

MID-CONTINENT BANKER

The Financial Magazine *of the* Mississippi Valley

ST. LOUIS

January, 1927

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IN THIS ISSUE
— — — — —

The Financial Outlook for 1927

PAGE 7

Fifteen Boys Attract Customers to This Bank

PAGE 9

Little Elbert Takes a Day Off to
Learn the Banking Business

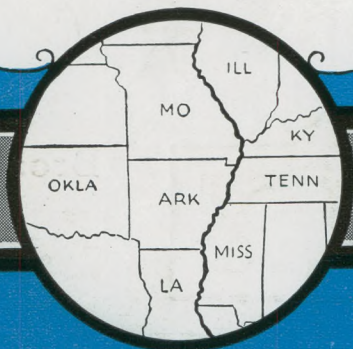
PAGE 11

A Recent Collection Law Decision

PAGE 12

Present Tendencies in the Bond Market

PAGE 19





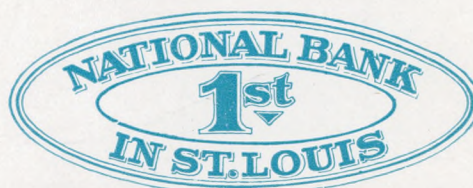
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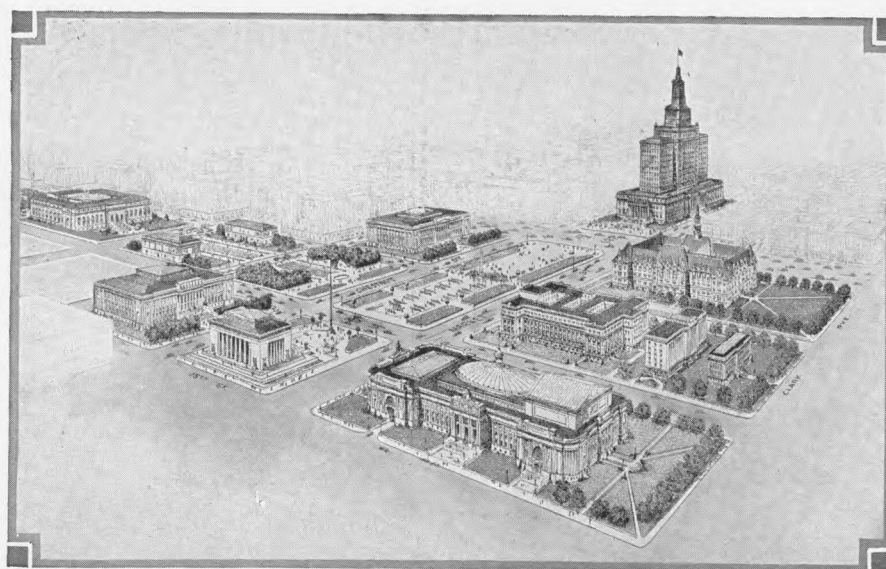
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In order more effectively to serve banks and business houses throughout Illinois, Mr. A. C. Koch, vice-president in charge of the Investment Department of the Union Trust Company, one of Chicago's large downtown banks, announced today that beginning December 1, Mr. Robert H. Watson will represent the Investment Department of the bank in this territory, with headquarters in Chicago.

Mr. Watson is a native of Indiana and a graduate of Purdue University. He was affiliated for two years with the financial sales department of the General Motors Acceptance Corporation, representing that company in Illinois



Robert H. Watson

and Indiana. Before joining the Union Trust Company, Mr. Watson was associated with Hathaway & Company, Chicago, whom he represented in Illinois.

The Union Trust Company is one of Chicago's oldest banking institutions. It has a capital and surplus of \$6,000,000 and resources of more than \$82,000,000. The Investment Department has offices in Milwaukee, Minneapolis, and St. Louis.

C. A. Phillips Now President.

C. A. Phillips was elected president of the Henry National Bank, Henry, Ill., at the last monthly meeting of the board of directors. The position was made vacant by the death of his father, L. R. Phillips. Mr. Phillips has held a position with the Henry National Bank for 14 years and along with his father has helped in making it one of the large banking institutions of Marshall County.

The Financial Magazine of the Mississippi Valley

MID-CONTINENT BANKER

DONALD H. CLARK
Editor and Manager

JAMES J. WENGERT
Associate Editor

ST. LOUIS

JAN., 1927

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WILLIAM H. MAAS
Vice-President

Manager Chicago Office
1221 First Nat'l Bank Bldg.
Telephone, Central 3591

CONTENTS FOR JANUARY

	Page
The Financial Outlook for 1927—By George Woodruff.....	7
Fifteen Boys Promote Good-will—By J. J. Wengert.....	9
A Prescription to Help Bankers Get More Hours of Restful Sleep —By Geo. T. McCandless.....	10
Little Elbert Takes a Day Off to Learn the Banking Business— By R. M.....	11
A Recent Collection Law Decision—By the Legal Editor.....	12
Foreman Banks Make Plans for Big Capital Boost.....	16
Oldest Bank on Broadway Moves Back Downtown.....	16
Macon Banker Says 1927 Outlook Is Good.....	17
Interest—Your Principal Expense—By R. S. Hawes.....	29
News and Views of the Banking World—By Clifford DePuy.....	37
Cody Trust Opens Offices in Borland Building.....	40
Along LaSalle Street.....	44
An Ode to a Bank.....	45
Merger Creates World's Largest Trust Company.....	58

BOND AND INVESTMENT SECTION

The Tendencies in the Bond Market—By C. W. Sills.....	19
Losses on Commercial Paper Compared with Losses on Loans and Bonds—By Roy A. Foulke.....	25
A Partial List of Current Offerings.....	34
Think Cautiously and Act Decisively—By Milton O. Johnson.....	36

STATE NEWS SECTIONS

Illinois	42	Louisiana	52
Indiana	46	Mississippi	53
Kentucky	48	Oklahoma	54
Arkansas	50	Kansas	55
Tennessee	51	Missouri	56

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Foreign and Trust Department Facilities

The Financial Outlook for 1927

There May Be Some Waves Ahead in the Business Sea, but the Tide Still Rolls in the Correct Direction

By George Woodruff

Vice-Chairman, The National Bank of
the Republic, Chicago

IN 1920 we suffered a great decline in the value of all sorts of commercial and industrial stocks of goods, but this liquidation did not extend to basic costs which had been greatly increased during the years of the war. In 1922 it looked as though we were going to reduce our basic costs and that in this reduction program transportation and fuel would lead the way. However, the settlement of the coal and railroad strikes on a basis of the then existing scales was forced by the grant of increased pay to common labor that had become scarce because of the effect of the then new immigration law.

In view of what has happened since 1922, it was perhaps just as well that the readjustment of basic costs did not then take place, for since that time the nations of Europe have shown a somewhat surprising slowness in getting back to a producing basis that would make possible any serious competition with us. We have consequently been able to develop a period of great prosperity, even though our activities have been carried on under wartime costs.

Causes of Our Prosperity.

This period of great prosperity has been based primarily upon our stock of gold that has made possible a huge supply of credit at extremely moderate rates. It has also been supported by good government, an unprecedented building boom, good crops that have sold at fair prices, a large export trade and industrial peace. It has been helped along by increased purchasing power that has resulted from installment buying, and the placing of orders for "visible requirements" only and good railroad service, both of which have assisted in maintaining a steady flow of goods. It has furthermore been stimulated by comparative freedom from European competition and by the fact that each favorable development in connection with our economic activities has helped to produce favorable developments in other lines.

Many people have recently talked of a possible business reverse and in this connection let us consider in what

ways our present prosperity might be brought to an end. First of all, we might experience a great period of inflation, followed by the collapse that always comes along behind. Second, we might be called upon to meet quite ruinous competition from Central Europe. This would cut our export of



George Woodruff

goods to foreign shores, and in spite of our tariff wall would gradually bring down selling prices in America to a point where industrial readjustment would be forced. Third, we might suffer from such domestic disturbances as crop failures or a long and widespread strike. This would upset our present evenly balanced production program, resulting in business confusion that would spread to many lines and that would bring an important change in our present mode of business life.

Inflation.

In connection with the danger of inflation we must recognize the fact that such a condition has been threatened both in 1925 and in 1926. Nevertheless, we have been fortunate in having a vast number of sound, conservative business leaders who have withstood

the temptation to embark upon an inflationary course. It is true that certain lines have wandered from the path of prudence, and we have seen examples of local inflation, as the Florida land boom and the high prices of stocks. However, these local inflationary boomlets have flattened out from time to time without seriously disturbing the general trend and the general commodity price index has remained extremely steady. Even though bank clearings and car loadings have proved that business volume has made steady gains, still the commodity price index has shown that business men have not enthused so greatly as to bid up the price of everything to a point where values would have become inflated and the inevitable day of reckoning would have ensued.

However, even though conservative action in the past carries with it some guarantee of conservative action in the future, we must not forget that every period of great prosperity has always culminated in inflation and a business reverse. A threat of shortage of freight cars or the fear of shortage of coal might quickly bring business men to abandon buying from "hand to mouth" and to substitute the old method of "stocking up." Commodity prices would then be sure to rise and unless our present economically sound minded government heads and the officers of the Federal Reserve could put on the brakes, we might find ourselves headed towards one of the most spectacular business joy rides in history with the inevitable corollary of a business crash.

European Competition.

