

U. S. BANK LEADERS PLAN BIG MERGERS IN WAR FOR POWER

Morgan-Baker, Rockefeller, Kuhn-Loeb, Dillon-Reed Interests Compete.

CONFERENCES PRESAGE IMMENSE INSTITUTIONS

\$2,000,000,000 Guaranty Trust and Commerce Combine Set Pace.

By JOHN A. CRONE.

New York, March 9.—Merger of the Guaranty Trust Co. with the National Bank of Commerce, which created the first \$2,000,000,000 bank in America, has precipitated a series of banking combines. A regrouping of Morgan-Baker banks may bring about new alignments in Rockefeller, Kuhn-Loeb, Dillon-Read, Gianni, Jonas and Marcus institutions.

Revamping of the banking map of New York City may result from the many informal talks now being held by allied or competitive institutions. Bankers predict that within the next few years the world's financial center will have a dozen \$2,000,000,000 banks replacing some of its \$1,000,000,000 companies.

The J. P. Morgan-George F. Baker group includes the following institutions: Guaranty-Commerce, First National Bank, Chase National Bank, Bankers Trust Co., Central Union Trust Co., New York Trust, Corn Exchange Bank and Farmers Loan & Trust Co.

Rockefellers dominate in the National City Bank and Equitable Trust Co.

Kuhn, Loeb & Co., through Otto H. Kahn, Paul Warburg and Mortimer Schiff virtually control United States Mortgage & Trust Co., Bank of the Manhattan Co., and International Acceptance Corporation. They also have a sizeable interest in Equitable Trust.

Dillon, Read Interests.

Dillon, Read & Co. are interested in Central Union Trust, Bank of the Manhattan Co. and National Park Bank, as well as several smaller institutions.

The Jonases, Ralph and Nathan, and Goldman Sachs Co. are mainly interested in Manufacturers' Trust Co. and affiliated investment and insurance companies, including the Goldman Sachs Trading Corporation, which recently absorbed Financial & Industrial Securities Corporation.

Amadeo P. Giannini's big institution here is the Bank of America National Association, but he also has Bancitaly Corporation and the most powerful groups of banks west of New York City, in this country.

Bernard K. Marcus is chiefly interested in Bank of the United States and its affiliates.

Besides these groups are many others, especially investment bankers, who have huge blocks of stock in gigantic banks, but whose holdings do not amount to control.

More Mergers Expected.

Some of these various units will be linked and possibly some of the groups may be combined before present merger talks cease. Neither National City nor Chase National Bank, the first two \$1,000,000,000 banks in this country, will merely watch their competitors vigorously expand.

Combination of Guaranty and Commerce, which will be outranked in world size only by the Midland Bank and Lloyds Bank in London, has hurried merger deals. Principles behind this combine, the national movement toward and reasons for mergers, and their probable benefits and dangers, therefore, are interesting.

Six men played leading roles in the Guaranty-Commerce merger drama. Charles Hamilton Sabin dreamed of and urged it for the last decade. Thomas W. Lamont, before sailing as a member of the Reparations Commission, gave the present deal its initial impulse, leaving the details to Myron C. Taylor, chairman of the finance committee of the United States Steel Corporation. Mr. Taylor was aided by Henry W. de Forest, chairman of the board of Southern Pacific Railroad. When Mr. Taylor and Mr. de Forest agreed they received the cooperation of William Chapman Potter and James Strange Alexander, both of whom won the consent of their respective directorates.

Entered Banking by Chance.

Four of the six principals in this drama entered banking by chance and somewhat under protest, while two held to their original ambitions of law and railroad respectively.

Thomas W. Lamont—under protest three years after he left the copy desk of the New York Tribune—at the urging of Henry P. Davison became secretary and treasurer of the Bankers' Trust Co. when it was formed in 1903. Mr. Lamont's manner of reorganizing Cushman Bros. & Co., importers and exporters, under the name of Lamont, Corliss & Co., won Mr. Davison's admiration. Although Mr. Lamont soon after joining Bankers' Trust Co., became vice president of First National Bank, and subsequently a Morgan partner, he is still fond of journalism, his original ambition.

Charles P. Sabin was a clerk in an Albany flour mill when the National Commercial Bank there needed a good pitcher to defeat an opposing bank nine.

James B. Alexander while on his way to the bank for a Tarrytown dry goods house glanced at an out-of-town check. Curiosity prompted him to ask the bank cashier how the check was collected. Several months later, because of the keen interest he exhibited, young Alexander was made second junior clerk at the bank. Ambitious of becoming a Supreme Court justice fated as Mr. Alexander became a banker.

In 1911 he was elected president of National Bank of Commerce.

Earlier Preferred Mining.

William C. Potter, though reared in banking atmosphere, liked mining. His father was president of the Chicago Trust Co. After receiving an engineering education Mr. Potter followed mining for eleven years. Persuaded by John D. Ryan and Mr. Sabin, he became a director and later a vice president of Guaranty. He soon returned to mining, but becoming unhappy with his work for personal reasons, he rejoined the Guaranty and shortly thereafter became chairman.

Myron C. Taylor is a lawyer and business man. Though he has never worked in a bank, he acquired an unusual grasp on banking through his legal and business experience. Henry W. de Forest is a large bank shareholder, but is essentially a railroader.