
Banking, Transportation, Insurance and Foreign Trade

Eaton Seymour

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SUCCESS IN
BUSINESS

VOLUME II

BANKING, TRANSPORTATION,
INSURANCE AND FOREIGN TRADE

BY

SEYMOUR EATON

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PREFACE.

The field of business will never be wholly occupied. It will always offer large privilege and rich reward to the right kind of ability. It demands to-day the best brain power of the world. It is commonly stated, and with some truth, that more ability is needed for the position of president of a great railway than for the position of president of a great nation. The same is true of other great commercial concerns. No other field of action offers to-day larger inducements or greater responsibilities; no other field draws more largely upon the ranks of able and ambitious young men. Modern business has grown so complex and its requirements are so exacting, that a knowledge of its laws, customs and tendencies is necessary, not only to success, but to a comfortable existence. The American people are pre-eminently a business people. The world is both our harvest field and our market. Under these conditions no excuse need be offered for the publication of a business handbook. Its purpose is self-evident.

SEYMOUR EATON.

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Banking, Collections, and Negotiable Paper.

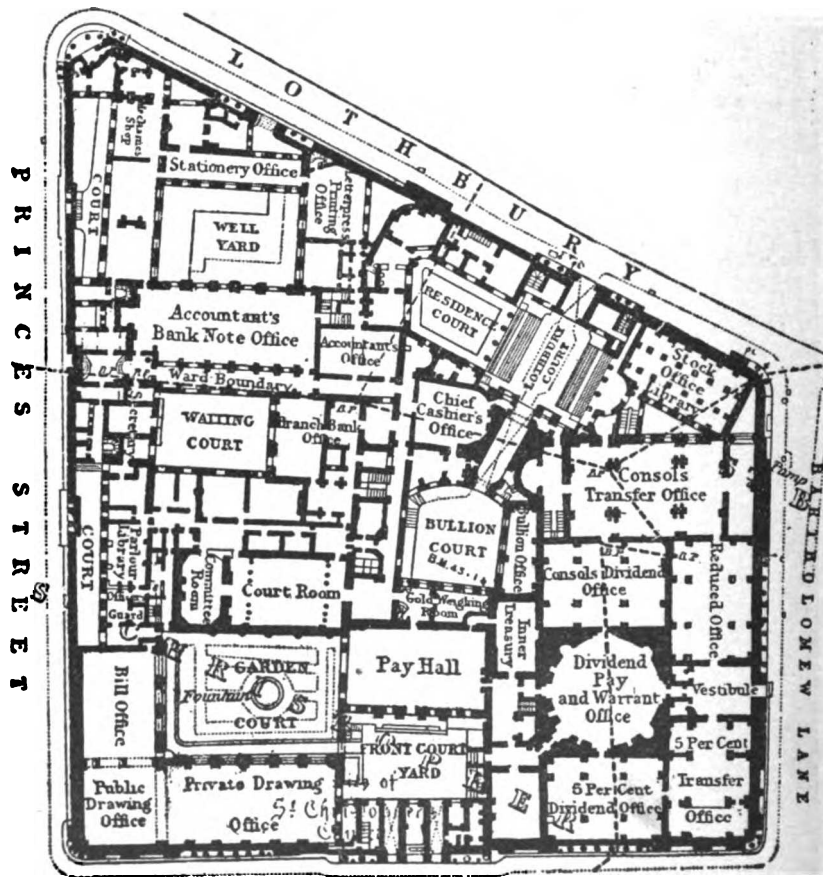
Ancient Banking.

The antiquity of banks is very great. In the Metropolitan Museum of Art, in New York, are Babylonian tablets bearing distinct records of transactions in banking that took place in the reign of Nebuchadnezzar. The origin of modern banking may be traced to the money dealers of Florence, who were in high repute as receivers and lenders of money in the fourteenth century. The name *bank* is derived from the Italian *banco*, a bench, the Jews in Lombardy having benches in the market place for the exchange of money. When a banker failed his bench was broken by the populace, and from this circumstance we have our word *bankrupt*. The business of borrowing and lending money was undertaken first by goldsmiths, although the two had no direct connection. In the process of the separation of employments, which is characteristic of an advancing society, banking became a business of its own.

The Bank of England.

The Bank of England was the fourth important national bank founded in Europe. The Bank of Venice was the first in date. The Bank of England is more than two hundred years old, and is to-day acknowledged to be the greatest financial institution in the world. It had a capital at commencing of six millions. The building covers a whole block bounded on the south by the famous

Threadneedle Street. Outside it presents the appearance of a blind outer wall of a great building without windows, and having here and there ornamental pillars and a few entrances. The plan, as shown in our illustration, is a complex system of light-walls,



PLAN OF THE BANK OF ENGLAND.

offices, court yards, etc., the result of growth and necessity. Among the curiosities in the bank library is a million pound bank note. Tradition says, that there have been only four such notes issued. Samuel Rogers, the poet, had one framed and hung over his parlor mantelpiece. Among other curiosities in the bank

library is a note for £25, which had slumbered unobserved for 111 years, and was then presented and paid. If compound interest had been payable by the bank, the owner could have claimed over £60,000. About 50,000 notes of different values are paid into the bank every day. These are kept five years in the bank cellars and are then destroyed by burning. New notes are always given out in payment of bills and checks. The first bank founded in America was the Bank of North America, in Philadelphia, which was established in 1782.

The Value to Business Men of Banks.

Banks are absolutely necessary to the success of modern commercial enterprises. They provide a place for the safe-keeping of money and securities, and they make the payment of bills much more convenient than if currency instead of checks were the more largely used. But the great advantage of a banking institution to a business man is the opportunity it affords him of borrowing money, of securing the cash for the carrying on of his business, while his own capital is locked up in merchandise or in the hands of his debtors. Another and important advantage is to be found in the facilities afforded by banks for the collection of checks, notes, and drafts.

Currency.

The legal medium of exchange of a country is called its currency, that which passes current, or circulates as money, such as coin and bills. *Bullion* is uncoined gold or silver. More than ninety per cent. of the *cash* circulation of the country is represented by checks, etc., and not by actual money.

Opening a Bank Account.

When you enter a bank to open an account, inquire for the cashier, and, if convenient, take with you some one who can introduce you and identify you as the person you profess to be. If you go alone, do not feel hurt if a number of questions are asked you. While you may be perfectly honest, a large number of people make their living by being sharp, and, besides, it is necessary to establish those confidential relations which ought to exist in all financial transactions, so that the cashier may know something more about you than he could ascertain by merely looking at you,