We should not fail to realize that European competition is slowly gaining and that while it can hardly hit us hard in 1927, it will doubtless be the factor that will ultimately bring about our next great period of business readjustment. If America were still a debtor country we might be able to maintain our prosperity on a basis of very high production costs for a long time to come, but the fact that we are now the greatest creditor nation in the world makes the cost of production in our

country a decidedly serious matter. The world must henceforth pay large sums of money to America every year and this can be done in but three ways—by sending gold, by sending goods or by sending stocks and bonds. We do not want more gold and foreign countries do not possess sufficient gold to send. Stocks and bonds will doubtless come in large amounts, but this cannot go on forever. Goods then must come our way and the force of competition will be felt by us in foreign trade and here at home. Only through the tariff can we guide from our ports the goods that will do the greatest harm and let in the things that will hit domestic output least.

Domestic Disturbances.

We must realize that present favorable conditions have been greatly helped by the steady and regular manufacture and sale of goods or what is known as an even balance in industry. A big strike or crop failure or some such outstanding adverse factor would, of course, upset the present

equilibrium of trade, and the weak personal credit condition of the masses of the people who have allowed themselves to get into debt to a greater extent than ever before would result in a fairly serious setback. We should recognize the fact that while installment buying has helped to bring prosperity about, and that while its sudden curtailment would have a bad effect, it has greatly weakened the personal financial strength of great masses of people and will accentuate the problems of the next period of trial.

Outlook for 1927.

Realizing that inflation does not at least now appear to be a probable development of the ensuing year, recognizing the fact that while European competition is growing, it will, however, fail to hit the bull's eye for some little time to come, and trusting to Providence that we will not experience a major domestic disturbance, we may say with a considerable degree of safety that 1927 should be a pros-

perous year. Of course, it may not be quite so good as 1925 or 1926, but we can do much less than we have done in 1925 and 1926 and still be looked upon as the most prosperous and happiest nation in the world.

We are going to continue to have easy money. We have every reason to expect a continuance of good government. Our building boom is on the wane, but, on the other hand, the change will doubtless be at a slower rate than some people seem to think. The outlook for agriculture is fairly good, although we have developed some poor conditions in the South. Our export trade may suffer some, but the totals will still be very large. Industrial peace bids fair to tarry with us for quite some time to come. Installment buying will doubtless still maintain its active part in selling goods. Production still is on an even balance, although not quite so good as some months back. Sound and prosperous conditions in one line will continue to develop sound and pros-

(Continued on Page 14)

What Illinois Bankers Think About 1927

Frederick H. Rawson, chairman of the board, Union Trust Company, Chicago, says: "Although I should not be inclined to make definite predictions for more than six months ahead in any year, I believe we may expect a continuance in 1927 of about the same business activity that we have experienced in 1926. Commerce in 1926 exceeded expectations and in general more than sustained the progress it enjoyed in 1925.

"Car loadings up to the middle of December, 1926, were greater than they were for the same period in 1925. Labor is maintaining its efficiency and is well employed at top-notch wages, which means a continuance of the purchasing power of the nation. . . . Agricultural conditions, while not wholly satisfactory, are steadily improving and are probably not so bad as the hurried reading of the newspapers would lead one to believe. . . . The national government has continued its confidence-inspiring policy of economy, close budgeting, non-interference with legitimate business and stimulation of trade through tax reduction. . . . Summing up the situation, 1926 can be recorded in no other light than as one of great achievement. The fundamentals for 1927 are practically all favorable, with commerce and industry on a plane of encouraging prosperity."

Walter B. Crawford, president of the

Illinois Bankers Association, says: "The outlook for 1927 is very encouraging. Business conditions are sound; car loadings are apparently satisfactory, and indications are that labor will be employed at good wages. In all probability there will continue to be an adequate supply of money at low rates for all who are entitled to credit. I am optimistic when thinking of the coming year."

Addison Corneau, vice-president of the Springfield Marine Bank, Springfield, Ill., says: "At the moment there is every reason to believe that business will continue at present levels for the time being and that the year Nineteen Twenty-seven can be approached with confidence in continued activity. Basic conditions are sound and trade reports from the various centers are apparently encouraging."

William Hazzard, vice-president of the Commercial National Bank, Peoria, says: "Business activity shows some recession though factory and mine employment remains good. Holiday trade exceeded anticipations, and the outlook is for good business during the first six months of 1927. The only seriously unfavorable factor is the agricultural situation, the effect of which is becoming more marked with merchants buying in smaller quantities and promoting quicker turnovers."

George C. Forrey, Jr., president of the Fletcher American Company, Indianapolis, says: "I believe business will be at a lower level during the first half of 1927. Fundamental business conditions are quite mixed with automobile production, building and agricultural buying power bearish. The bond market should continue high and good, for easy money seems a certainty during the next few months."

H. R. Aisthorpe, cashier and secretary of the First Bank and Trust Company, Cairo, Illinois, says: "Continued prosperity of industry can not last with unsatisfactory conditions of farmers. Returns from cotton, corn and other staples are seriously low and general reduction of buying power should make itself felt within the next few months. The South and other sections of the country where over-production has resulted are hard hit."

A. M. Kenney, president of the Citizens' National Bank, Decatur, Illinois, says: "Manufacturers in this section had a good year. I see no reason for any radical change. Retail trade is not quite up to normal, partially because of unseasonable conditions, but Christmas trade was satisfactory. Farming conditions are not good, but better grain prices are in sight—livestock more remunerative—building conditions still have reasonable favorable outlook—labor conditions good. General conditions should average about normal for 1927."

Fifteen Boys Promote Good Will and Secure Customers for This Bank

By J. J. Wengert

Associate Editor, Mid-Continent Banker

FAR-MINDED bankers are constantly devising new plans to improve the contact of their banks with the public and build for the future. They are alert to every opportunity to keep their bank at the top of the list in community esteem and service.

Christmas savings clubs, school savings clubs, window displays, exhibits, farm clubs, boys' and girls' clubs, advertising campaigns and hundreds of other ideas have been used to this end, but it has remained for Hamp Williams, president of the Community Bank & Trust Company of Hot Springs, Arkansas, to organize a Junior Council for his bank.

This Junior Council is made up of fifteen bright young boy students in the Hot Springs High School. Each of these boys has purchased for cash or on the installment plan a hundred dollars' worth of stock in the institution, and the Council holds regular monthly meetings in the board room of the bank, and has its own officers selected from the boy members.

It is a unique organization. The bank is promoting thrift and economy and a general knowledge of banking among the young people of the community and the boys are boosting for the bank—they are not only boosting—they are actually soliciting accounts and getting them.

The boys are the sons of good families, but none of them are rich, according to Mr. Williams. They were selected because of their good characters and interest in banking and are not required to announce their intentions of entering the banking profes-

sion when they finish school, because Mr. Williams believes that a knowledge of banking is beneficial in any business.

Members of the Junior Council are: Clyde Nance, president; Paul Humphreys, Fred Williamson, vice-presidents;



Hamp Williams

Wilton O'Neil, cashier; Douglas Wilson, Ernest Cole, James Johnson, assistant cashiers; Cecil Broughton, teller; Turl Muse, Theodore Johnson, James Johnson, Discount Board; Robert Scudder, Earl Fulton, Howard Middleton, Ernest Dodd and Carleton Conrad, Advisory Board.

Concerning the organization of the Junior Council and its purposes, Mr. Williams says:

"When we had made up our capital stock for the Community Bank & Trust Co., we had 144 stockholders. Among these were fifteen high school boys selected by myself and solicited to take one hundred dollars stock each, some having to pay their stock out by installments which I allowed them to do. I explained to them in the beginning that a Junior Council would be formed and I desired to have them as members. The council was organized and adopted suitable constitution and by-laws, electing their own officers, as soon as the bank opened for business.

"They have regular monthly meetings in the Director's Room of the bank. The purpose of the organization is for these boys to learn banking and get contact with bankers and business men of this and other cities of Arkansas. We propound questions on banking at each meeting to be answered at the following meeting, and they intend to invite bankers and business men from time to time to address them at their monthly meetings.

"To be a member of this council the boy must be in high school at the time he joins, and must have one share of stock in our bank, be of good moral character and such a boy as our bank would be willing to recommend for any position of trust that he is capable of holding. If every bank in Arkansas would form similar councils there would be thousands of boys brought to the front and come in touch with busi-

(Continued on Page 32)



Hamp Williams takes the members of his boys' club to New Orleans where they meet a number of prominent business men, including the editor of the "Times-Picayune," and have their picture taken for the paper.

A Prescription to Help Bankers Get More Hours of Restful Sleep

By Geo. T. McCandless
"The Man Behind the Counter"

THE year 1926 will go down in history as an eventful one. We entered it with some misgivings and many hopes. The city bankers report a profitable year as a general rule and say the year will average up well with a few high spots not so good. The country bankers are not saying much, but are sawing wood. I refer especially to what may be called the agricultural banks, those whose dealings are principally with farmers. Industrially 1926 was a good year; labor well-employed, a scale of high enough prices to justify the payment of good wages; on the whole a satisfactory state of affairs for those banks situated in the manufacturing belt. One manufacturer in a western town shipped several trainloads of washing machines, electrically equipped. Automobiles and automobile paper broke all records for distribution and bankers report the installment paper as being the most liquid they carry. I do not propose to launch a bromidic discussion on installment buying; we will always have optimists and pessimists. The best piece of advice I have read was from the facile typewriter of a well-known statistician who said, in part, "keep up your stocks to care for normal demand, but pay your debts this year for a change."

In the larger cities business paper is usually retired twice a year and it isn't a bad plan for every banker to write up the liability ledger which will show at a glance the total indebtedness of every borrowing customer and how they care for their obligations.

