

## COLD-STORAGE CENTRES

Chicago very naturally is the leading cold-storage centre. Its situation in the heart of the productive area and its advantages as a distributing centre have given it its prestige. But in the last two or three years the Eastern cities, New York, Philadelphia, and Boston, have developed enormous cold-storage facilities, and Chicago no longer is absolute in her dictation to the markets of the world. When it is remembered that the dairy interests of our country during the last three years averaged an annual value of \$650,000,000, and that the greater portion of this found its way into cold-storage warehouses, the importance of this new and very necessary business is readily appreciated.

## COLD-STORAGE CHARGES

The cold-storage charges for eggs in thirty-dozen cases would be about 15 cents per case for the first month and 9 cents for every additional month. Butter in sixty-pound tubs would be charged at the rate of 12 cents per tub for each month. Cheese would cost one tenth of a cent a pound per month. The rates of Eastern cities are usually higher than in the West. About ninety per cent. of the storage business of the East is in goods shipped from the West. The refrigerator car is a valuable adjunct to the business. The temperature of the cars is about 45°.

Although no ice is used in the modern cold-storage plant, yet the ice has become a very valuable by-product. Since all the facilities for its manufacture are at hand it has become a matter of commercial expediency to employ them to the company's profit in the production and sale of a commodity indispensable to modern life.

## FINANCE, TRADE, AND TRANSPORTATION

## QUESTIONS FOR REVIEW

1. Give some particulars in which the Bank of England differs from our larger national banks.
2. A bank cheque is a demand order for money drawn by one who has funds in the bank. How does a cheque differ from an order on A— B— to pay bearer a certain sum of money?
3. You are sending a cheque through the mails to John Brown, Chicago. How will you prevent the cheque from falling into the hands of the wrong Brown?
4. You identify A— B— at your bank. The cheque A— B— presented turns out to be a forgery. Are you responsible?
5. What is meant by power of attorney? How should an attorney indorse cheques for any person for whom he is acting?
6. What is a certified cheque? Brown gives A an ordinary cheque for \$1000, and B a certified cheque for \$1000. He fails before either cheque is presented. Why is B's security for his claim considered better than A's?
7. Show how all the banks of the United States are connected through the clearing-house system.
8. How do State and national banks differ as to their organisation?
9. A national bank has a capital of half a million. A



customer asks for a loan of \$62,000 on indorsed paper. Can the bank legally grant the loan?

10. Give some particulars of the liabilities of the officers and directors of national banks.

11. What is meant by borrowing money on *collaterals*? How is this done?

12. Tell how it is possible for a young man of good character, but without friends who have financial standing, to secure bonds for his faithful conduct in a responsible position.

13. When rates are high bankers prefer to deal in long-time paper. Why?

14. Account for the fact that London is the financial centre of the world.

15. Explain in detail the business of a note broker, giving some particulars of his responsibility in connection with the paper handled.

16. Enumerate the leading items of resource and liability in a national-bank statement.

17. A bank receives from the comptroller of the treasury \$100,000 in new bank-notes of its own issue. What ledger entry? A bank retires \$10,000 of its own bank-notes. What entry?

18. Discuss fully the points which should enter into a proper estimate of the value of paper offered for discount.

19. Give the successive and necessary steps in the formation of a joint stock company.

20. Why are companies which properly exist and belong in one State sometimes organised under the laws of another State?

21. Explain very fully the difference as to resource and liability between a bondholder and a stockholder.

22. How may a stock company be dissolved?

23. What is the difference between a voluntary association, such as a society or club, and a stock company?

24. Explain very fully the meaning of *Limited* when it forms part of the legal title of a company.

25. Is it legal to sell shares of stock and issue mortgage bonds upon the same property? What relationship do they bear one to the other?



## FINANCE, TRADE, AND TRANSPORTATION

### EXAMINATION PAPER

NOTE.—*The following questions are given as a means by which the student may test for himself whether he has attentively pursued the lessons of the course or not. It is recommended that each student as he finishes the course write out the answers to the questions in full. Only such answers need be attempted as the student can frame from a careful study of the course.*

1. (a) Give some particulars in which the Bank of England differs from our larger national banks. (b) Enumerate some of the advantages afforded to the community and to commerce in general by banking institutions. (c) How do private banks and trust companies differ from national banks?

2. (a) What is a stock certificate? How does it differ from a mortgage bond? (b) At what rate must United States 4 per cents be bought to net 3.2465 per cent.? (c) Give the successive and necessary steps in the formation of a stock company. How can the stock of a company or corporation be increased?

3. (a) What provision is usually made for the redemption of municipal bonds which have a long period to run? (b) What is meant when we say that a certain railway is in the hands of a receiver? (c) Give some of the advantages which stock companies have over partnerships.

4. (a) Tell how you would receipt for a payment on a note. Why is not an ordinary separate receipt sufficient?

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(b) Discuss fully the points which should enter into a proper estimate of the value of paper offered for discount. (c) Explain in detail the business of a note broker, giving some particulars of his responsibility in connection with the paper handled.

5. (a) What are the advantages to the banks of a city of their central clearing-house? (b) Show by a diagram how collections are made between distant points. (c) What is a certified check?

6. (a) Enumerate some of the abuses of rate discrimination in the United States and tell how they are met. (b) What are the advantages to the public of freight organizations which arrange for through service? (c) Explain in detail the methods adopted by leading and competing railway lines to regulate and adjust freight rates. (d) What are *differentials*? How are (1) through and (2) local passenger rates regulated?

7. (a) Give the particulars in which a warehouse receipt resembles and differs from (1) a promissory note, (2) a bill of lading. (b) What are the advantages to the importer of bonded warehouses? (c) What are the duties of our foreign consuls with reference to the importation of goods?