of this indebtedness represents an operation only three weeks before the failure of the bank, whereby a good loan was transferred so as to make room for HENRY GREENEBAUM'S personal note and worthless collaterals.

Mr. WASHBURN'S report shows that the bank was loosely and recklessly, if not fraudulently, managed. Money was loaned in large sums for speculative purposes upon insufficient security or no security at all. Overdrafts were common. Real estate was held in the name of the President which was said to belong to the bank. The President's individual account was largely overdrawn, in addition to the enormous sums which he and other members of the family had borrowed upon securities. Items of undetermined and doubtful value were car-