In the one-crop districts it is probable that many customers have been in debt continuously for years. Their only hope for paying off the bank is to sell the farm—at least they would likely be obliged to do this if the bank should force payment. The banker in the farm belt has his problems. On one hand he wants to accommodate his customers. On the other hand he wants to keep his paper up-to-date, well-secured and well-distributed and subject to as little criticism as possible by the examiner. He is thus literally between two fires. In practically every case failed banks disclose paper which caused their trouble and paper every good bank should therefore avoid, viz.: excess loans, overdrafts, loans to officers and directors and capital loans. I do not mention loans on real estate,

but will say if the bank has no outlet for such paper it had better refer prospective borrowers with real estate security to some company which specializes in that class of loans—it has no place in a purely commercial banking institution.

I sincerely believe that if every banker reading this article would go to his note pouch and take out every note tainted with excess, due from officers, or of a capital nature, he would be cleaning house properly and would be eliminating 99 per cent of the causes of possible disaster. The worst thing

"Too many banks have been paying too much interest on deposits in order to swell totals; and asset is not an asset unless it is paying its way. The co-operation of directors with officers during 1927, a discount board that really functions, removal of excess loans, overdrafts, loans to officers and directors (unsecured), capital loans and objectionable real estate loans should make this year the best ever, from a banking standpoint."

any banker can do, besides fooling his board of directors, is to deceive himself as to the worth of his bills receivable. The most successful bank I know has as its president a man who came from a small bank to the city many years ago. On the first day he met with the board of directors he stated to them that he proposed to rely on them and their judgment; that they were not to consider themselves mere ornaments, but active workers. They met daily and to this day they meet at lunch and discuss applications and policies.

I realize that country banks might not find this practical, but every loan should be rated or passed on by more than one officer and should there be any loans to officers or directors, such loans should be the best in the bank. The mere fact that a man is an officer or a director should not make him a preferred risk in the liability ledger. No director should impose on the cash-

ier because of his power to hire or fire that officer. A certain bank director agreed to purchase a lot from a man in a distant state. The deed and abstract were forwarded for inspection and approval to the bank of which this man was a director, with instructions to collect and remit by a specified day. On that day the collecting bank received a wire from the sending bank to return the papers. The cashier called up the director to come in. On his arrival he said, "Don't send it back; I'll take it up this afternoon and will hold you harmless if they kick." The papers were delivered to him by the cashier, a draft sent in payment and the business presumably settled, but what happened? The draft was returned, a demand was made for the abstract and papers which had been delivered to the prospective purchaser and a choice little lawsuit was incubated then and there because a bank cashier felt impelled to accommodate one of his directors contrary to instructions from an outsider. The director had no right to make the request he did without securing the cashier in some tangible way; the cashier exceeded his authority by failure to obey instructions of the collecting bank and the bank got more than its share of disagreeable notoriety.

The co-operation of directors with officers during 1927, a discount board that really functions, removal of excess loans to officers and directors (unsecured), capital loans and objectionable real estate loans should make this year the best ever from a banking standpoint.

Too many banks have been paying too much interest on deposits in order to swell totals; an asset is not an asset unless it is paying its way. Co-operation among competing bankers, co-operation of directors with officers, will prove a real blessing to the banking fraternity at large. We don't want MORE banks, but we do find a place in our hearts for BETTER banks, and it is the bankers' problem to bring this about. The banking department wants to help you, but you must do your share. My remedy is not a cure-all, but I believe the prescription offered will help you and your bank and leave you more hours for restful sleep than you may have had for some time. Try it. I'll guarantee it won't hurt you a bit.

Little Elbert Takes a Day Off to Learn the Banking Business

By R. M.

POP just looked at me kinda funny when I ast him was he a big man. Then he ast me why I ast him that. So I told him I just wondered, and then pretty soon I told him how Benny Kline said his dad was the biggest man in town, and I just wanted to know if my pop was a big man, too. Then pop said, "Well, if I ain't a bigger man than ole Ad Kline I'll eat my hat."

Finally, after he read his paper a while, pop ast me what I wanted to be when I grew up. So I told him I didn't know. The pop said, "Do you want to be a banker, Elbert?" so I told him, "Yes, or else a lumber-yard man like Benny Kline's dad."

So after a while I told pop how Benny Kline's dad lets him go down to the lumber yard Satterdays and sometimes after school. Pop just kinda grunted, but after while when I ast him could I go down to the bank with him Satterday he said maybe I could, so on Satterday I went down to the bank with pop.

Why "Pop" Laughed.

Finally after we got there pop told me to set down and not get in anybody's way, and if I would watch him I would soon learn how to be a banker. So he kinda laughed. Then pretty soon a woman come in and sat down and pop said, "Take a letter to A. R. Groom," but she didn't act like she was going to do it. So pop went on talking to her, but she didn't pay a bit of attention to him, but just went on making funny pictures in a little book. So pretty soon I went over there to see what she was making, but she couldn't draw worth a cent, but just made a lot of funny marks on the paper. So finally I said, "Ain't you going to mind my pop?"

So then she said, "Huh?" and just looked at me kinda dumb, so I just looked at her mad as everything. So finally I said to pop, "I'll take the letter to that man if she won't." But instead of being ashamed or anything, she just laughed right out and said, "Oh, is that it?" and pop he laughed, too. So I didn't know what to think.

Then pretty soon the woman got up and left, and then a man come in and said, "Well, Bert, how does she stack up this morning?" to pop. So then I thought surely pop would tell on her, about the way she didn't mind him when he ast her to do things like taking letters to people, but pop just said,

"Not so good, George. We've got to do something pretty soon to build up our deposits. Running down every day." So I saw how they were talking about something else and I didn't listen any more.

Then I went over to where a woman was running a funny kind of a machine, and putting sheets of paper in it, and then changing her mind and taking them out again, so I ast her what she was doing and a few other questions. But pretty soon she sucked in a long breath and said I'd better get away from there because something was going to drop if I didn't. So I ast her what was going to drop, but she

didn't say anything, so I thought maybe I better get away before it dropped because she didn't seem to know where it was going to drop and it might even drop on me.

Elbert Wants to Help.

So then I picked my nose a while, till I saw where a man was wrapping up all kinds of money in little pieces of paper, so I went over there. Finally I ast him what he was doing, so he showed me how he could wrap up the money in these pieces of paper, and it would show on the outside how much money there was in the paper. So I ast him if I could do it, too, but he wouldn't let me, and he wouldn't give

(Continued on Page 15)



Little Elbert Studies Banking

A Recent Collection Law Decision

An Acceptance of a Bill or Check Is the Signification
by the Drawee of His Assent to the Order of the Drawer

By the Legal Editor

WHERE a check is endorsed without restriction by a depositor and is at once passed to his credit by the bank to which he delivers it he becomes the creditor of the bank, and the bank becomes the owner of the check and in making the collection it is not the agent of the depositor, but as the owner of the check assumes full responsibility and all of the risk of not receiving the proceeds after payment by the drawee bank, so a high Federal Court has held.

In this particular case a check for \$5,000.00 was endorsed in blank by the payee and deposited in the "T" Bank, and credited in the depositor's pass book—the check was then forwarded to the "E" branch of the "D" Federal Reserve Bank and from there direct to the drawee bank in Arizona. The drawee bank charged the check against the drawer's account, stamped it paid, and returned it to the drawer. This constituted payment and released the drawer and endorsers. The drawee bank transmitted in lieu of cash its own draft on another Arizona bank, which was dishonored, both Arizona banks having failed. The payee, the check having been charged back against his account, then sued the "D" Federal Reserve Bank, but the Court held that there was no privity between the plaintiff and the defendant bank and that he could not recover, as the "T" bank was the owner of the check.

Acceptance and Certification.

An acceptance of a bill or check is the signification by the drawee of his assent to the order of the drawer. This acceptance or certification must be in writing and signed by the drawer. Where a check is certified by the bank upon which it is drawn, this is equivalent to an acceptance, and where the holder has it certified, the drawer and all indorsers are discharged from liability thereon. A check is not an assignment of any part of the funds to the credit of the drawer, and the bank is not liable to the holder of a check if it is not paid, unless and until it certifies the same.

The drawer admits by drawing the instrument, the existence of the payee and his capacity to indorse, and engages that on due presentment the in-

strument will be accepted, or paid, or both.

The acceptor by accepting the instrument engages that he will pay it according to the tenor of his acceptance.

The action of a bank in holding checks for more than twenty-four hours without returning them does not constitute an acceptance of them, and make the bank liable for the amount of the checks where it is shown that the bank called up the other bank which issued the checks and notified it that it would pay them, and that no

Questions of interest to bankers are discussed by the Legal Editor each month. Any subscriber has the privilege of writing for information and advice on legal subjects, and will receive a direct reply from our attorney, without fee or expense. A brief of any subject involving research in a complete law library will be furnished for \$10. In writing for information, kindly inclose a 2-cent stamp for reply, and address "Legal Editor, Mid-Continent Banker, 408 Olive Street, Saint Louis."

demand had been made for their return.

An acceptance may be either general or qualified. A general acceptance assents without qualification to the order of the drawer. A qualified acceptance in express terms varies the effect of the bill as drawn. An acceptance to pay at a particular place is a general acceptance, unless it expressly states that the bill is to be paid there only and not elsewhere. An acceptance is qualified which is conditional, that is to say, which makes payment by the acceptor dependent on the fulfillment of the condition therein stated; when it is partial, that is to say, when it is an acceptance to pay part only, of the amount for which the bill is drawn. An acceptance is qualified also when it is accepted to pay only at a particular place.

The holder may refuse to accept a qualified acceptance, and if he does not

receive an unqualified acceptance, he may treat the bill as dishonored by non-acceptance. Where a qualified acceptance is taken, the drawer and the indorsers are discharged from liability on the bill unless they have expressly or impliedly authorized the holder to take the qualified acceptance or have subsequently assented thereto.

