St. Croix Avis

75TH YEAR. CHRISTIANSTED, V. I. U. S. A., FRIDAY 10TH DECEMBER 1920. No. 286.

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AMERICAN BANKING RATES EXPOSED BY CURRENCY CONTROLLER

30 PER CENT PER ANNUM

CURRENCY CONTROLLER SAYS EXCESSIVE RATES ON DEMAND LOANS HELPED CAUSE "SHRINKAGE."

Records Show Loans Totalling $2,500,000,000 at 20 to 30 Per Cent. in 42 Days.

The sworn reports to this office show that during the period from Oct. 1, 1919, to Aug. 1, 1920, there were made by he National banks in New York City more than four thousand loans at rates of 15 per cent, 20 per cent, 25 per cent and 30 per cent per annum, and that the amounts of these loans, including only a portion of those made during this period at the above rates in three of the largest banks, aggregated over six hundred million dollars.

The records also show that the total loans outstanding upon which interest at 15 to 30 per cent, was being charged by a portion of these banks on forty two different days for which reports were received from them, aggregated over $1,100,000,000. It will be remembered that in my statements of July 31, the banks were charged with making loans at 10 per cent., 12 cent. and 15 per cent. The actual facts, therefore, i view of the loans made 15 per cent, 20 per cent and 30 per cent, indicate that my statement was extremely conservative.

The records also show that the amount of loans made during the same period at rates in excess of 10 per cent, and up to but not including 15 per cent, amounted to over $1,400,000,000 there being over 11,000 of such loans.

In addition to the above the aggregate of the loans upon which a portion of the banks reported that they were charging on 81 different days, interest in excess of 10 per cent, and up to but not including 15 per cent, was about $900,000,000. The brokers or street loans upon which the New York banks during the period referred to, were charging more than 8 per cent per annum and up to 10 per cent each, in the aggregate, some billions of dollars additional in amount and tens of thousands in number. It should be understood that these loans (except in the case of one bank) represent the money loaned by the banks for their own account, and the figures do not include the loans made for their correspondent banks.

As a result of persistent inquiries among the banks, brokers and Stock Exchange authorities, this office is now for the first time, able to inform the public as to how the so-called renewal rate is made from day to day in New York cal. money market, and the extent in which the money rate is observed by the New York banks in making their charges on ordinary Wall Street or brokers loans. Under the New York banking law, it is lawful for a lender to charge any rate of interest which may be agreed upon with the borrower on a demand loan for $5,000 or more, secured by stocks, bonds or other securities. This provision of the New York status enables lenders to escape penalties for usury whieh exist in most of the other states. *"New York Times".*

NOTICE.

THE SAINT CROIX RACING ASSOCIATION will hold a meeting at Estate MANNING'S BAY on Sunday the 12th inst. at 3 o'clock p. m. for the purpose of entering Horses for the forthcoming Races on MONDAY the 27th December 1920.

Horse owners are particularly requested to bring their Horses and have them measured, and entered, as after that day all entries will be closed.

Saint Croix, V. I. U. S. A., 7th. December, 1920.

I. S. HODGE.
Sec. & Tres.

ORDER OF THE DAY

for the 3rd Ordinary Meeting of the Colonial Council for St. Croix, MONDAY, December 13, 1920, at one o'clock p. m.

1. Colonial Council Bill No. 50.
   2nd Discussion on Colonial Council Bill No. 50 Draft of Additional Money Bill to the Budget for the Municipality of St. Croix, for the fiscal year ending June 30, 1921. Introduced by Government, authorizing the payment of Frcs. 60,000,00 from funds in the Municipal Treasury, not otherwise obligated, to the Telephone Fund for the purpose of effecting repairs and new installations.
2. Colonial Council Bill No. 52.
   Introduction of, and 1st Discussion on Colonial Council Bill No. 52, Draft of Additional Money Bill to the Budget for the Municipality of St. Croix, for the fiscal year ending June 30, 1921, Aid to poor of Christiansted and Frederiksted introduced by Government.
3. Colonial Council Bill No. 51.
   1st Discussion on Resolution introduced by 4th Appointed Member (Blackwood) authorizing the payment of the unexpended balance of the pension granted former Sicknurse Ritzberg to his widow.

Colonial Council Office, St. Croix, December 6, 1920.

ROBT. L. MERWIN,
Chairman.