A bank was requested to certify a check by wire. It refused on the ground that the check did not transfer the funds until it reached the bank and that the depositor could revoke the payment after it was certified. In this case it was held that a bank can certify by wire and after such certification the drawee has no right to stop payment. It was also held that the acceptance was in writing and valid even though it was not written on the bill. Where a drawee bank simply answers that the check is "good" or "all right," without coupling with such answer any specific promise to pay, such answer is insufficient to bind the bank as an acceptor.

In reply to a question as to whether or not a check was good, the bank said "yes," and when asked if it would protect the bank holding the check, it replied over the telephone "we will." In this case the bank declaring the check to be good, which proved to be worthless, was not liable because the certification was not in writing.

Southern Secretaries Hold Meeting at Raleigh

The ninth annual conference of secretaries of southern banking associations was held December 2-3 at Raleigh, North Carolina. Paul P. Brown, secretary of the North Carolina Bankers' Association, was elected president of the association, and Geo. B. Fowler, secretary of the Mississippi Bankers' Association, was elected secretary. It was decided that the next meeting is to be held in Jackson, Mississippi.

Round-table discussions were conducted on such subjects as "Bank Supervision," "Deposits," "Loans," "Legislation," and "Agricultural Problems." Entertainment was provided by the Raleigh Clearing House Association, and Mr. and Mrs. Brown were hosts at a dinner party on December 2.



COMPLETENESS

IN selecting your Chicago correspondent, we cordially invite you to investigate those complete facilities of the Union Trust Company which have enabled it to serve many correspondents for ten, twenty, and even thirty years or longer.

With a balanced organization of correspondent banks and private wires carefully built up over a long period of years, we welcome the opportunity to serve our correspondents in matters that require accurate credit information, intelligent collection handling, and rapid turnover of funds in transit.

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Chairman of the Board

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President

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Vice-President

UNION TRUST COMPANY CHICAGO

Offering the Seven Essentials of a Banking Home

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Throughout the Year

The officers and employees of this institution, as in years gone by, recognize a dual obligation of profit and of service—to 3500 stockholders and 210,000 customers in all parts of the United States

**The CONTINENTAL and
COMMERCIAL
BANKS
CHICAGO**

RESOURCES HALF A BILLION—AND MORE

The Financial Outlook

(Continued from Page 8)

perous conditions in others, but probably not to quite the same extent as in 1925 and 1926.

In 1925 we had a business scare in April and May. In 1926 we had a fit of pessimism in March. In 1927 we may very possibly develop the same ideas. While this feeling, if it should develop, may be somewhat more justified in 1927 than in 1925 and 1926, nevertheless the outcome of the year will doubtless prove that any considerable pessimism for 1927 was a horse in the wrong garage.

Unless inflation should develop and collapse, unless European competition should gain in a sudden and spectacular way, unless we should suffer a crop calamity or a big strike, unless a scare should develop in connection with the continuance of a fair amount of construction resulting in a widespread stoppage of work, unless a panicky feeling should spread regarding installment buying that would suddenly cut down the volume of this means of financing the purchase of goods, there is apparently no reason for a depression year in 1927.

The somewhat popular slogan of the moment, "Prosperity cannot go on forever," if translated into hesitation in going ahead with the normal business of the coming year, might lead to uneven production and mix up the cogs of the business machine, but the evidence so far before the court should convince any fairly intelligent jury that this slogan is somewhat out of place, and that while there may be some waves ahead in the business sea, the tide still rolls in the right direction.

Announce New and Enlarged Board of Directors

The Sheridan Trust and Savings Bank, Chicago, announces the formation and election of a new and enlarged board of directors, consisting of Emil G. Seip, chairman, president of Calumet National Bank, and Gerhard Foreman, chairman executive committee, vice-president The Foreman Banks. Other members of the board are: George N. Neise, vice-president of The Foreman banks; Weymouth Kirkland, Milton S. Plotke, William A. Burnette, William M. Dewey, L. W. Ferguson, Ernest M. Hunt, R. Leroy Huszagh, W. H. Powell, F. J. Macnish and Edwin L. Read.

There is always a secure position at extra pay for him who will do more than his part.—The Silent Partner.

Little Elbert Studies Banking

(Continued from Page 11)

me a nickel, either, so finally I went away from there.

Pretty soon I began to get hungry, and everybody went away except me and pop, and he said he would go to lunch as soon as Mr. Crandall got back. So just then the telephone rang and pop answered it, and he said, "No, I can't just now. I'm here alone," but then he said, "Wait a minute," and he ast me could I stay there and watch things while he stepped into Bates' store next door. So I said yes, and so he told the man all right he would be right over. Then he told me if anybody came in, to say that he would be back in just a minute, and to tell them where he was if they couldn't wait. So he went.

Pretty soon a fellow came in, and he looked at me kinda funny, setting back there behind the counter, and he ast me where pop was. So I told him. Finally he said he would wait, so I ast him did he want to put in or take out. Then he looked at me kinda funny, and said he thought he would put in maybe. So I told him how pop would be awful glad of that, because he had told somebody named George that they would have to do something about their deposits pretty soon or they wouldn't have any bank left. So this man just looked at me kinda dumb, and he acted awful fidgety. So then he said he gussed he wouldn't wait for pop after all, and then he went out.

An Easy Job.

Finally I noticed how that man that was wrapping up the money had forgotten a lot of it, and I thought I would help him out, and then he would be sorry because he hadn't given me a nickel. So I wrapped up a lot of it, and it was a lot of fun. I didn't even have to count it, because it always showed right on the outside of the roll how much there was. So then I put it all in the vault, the way I had seen him do.

Then in a minute pop came back and Mr. Crandall, too, so pop and me went out to lunch. So pretty soon we came back, and after while Benny Kline's dad came in to see pop. So they stood there and talked a while. Finally I saw how pop had to look up to him, because he was taller than pop, so I said, "Well, pop, I guess you'll have to eat your hat, all right, because I don't believe you are a bigger man than Mr. Kline, like you said you was, after all." But then pop kinda kicked back at me, when he thought Mr. Kline wouldn't see, so I thought I would talk about it some more after we got home that night. So finally when Mr. Kline went away, pop gave

me some money and told me to go to a movie. He said not to come back till after four o'clock, so I didn't get to learn any more about banking that day at all.

National City Bank Makes Big Capital Increase

The National City Bank of New York, with total resources in excess of a billion dollars, has taken action which will make it the largest commercial bank in the world in point of capital, surplus and undivided profits.

A \$25,000,000 increase in capital stock, approved by the directors, will give the National City a total capital surplus and undivided profits of approximately \$143,000,000, which compares with \$130,000,000 for the Midland Bank, \$129,000,000 for Lloyd's Bank and \$125,000,000 for Barclay's Bank, London's three largest institutions.

Mississippi Valley Group Elects New Officers

At the annual meeting of the Mississippi Valley Group of the Investment Bankers Association, held Tuesday, December 7th, the following officers and members of the Executive Committee were elected: Harry F. Stix, chairman; John R. Longmire, vice-chairman, and Oliver J. Anderson, secretary-treasurer.

Members of the Executive Committee were elected as follows: Walter W. Ainsworth, Federal Commerce Trust Company; Samuel C. McCluney, McCluney & Co.; Roy W. Maule, Wm. R. Compton Company; John E. Riley, Francis, Bro. & Co.; Charles Scudder, Whitaker & Co.; Garfield J. Taussig, Taussig, Day, Fairbank & Co.; Henry T. Ferriss, First National Company, ex-officio, and Kelton E. White, G. H. Walker & Co., ex-officio.

THE FOREMAN BANKS

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We invite your business
on a 64-year record of continuous growth. We are
fully equipped to serve you
in every banking function.

The Foreman National Bank
The Foreman Trust and Savings Bank

La Salle and Washington Sts.
Chicago

*Combined Resources Exceed
One Hundred Million Dollars*

Foreman Banks Make Plans for Big Capital Boost

THE board of directors of the Foreman Banks, Chicago, at their December meeting, decided to recommend to the stockholders that the capital stock of the Foreman National Bank, which carries with it ownership in the Foreman Trust and Savings Bank and the Foreman Securities Company, be increased from 40,000 shares to 50,000 shares, the additional 10,000 shares to be offered to the present stockholders at \$400 per share. The present dividend rate of \$16 a share will be continued.

The \$4,000,000 derived from the sale of 10,000 additional shares will be divided in the following manner: \$2,500,000 to the Foreman National Bank, which will give it a capital of \$5,000,000, a surplus of \$5,000,000, and undivided profits of over \$1,000,000; \$1,000,000 to the Foreman Trust and Savings Bank, which will give it a capital of \$2,000,000, a surplus of \$1,000,000, and the remaining \$500,000 to the Foreman Securities Company.

The plan will be submitted to the stockholders at their annual meeting on January 11, 1927, and, if adopted, immediately thereafter rights for the new stock will be issued, calling for payment not later than January 27, 1927.

Profit to Stockholders.

Inasmuch as the present market value of the Foreman National Bank stock is \$500 per share, the issuance of these rights constitutes a bonus.

It is indeed interesting to note the development and progress of the Foreman Banks. It was founded in 1862 by Gerhard Foreman, one of our early pioneers, and incorporated as a state bank in 1897 under the name of Foreman Bros. Banking Company, with deposits of less than a million dollars. At that time the bank had only three officers, Edwin G. Foreman, president; Oscar G. Foreman, vice-president, and George N. Neise, cashier. Its progress and growth was right in pace with that of the city, and on July 1, 1923, a further step forward was made by changing Foreman Bros. Banking Company to the Foreman National Bank and the Foreman Trust and Savings Bank.

On December 24, 1924, the Foreman National Bank increased its capital stock from 30,000 shares to 40,000—the additional 10,000 shares being sold to the public at \$400 per share. This was a decided change in policy

as the stock had previously been held very closely. In disposing of the additional 10,000 shares, over 800 new stockholders were added, and the money secured from the sale of the stock was used in increasing the capital and surplus.

\$100,000,000 Resources.

Since that time the bank has continued its growth and its resources at the present time exceed \$100,000,000.

The directors are: Oscar G. Foreman, Carl Nyquist, Albert D. Lasker, William C. Cummings, Delos W. Cooke, Edwin G. Foreman, Jr., John Hertz, George N. Neise, Charles A. McCulloch, Emil G. Seip, Joseph W. Cremin, Gerhard Foreman, John R. Thompson, Jr., Samuel Phillipson, Alfred K. Foreman, L. B. Patterson, Oscar G. Mayer and Harold E. Foreman.

Oldest Bank on Broadway Moves Back Downtown

The Chemical National Bank will move from 270 Broadway to 165 Broadway as soon as the construction work now contracted for is completed. This is the bank's second move in 102 years.

The Chemical was the first bank on Broadway, opening its original office in 1824 at 216 Broadway and moving in 1848 to 270 Broadway, where it has been domiciled ever since. Now, after 76 years in that location, it is moving back downtown. This move is necessitated by the fact that the bank has entirely outgrown its present quarters and also because of the great increase in its business in the Wall Street district.

A new six-story building especially designed for banking will be erected at the corner of Broadway and Cortland street, connecting with and forming a part of the 32-story building known as the Benenson building. This will be the bank's office, for which some 50,000 square feet are being provided. It is expected that the building will be completed early in 1928. It will be one of the most up-to-date and attractive banking offices in the country.

At the same time the bank announces that it will open a large office at 320 Broadway in the heart of the textile district. This was the location of the Citizens' National Bank before

Prominent St. Louis Banker Dies Suddenly

Thomas Fitzhugh Turner, well-known banker and manager of the Safe Deposit Department of the First National Bank, was stricken at his desk Tuesday evening, December 14th, 1926, and died shortly after.

Mr. Turner was born in Charleston, S. C., in 1856, and came to St. Louis as a young man, and for several years was connected with the Midland Blast Furnace Co. He then entered the insurance business for a short time. He became associated with the Union Trust Company, which consolidated with the St. Louis Union Trust Company in 1902—Mr. Turner being manager of the Safe Deposit Department which later merged and became the First National Bank—having one of the largest Safe Deposit Departments of the city.

Mr. Turner married Miss Georgette Boswell, who survives him, together with two daughters who reside in the East and a son in California.

it was consolidated with the Chemical.

The bank has two uptown offices now operating very successfully—its Fifth avenue office at 29th street, and its Madison avenue office at 46th street.

This expansion and development of a larger range of business has been an outstanding feature of the bank's growth during recent years since the inauguration by its president, Percy H. Johnston, of a more progressive policy. The Chemical has shown a steady growth for the past few years, not only in its regular commercial and financial business, but in its trust, bond and foreign activities.

The Chemical Bank is one of the few institutions to preserve its name and identity unchanged for more than a century.

The Chemical has for a long time been known in financial circles as "Old Bullion" because of its refusal during the financial stringency of 1857 to discontinue specie payments, even though all other Clearing House banks had done so. Its stock at one time sold at the peak of all bank stocks, going as high as \$5,000 per share. The bank's low capitalization and large surplus were features that made it stand out among the nation's financial institutions. The capital today is \$4,500,000, surplus and undivided profits \$19,000,000.

Macon Banker Says 1927 Outlook Is Good

REFLECTING the prosperity of Northeast Missouri and the unusual strength of one of its banks, is the announcement by the State Exchange Bank of Macon that its regular dividend checks to stockholders for the last six months are just twice the usual amount.

According to Chris R. Maffry, president of the State Exchange, this increased profit to stockholders is due to the excellent conditions existing in Macon and vicinity, and the result of conservative management of the bank tempered by sound progressiveness.

"This year, generally speaking, has not been one of increased profits in country banking," says Mr. Maffry. "The fact that our bank is able to double its usual dividend indicates a splendid degree of prosperity for this section and points to a bright outlook for 1927.

"Aside from the handicap of some very bad weather during a large part of the year, the farmers and the merchants of Macon County will go into the New Year in fairly good circumstances.

"There is evidence on every side that the situation is improving. If you compare conditions with this time last year I would say there has been a decided improvement.

"Our deposits show a substantial increase over those of last year, and I feel quite sure other banks of the county have experienced the same increase.

"The increased number of people who have gone into the dairy and the poultry business are largely responsible for the increased deposits in our banks.

"The farmer who has been fortunate enough to have hogs has made more money than he has made on hogs for many years. That was because of the spread between the cost of feed and the cost of live pork. This difference has brought a handsome return to the raiser.

"Most of the cattle feeders, however, have been disappointed. The price has not been what they expected.

"Sheep have maintained a good price. With the large pasturage acreage in this county this branch is appealing more and more to our farmers and they are getting good results.

"With better weather conditions I believe we would have enjoyed a record yield in many crops. As it was beans have been almost a total failure, the

corn crop was considerably damaged and other crops were badly retarded.

"The dairy and poultry departments have held up and have given the farmer the necessary ready cash—that and hogs, when he had them.

"There remains but one thing to enable us to reach ultimate success in the industry of dairying. That must come through expert advice as to the culling of our herds of milk cows to the point where only good producers are left. There are too many so-called 'boarders.' That is the worst obstacle standing in the way of making money



Chris R. Maffry

now in the dairy business in these parts.

"Lately I have been reading up on the way improvement in this direction was brought about in Denmark. It was made through experts, who are paid on the basis of results. If he increases production he gets paid for it. If he fails he doesn't. He has to make good, or he gets no salary.

"Technical training is the very foundation of the Danish method, and in Denmark the day of the unskilled man in farming has gone forever.

"It has resulted in the raising of the farmer's butter yields six times, his egg yield seven times, and his bacon yields sixteen times over what it was when he was not technically trained.

"The farmer will not take amiss what I am going to say right here, I trust, as I am sincerely interested in seeing everything that can possibly contribute to his success and the mak-



The Measure of a Bond House

Investment and financial advice is the essence of what a bond house sells.

* * *

It is just as important that such advice be intelligent as it is that it be sincere if the ends of sound investment are to be attained.

* * *

The bond house that is well managed grows and prospers in direct proportion to its performance with respect to the advisory function. This is "The Measure of a Bond House."

First Illinois Company
BONDS FOR INVESTMENT

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—tell us and we will help you find it. We have created this new classified ad department as a free service to subscribers. If you have something to buy or something to sell, or if you want anything, you can make it known to the bankers in the Mid-Continent territory without cost. If you are not a subscriber, your check for \$3 will pay for a year's subscription and entitle you to free use of the want ad columns.

Position Wanted by assistant cashier who desires better opportunity for advancement. Twenty-eight years of age. Four years' experience as assistant cashier. Best of references. Address V. B. M., The Mid-Continent Banker—7.

Controlling Interest in good bank for sale. Small town state bank. Capital \$15,000. Surplus \$9,000. Undivided profits \$1,050. Cashier's salary \$2,400. Net earnings 15 per cent. Will sell half the stock and divide salary with party, or handle salary on that basis, with sale of stock anywhere from 60 shares up to all of it. Address D. N. H., The Mid-Continent Banker—7.

For Sale: Large, square door, fireproof safe with inside money chest with time lock. In good condition and priced reasonable. Address Farmers & Merchants Bank, Sterling, Okla.

Position Wanted as assistant cashier in medium size bank by young man twenty-eight years old. College graduate, four years banking experience. Also enrolled with the LaSalle Extension University, Chicago, in Law. Address V-12, M. C. B.—7.

Position Wanted as cashier in good country bank or as assistant cashier in larger bank by married man, 15 years' experience. Now employed. Desire better opportunity for advancement. Best of references. Address No. 1010, The Mid-Continent Banker.

Bank Control Wanted: Country banker desires to purchase control of good bank in town of not less than 1,000; American community in Central Illinois preferred. All communications confidential. Address No. 1011, The Mid-Continent Banker.

Interest in Bank Wanted: Would like to purchase controlling interest in a good bank in a town of 2,000 to 4,000 or to purchase a minority stock interest carrying with it an official position. I have had sixteen years' experience in a state bank. Now with National Bank with resources of \$1,000,000, for three years as cashier and active manager. Address No. 105, The Mid-Continent Banker—1.

Position Wanted in bank by young man. Opportunity for advancement desired. No banking experience but good business education. Two years' college. Future prospects will be considered more than large salary to start. Best references. Can invest. Address L. E. T., The Mid-Continent Banker—6.

Situation Wanted: Young lady cashier of a country bank wishes a position as teller in a larger bank. All references. Address No. 113, The Mid-Continent Banker—5.

For Sale: One round screw door Mosler Manganese Steel burglar-proof bank safe; one Burroughs Posting Machine; one Burroughs Listing and Adding Machine, and one Check Writer. These fixtures are in good condition, and will be priced right. Address O. J. Watts, Napton, Missouri—2.

Banker, 39, with 26 years' experience, now owns and is Cashier of \$10,000 bank, with \$100,000 deposits in town of 500. Would trade control and position for stock and position in larger town. Address R. H. L., care Mid-Continent Banker—2.

Wanted: Physician for good, live town in Northern Illinois. 300 population. Unopposed. Near hospital city. Good opportunity for young man to establish good practice. Nothing to buy. Protestant community. Give references and qualifications. Address No. 112, The Mid-Continent Banker—4.

For Sale: Large Victor bank safe (with or without Manganese Steel Screw Door Money Chest, 56 safety deposit boxes and book section and drawers). A bargain for large office or small bank. Address No. 109, Mid-Continent Banker—3.

For Sale: Large safe cabinet, 84 inches high by 50 inches wide. About 50 drawers, 2 letter files and 6 document files and locker. Reputable fire proof. Address No. 110, Mid-Continent Banker—3.

For Sale: Controlling interest in successful National Bank with \$100,000 capital and \$900,000 totals. Located in good town of 7,500 population in good section of Illinois. All investments and loans guaranteed. One or two official positions go with stock. Do not answer unless you have the capital, age and experience to manage a good, going bank. Address I. E. S., Mid-Continent Banker—11.

Fixtures for Sale: Marble and bronze screen surrounding Lobby, 72x20 feet. Ten cages with thirteen wickets and other equipment. Special selected English vein Italian marble. Very attractive. Also several sets of money chests. Available at once. Removal to new building necessitates sale. Inquiries solicited. Price very reasonable. Address Commercial National Bank, Peoria, Ill.

Position Wanted as cashier in good country bank or assistant cashier in larger bank by married man with three years' experience as cashier in good country bank. Now employed. Desire better opportunity for advancement. Best of references. Address No. 108, Mid-Continent Banker—2.

Wanted: Excellent opportunity for banker favorably known in Missouri, Kansas and Oklahoma, or all three states with progressive Kansas City bank, well thought of throughout that territory. Would want man capable of organizing and supervising country bank department and one able to bring considerable business to bank with him. Future would depend entirely upon growth and success of department. Address No. 112, care The Mid-Continent Banker, 408 Olive Street, St. Louis.

Save Money—Buy These: Burroughs bookkeeping machine (practically new), flat-top oak desk, Underwood typewriter No. 5, swinging desk stand for typewriter, office chair. Address A. H. Hicks, Altamont, Ill.—4.

ing of life better for the people of the farm. From my study and knowledge of conditions I feel that I must say, in the final analysis, the bad situations that have come to my attention are chargeable to the individual—his lack of expert knowledge in what he hopes to accomplish. It matters not whether you are running a farm, a newspaper or a bank, you must have expert management to succeed. That is fundamental. There must be some one at the head to think, to plan and to guide the working out of what you hope to do. And that management must be held responsible for results.

"The coming year? It looks good to me. I may be of a naturally optimistic nature—but that is what it takes to make your ambitions work out."

Chemical National Votes Big Stock Dividend

The directors of the Chemical National Bank have voted a \$500,000 stock dividend subject to the ratification of the shareholders at the annual meeting on January 11th. The present dividend rate of 24 per cent will be maintained. This will make the capital of the Chemical \$5,000,000, the surplus and undivided profits \$19,000,000.

For many years the Chemical Bank has been known for its large surplus as compared with its small capital. In 1907 the bank's capital was increased from \$300,000 to \$3,000,000 by a 900 per cent stock dividend made entirely from the earnings of the bank. Prior to that the bank had paid to the shareholders an annual dividend of 150 per cent. The stock of the Chemical Bank sold at one time as high as \$5,000 per share. In 1920 when the bank consolidated with the Citizens' National Bank the capital became \$4,500,000.

The Chemical Bank was organized in 1824, opening for business at 216 Broadway, opposite St. Paul's Church, as the first bank on Broadway far up on what was then considered the outskirts of the city. The bank has been known in financial circles as "Old Bullion" since the panic of 1857 when it was the only bank to continue specie payments.

Since Percy H. Johnston became president of the bank he has added to its conservative policy a program of expansion and development which has included two branch offices, one on Fifth avenue and one on Madison avenue, and it is understood that a much larger program will be carried out during the coming year. Since Mr. Johnston came to the bank the surplus has increased from \$7,000,000 to \$17,500,000.

Bond and Investment Section

The Tendencies in the Bond Market

Easy Money Rates and Reduced Commodity Prices Point to Strengthening in Level of Bond Prices

Where do all the bonds go, is a question that has been frequently asked during the past year. Dealers themselves viewing the unprecedented output securities during the year, and the ready absorption almost immediately following, have, at times, expressed equal wonderment. The total volume of financing, including both stocks and bonds, in the United States during the present year, according to present estimates, will aggregate no less than \$7,000,000,000—the largest figure in all history, excluding the period of Government war financing. All of this, of course, was not new capital, approximately 12% being for refunding purposes.

To find an answer for the question asked above, one must consider the many factors that have been at work over a several year period to create the seemingly inexhaustible supply of surplus funds that has been evident throughout the year. Primarily, of course, it is due to the generally prosperous business situation which has now continued for several years, resulting in a wage-scale allowing many people a

By C. W. Sills

Vice-President, Halsey, Stuart & Co., Inc.

larger surplus over living requirements than ever before—much of which has gone into the investment market, directly or indirectly.

A corollary of this situation has been the ever-widening appreciation of the merits of sound investment securities, starting in many cases, with the purchases of Liberty Loan Bonds, and developing from the widespread educational effort attending the large increase in security distributing organizations, with their largely increased sales forces, and broader and more intelligently directed advertising efforts. Another factor of no small importance in the increased demand for sound securities has been the diminution in output of fraudulent and highly promotional securities—also the result, in part, of increased educational effort guiding the investing public toward more intelligent selection of securities, and to well-conceived legislation aimed at curbing the activities of the Blue Sky vender. Figures are lacking

as to the volume of unsound securities, but it appears safe to say that despite the prosperous conditions that have for some time prevailed, which would ordinarily result in a large outpouring of such securities, the volume during recent years appears to have shown an actual decline.

Why Sales Have Increased.

Such departures as the legalizing of public utility bonds in certain of the New England states; the creation of the Farm Loan System (thereby diverting considerable sums from the mortgage field to the bond market); the activity in building and the attending growth in the real estate bond field are also factors distributing to the present-day large supply and demand for investment bonds. The tremendous growth in savings deposits throughout the country; the vast increase in life insurance (much of which goes indirectly into the bond market) have had their influence. The change in marketing and merchandising methods has also been a factor—less money, in other words, is now tied up in inventories than ever before, thus releasing it for

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other purposes, partly for investment. This is due, in part, to the so-called "hand to mouth buying" so prevalent among both manufacturer and merchandisers resulting, in a measure, from greater conservatism on their part—an outgrowth of the post-war deflation period—and also to the vastly improved transportation facilities which make it possible to get orders quickly from the jobbing centers. The lower interest rates which have prevailed during recent years have also been a factor in releasing some funds for investment—that is, many organizations have been able to refund at considerably lower figures, thereby reducing their fixed charges.

Improvement abroad has also had its effect. In the first place, the broader viewpoint of the American investor has made him willing to purchase the bonds of foreign countries and industries—a class of securities which previously he was a bit wary of due to his own unfamiliarity with them. This improvement abroad has recently had another effect affecting demand, in that some foreign corporations and municipalities are now finding it possible and desirable to repurchase their own issues for the purpose of cutting down their debts.

As for the more immediate causes of the unprecedented financing of 1926, first consideration should perhaps be given to the easy money situation that has prevailed throughout the year enabling corporations to borrow on favorable terms, and which has led to steadily strengthening bond prices. It is a fact, of course that investors are more inclined to buy on a rising than a falling market, and the past year has proven no exception to that rule. The lower trend of commodity prices during the past year has also had its effect on the price level—as the dollar buys more, the price of bonds naturally moves the other way. The continued reduction of Government debt throughout the year, and the possibility of further tax relief in the form of reductions or refunds are factors which have a bearing perhaps more on the price level of securities than the output.

Outlook for the New Year.

Whether or not the existing favorable market will continue into the new year is not so much debated as how long it will continue, for opinion pretty generally agrees that as far as it is safe to predict, present conditions promise to prevail in both industrial and investment circles. Any diminution in the output of securities would, of course, prove an important factor in fixing the trend of prices, for, with the supply of surplus funds maintained at

somewhat its present level, and the output of securities decreased, there would naturally be a further upward swing in bond prices. Investment bankers, for several years past, have been fearful that the supply of new offerings might slow up somewhat, but that eventuality has not as yet materialized, and there seems no serious reason for believing that it will during the new year. If business should slow down, that might decrease the new offerings—the necessity for expansion of industry being curtailed, and considerable funds now employed in industry being released for investment. There appears no present reason for anticipating that this will happen, however. There is the possibility that the building industry which has contributed so largely both to general business prosperity, and to the output of securities, may show recession during the new year. There is also the possibility that certain foreign countries which had to look to us for financing during their period of reconstruction and have now attained more stable conditions, will be able to do more of their own financing thus cutting off a source of supply. There still remain, however, many foreign countries which have need of our help, and from them we can expect a considerable volume of financing, assuming our willingness to meet their demands.

Railroad financing during the past three years has been in declining volume, aggregating less during the present year than the year preceding, which, in turn, showed a decline over the year before—this despite the fact that earnings have shown rather steady improvement and have been particularly good during the present year.

The railroads are, of course, doing very little expanding, and, for the most part, are probably not seriously in need of additional financing. Their capital structure, however, in many instances, is somewhat unbalanced, interest bearing securities forming too preponderant a part of the whole. There appears little probability, therefore, of any considerable increase in interest bearing financing from the railroad field, though unquestionably certain of the carriers would welcome an opportunity to do more stock financing. Whether or not they would be able to do that is, of course, problematical, though with the continuance of present earnings it appears not unreasonable to anticipate that they may be able to do this at a not distant date. It is interesting to note that in this connection, during 1926, stock financing on the part of railroads was almost negligible—in fact, at the time of writing it aggregated only a little more than \$10,000,000. One of the most interesting devel-

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opments of the year in the railroad field was the inauguration, by the Interstate Commerce Commission, of competitive bidding among banking institutions for new equipment offerings. This is a practice now firmly established in the field of municipal financing—with which equipments are somewhat comparable in point of ease of appraisal, security and market distribution.

Tax-Exempt Financing May Decline.

In the tax exempt field there is the possibility of some decline in the output of securities. Domestic Municipals, for instance, during the past three years, have remained on about the same volume level—incidentally at the highest point in history. Most of the demand for public works, resulting from deferment of such activities during the war period, have now been met, and there is undoubtedly a growing feeling on the part of taxpayers that the tax burden should not be materially increased for improvements other than those contributing directly to the welfare or increased valuation of the communities affected. As the Federal tax burden is reduced from year to year, there is, moreover, some diversion in the demand for tax exempts to taxable bonds resulting from the fact that many, who in the high tax era were forced by their tax liability to the purchase of tax exempt bonds, are now finding it advantageous to switch to the taxable field. In so far as the large output of municipal bonds was, therefore, a reflection of the active demand for tax exempt bonds to avoid heavy taxation, it is not unreasonable to expect that there will be some curtailment in the supply. Incidentally, in this connection, the present price level of municipal bonds has not reflected the same advance, over the past four-year period, as that registered in most other classifications. As a result some purchasers who previously confined their investments to taxable issues, can now purchase tax exempts and obtain a net yield closely comparable to what they would obtain from high-grade corporation issues. It is impossible, however, that the increased demand from this source will offset the lessened demand from the switch in the opposite direction.

In the other field of tax exempt securities—that is, Farm Loan bonds—there does not appear any reason to anticipate an increase in output. In fact, there may be even further recession from this year's figures, which in themselves are considerably lower than the high level established during 1922 and 1923. The emission of such bonds, of course, depends largely on conditions in agriculture, which, during recent years, have, as is common knowledge, been

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none too favorable. In other words, the farmer ordinarily borrows in periods of prosperity, for the purpose of acquiring additional land, new equipment, or the erection of additional buildings. With agriculture somewhat depressed, there is a corresponding let-up in the demand for these improvements and expansions, and, therefore, a smaller volume of Farm Loan bonds. There has been some criticism of the Joint Stock Land Bank System recently, though the fact remains that they are serving an important need, and, while as would be expected in the very considerable volume of loans negotiated by these banks since their inception some ten years ago, there have been some defaults, and individual banks have not shown a uniformly profitable record, the relatively few foreclosures that have occurred have not in any sense impaired the intrinsic merits or permanence of the system, nor the credit standing of conservatively managed banks. It is significant of the greater familiarity with the investment merits of Farm Loan bonds that they sold during the current year at the highest price since the inception of the system in 1916.

Public Utility Financing Totals Two Billion.

Perhaps the most interesting classification—and by a wide margin the largest during the current year—is the public utilities. The total volume of public utility financing for the year will probably aggregate no less than \$2,000,000,000, or over 28 per cent of the estimated total. During the year 4½ per cent public utility bonds on the part of some of the large companies made their first appearance and comment has already been made about their acceptance for savings bank investments in certain of the New England states. Very recently two important and extremely favorable decisions were rendered by the Supreme Court of the United States. One of these held the law prescribing \$1.00 per 1,000 feet as the maximum rate for gas in New York City invalid because confiscatory. The other affirmed the decision of the District Court of Indiana enjoining the public service commission of that state from fixing the water rates of an Indianapolis company at so low a figure as to be allegedly confiscatory. Important rulings were given in the latter decision having to do with the determination of fair values—one ruling being that unless there was a marked trend of prices, upward or downward, present valuations were to be taken as a fair measure of the value of the physical elements of the property. From the standpoint of supply of utility offerings there appears no reason to antici-



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pate any marked curtailment of output, for, despite the huge growth of the industry during recent years, the demand for the services of public utilities continues unabated due to the ever-increasing uses to which gas and electricity are being put, and in part, of course, to the normal increase in population.

The electric railways during the year showed considerable improvement, and the financing done in connection with that industry, while not large, will probably exceed by a slight margin that done in any previous year since the war. There is a growing recognition of the fact that in the large metropolitan centers the electric railways have a permanent place as the most econom-

ical agency for mass transportation which it seems will inevitably lead to the solution of some of the electric railways' other problems, principally that growing out of inadequate franchises. It appears not unreasonable, therefore, to anticipate a further increase in the output of bonds of such companies.

With all indications pointing toward a continuation of the present favorable business situation, it is not unreasonable to anticipate the extension, well into the new year, of the generally propitious conditions which now characterize the market for investment securities. There appears little doubt, moreover, that for some time to come money rates are going to continue

easy, which, together with the possibility of further reduction in commodity prices, may find reflection in further strengthening in the general level of bond prices.

Will Represent Equitable Trust in Philadelphia

The Equitable Trust Company of New York announces the appointment of Thomas Graham as its representative in Philadelphia to succeed R. E. Hanson. Mr. Graham is a native of the Quaker City.

Shortly after he was graduated from Haverford School, he entered the Traffic Department of the Pennsylvania Railroad Company. He spent six years with this company, occupying several important posts. He served in the general offices, Philadelphia; in the division freight office, Harrisburg, and as freight traffic representative of the "Empire Line," in Philadelphia territory.

In 1919 Mr. Graham became secretary and treasurer of the Geyelin Company, shipping agents. Attracted to the banking business by an offer from the Guaranty Trust Company, Mr. Graham went to Wilkes-Barre in 1920 as the Guaranty's representative. Later he was promoted to the Philadelphia office of that institution. For the past three years Mr. Graham has been connected with Edward B. Smith & Co., investment bankers, in Philadelphia.

Mr. Graham is well known in Philadelphia. He is a member of the Board of Managers of the Seamen's Church Institute, and belongs to the Racquet, Philadelphia Cricket and White Marsh Valley Hunt Clubs, as well as the First City Troop of Philadelphia, organized in 1774.

Mr. Graham, who entered the employ of the Equitable on December 1st, will direct the Philadelphia office in accordance with its present policies.

First National Bank 1926 Dividend Rate Is 16%

F. O. Watts, president of the First National Bank in St. Louis, announces that in addition to the regular monthly dividend of 1 per cent payable December 31st, 1926, an extra dividend of 4 per cent was declared payable December 16th to all stockholders of record the same date.

This makes a total dividend paid by the First National Bank for the year 1926 of \$1,600,000.00 or a rate of 16 per cent.

Mr. Watts also announced that the directors made a provision for payment of a Christmas bonus to employees of the bank.



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Losses on Commercial Paper Compared With Losses on Loans and Bonds

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Our American multiple system of independent banks is a product of our own nineteenth century western expansion, our ever-growing commercial and industrial prowess, the constant extensive opportunity for individual initiative, and the boundless energy of a young, developing nation. Our banks are the product of a rapid evolutionary process covered by one hundred and forty-five years. But behind them rest the historical background and the developing practices of European commercial and fiscal banking needs of seven hundred and seventy-five years, a period which started when the little Republic of Venice at the head of the Adriatic was becoming the most powerful political and commercial unit in Europe.

By Roy A. Foulke

Manager Bank Service Department,
National Credit Office

Banking institutions originally were created for one of three different purposes:

(1) To furnish funds to controlling political powers, such as the forced loan of Vitale Michiel II. of Venice in the latter part of the twelfth century resulting in the creation of the Bank of Venice.

(2) To prevent the promiscuous passing of lightweight coins when metallic money was practically the sole medium of exchange, resulting in the establishment of such banks as the Bank of Amsterdam in 1609.

(3) To furnish the mechanism for the issuance of paper money resulting in the formation of such institutions as the Bank of England in 1694.

Even our own national banking system was originally created by Secretary of the Treasury Chase in 1863 not primarily to serve commerce and industry, but as a direct means of obtaining additional funds for carrying on the Civil War.

The expansion in our banking facilities was a very slow and gradual process up to 1870. Until the enactment of the National Banking Act of Congress in 1863, practically all banks were chartered under State laws and

our banking history was featured by a wide range of State experiments with consequent heavy bankruptcies, casualties and monetary losses. In 1870 there were 1615 banks in operation, an increase of but 223 during the preceding decade.

By 1880 there were 3355 banks, 1890, 7999, and 1900, 10,382. Progress from 1900 to 1921 was very rapid each year, keeping pace with our accelerating commercial and industrial needs. On June 30, 1921 there were 30,812 National and State commercial banks and Trust Companies, Savings Banks and private banks in operation, one bank for every 3200 men, women and children in the country, a very remarkable development.

The decade ending 1920 saw the beginning of branch banking. With the consequent mergers, consolidations, and absorptions incident to the development both of branch banking and larger individual institutions, there has come about another developing stage in our banking industry, the diminution in the number of banks. By June 30, 1922 the aggregate number of banks had decreased to 30,389. Every year since then has seen a further reduction and on June 30, 1925, the last available date of exact information, there were 28,841 banks in active operation, a reduction of 1971 from the peak.

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Losses of National Banks

Of the 28,841 banks in operation on June 30, 1925, 8072 represented National Banks, 18,663 State Banks and Trust Companies and the remainder Savings Banks and private banks. The 8072 National Banks represented about eleven per cent less banking resources than the total number of State Banks and Trust Companies.

No figures have been made available up to the present time by the Comptroller of the Currency for the operations of the National Banks during the year ending June 30, 1926.

For the year ending June 30, 1925,

however, the aggregate losses of National Banks amounted to \$141,134,000, of which \$95,552,000 was charged off on Loans and Discounts, \$25,301,000 on Investments in Bonds and Securities, \$622,000 on Trust Department operations, \$1,783,000 on Foreign Exchange, and \$17,876,000 Miscellaneous, leaving net profits for the fiscal year of \$223,935,000 or 9 per cent on the invested capital. This compares with net profits of \$195,706,000 or 8.1 per cent on the invested capital for the preceding fiscal period. These profits are moderate and by no means abnormally high.

Losses assumed by the National

Banks for the five years ending June 30, 1925 are reported by the Comptroller of the Currency as follows:

1921	\$179,885,000
1922	192,390,000
1923	160,438,000
1924	147,304,000
1925	141,134,000

Of the losses of \$179,885,000 assumed during the year ending June 30, 1921, \$76,210,000 was charged off on Loans and Discounts and \$76,179,000 on Investments in Bonds and other Securities. The loss of \$76,210,000 on Loans and Discounts represents about 42.4 per cent of the entire loss for the year and the loss of \$76,179,000 on Investments, 42.3 per cent. The charge-offs on both of these items have fluctuated considerably in the four following years, but have continued to reflect very large percentage losses for conservative banking operations.

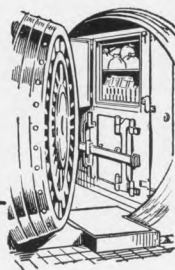
A comparison of these losses adjusted to give effect to recoveries on previously charged-off assets, with (1) total Loans and Discounts, and (2) total Investments held by National Banks on fiscal date, exclusive of United States Government Securities and stocks in Federal Reserve Banks, gives a fairly accurate idea of the heavy yearly drain upon our banking resources.

	Loans and Discounts	Losses on Loans and Discounts
1921	\$12,004,515,000	\$ 66,074,000
1922	11,248,214,000	105,733,000
1923	11,817,671,000	81,898,000
1924	11,978,728,000	78,755,000
1925	12,674,067,000	68,702,000

The above losses on Loans and Discounts and those mentioned in the following table on Investments in Bonds and other Securities do not, however, represent the aggregate losses for the entire banking industry. These figures represent only the returns from National Banks which represent the more conservative banking strength of the country operating as Federal Corporations under Federal control. Both annual and percentage losses of the 18,663 State Banks and Trust Companies operating under the laws of forty-six States with wide variations in supervision and control, would be considerably greater.

	Investments in Bonds and Securities	Bond Losses
1921	\$1,936,860,000	\$66,276,000
1922	2,207,291,000	26,086,000
1923	2,303,995,000	14,885,000
1924	2,588,232,000	19,013,000
1925	3,119,189,000	18,192,000

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rightfully been concerned with the length of time of loans extended to depositors. Commercial Banks, to be maintained constantly in a thoroughly sound condition, should extend only short term credits to industrial and commercial enterprises to cover the peak of their manufacturing or distributing season and such credits, especially in the case of city institutions, should be largely self-liquidating. It is not among the functions of a Commercial Bank to extend long term or permanent loans; such a policy would be admittedly unsound, unstable, hazardous.

Due to the increased competition among banks for business, a differential of increased credit has, however, been placed at the disposal of business enterprises compared with conditions two decades ago. As a result, it is quite a common occurrence today for a concern to borrow steadily—not from the same bank—but from the aggregate of its depositories, to borrow steadily, year after year and rotate its loans so that the banking industry as a whole furnishes a very good percentage of the permanent—not fixed—capital of the larger business enterprises of the country.

This fundamental change in the practical relationship between banks and business enterprises, however, only comes into the foreground in those unfortunate cases where concerns become embarrassed from poor management or a still further need of working capital, and losses are assumed by the contributing interested banks.

Comparison of Losses

For the fiscal year ending June 30, 1921, National Banks assumed the greatest net losses in their history on Bonds and other Securities—the sum of \$66,276,000—and for the year ending June 30, 1922, the greatest net losses on direct Loans and Discounts—the sum of \$105,733,000.

The loss of \$66,276,000 on Investments in Bonds and other Securities represents the exceptionally large percentage loss when compared with the aggregate Investments of National Banks, exclusive of United States Government Securities and Holdings in Federal Reserve Banks, of .0342. On every \$10,000 of investments, a net loss of \$342 was sustained. The loss of \$105,733,000 on Loans and Discounts represents the large percentage loss when compared with the aggregate Loans and Discounts of National Banks of .0095. That is, on every \$10,000 of Loans and Discounts on June 30, 1922, a loss of \$95 was assumed.

While the aggregate yearly net losses

of National Banks on direct Loans and Discounts have been somewhat less, measured both in dollars and percentages since June 30, 1922, the contrast between losses sustained in this manner with the yearly losses assumed on all purchases of Commercial Paper, has been very striking.

The net losses of \$105,733,000 assumed by National Banks during the fiscal year ending June 30, 1922, on their direct Loans and Discounts compare with total losses of \$112,500 on Investments in Commercial Paper during the calendar year ending December 31, 1922. Losses of \$105,733,000 represent .0095 of the outstanding Loans and Discounts on the fiscal date while losses of \$112,500 on Commercial Paper

represent but .00013 of the average outstanding amount of paper. For this period the percentage loss on direct Loans and Discounts was seventy-three times as great as losses on Commercial Paper.

The percentage of loss to National Banks, not including State Banks or Trust Companies, on outstanding Loans and Discounts for the twelve months preceding June 30, 1923 was .0069. For the year 1923, the percentage of loss on the average outstanding Open Market Paper was .00023. The comparison of these figures is more easily visualized by the statement that Loans and Discounts of all National Banks were thirteen times greater than the average amount of Commer-



Finding bond values



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cial Paper on the market, but losses reported on Loans and Discounts of National Banks were three hundred and eighty-five times greater than on all Open Market names.

The amounts and percentages of losses on Open Market Paper for 1924 and 1925 expanded moderately while adjusted net losses and percentages on direct Loans and Discounts were kept somewhat better in hand by the National Banks. Losses on Commercial Paper for 1924, however, amounted to but .00105 and for 1925, .00087 of average outstanding paper, rates of losses which are but one-sixth of the percentage net losses suffered by National Banks on their accounts with which they were most familiar.

A most striking resume covering the four-year period reveals the fact that the percentage loss on direct Loans and Discounts of National Banks is twenty-nine times as great as the percentage loss on Open Market Paper.

Reasons For Low Paper Losses

There are four definite fundamental reasons why losses on Commercial Paper have been negligible in comparison with the losses on direct Loans and Discounts. These are:

(1) In purchasing Open Market Paper, a loaning official of a bank is not subject to the influence encountered in direct contact with a depositor. His judgment is not affected by balances, personal friendship, the necessity of renewing a loan, or other mitigating factors.

(2) The purchasing bank has a selection of names from which it may choose those in any industry in any section of the country.

(3) The purchasing bank may always confirm, within the option period, whether the paper has already withstood the criticism of the best credit analysis in the country, while the assurance from the broker, negotiating the sale, of the soundness of the note is very important in many instances.

(4) As Commercial Paper offerings are subject to intensive credit study and broad exchange of opinion and comment, more concise and accurate outside assistance is available for checking Open Market names than any other form of offering.

What He Was Trying For.

Hospital Nurse: "You wish to see the young man injured in the motor accident. You are the lady he was with?"

Gwendoline: "Yes, I thought it would be only fair to give him the kiss he was trying for."

Interest—Your Principal Expense

A Proposal to Deduct Reserve Requirements from the Deposit Items Before Calculating Interest Payments

By R. S. Hawes

Vice-President, First National Bank
in St. Louis

THE principal expense item in the banker's budget today is interest on deposits. This item has increased by leaps and bounds during the past few decades until today it consumes over one-third of every dollar of bank income. It has become an expense item of such importance that it is not only making serious inroads upon the return on invested capital in the banking business, but is also becoming a factor which may lead to the undermining in some sections of the country of the soundness of our banking structures. Many bankers in their efforts to meet competitive conditions and to maintain established rates on deposits are being practically forced into high yield paper where the credit risk is unduly burdensome. As a consequence, neither the interests of the depositor nor of the banker are being intelligently served by some existing practices with respect to the payment of interest on deposits. Established rates and methods of calculating interest payments are largely an inheritance from the past when conditions were quite different from those that exist today. American banking and the American money market have undergone a profound change in the past twenty years and especially since the establishment of the Federal Reserve System. These changes call for a thorough revision, among other things, of existing bank practice with respect to the payment of interest on deposits. New problems have come upon the banking fraternity so gradually that many bankers have failed to appreciate their true significance and the necessity for taking concerted action to meet them before serious damage has been done.

New Conditions Affect Rates

Post-war developments in the field of finance, together with the operations of our improved banking system, have exerted important influences upon both bank policy and loaning rates. The bankers, who should be keen to recognize and appreciate those fundamental changes, have up to the present time failed to take any definite action to meet new conditions. The situation has now reached a point where definite concerted action must be taken at the earliest possible moment to effectually protect the interests of all concerned—namely, the depositing public and our institutions of banking. As we see the problem there are three phases that

call for consideration. First, a careful analysis should be made of the facts regarding the generally established policy of payment of interest on deposits; second, the effects of the existing situation should be studied in all of its ramifications, and third, consideration

should be given to some of the means by which the problem might be solved so as to satisfactorily protect the vital interest of all concerned.

With respect to the first aspect of the problem, namely, the facts regarding the situation, there is at present only a limited amount of information available. It is something of an anomaly that the bankers who are constantly calling upon their customers to make

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careful analyses of their operating costs and expenditures and to establish budgetary control, so as to eliminate inefficient and unsound methods, should be among the last important group to apply the same principles that they advocate for their customers in their own line of business. In recent years the Federal Reserve System has been making studies of bank income and expenditures which should prove very helpful to the banking fraternity. These studies have uncovered some astounding facts regarding the banking business, especially with respect to the trend of costs in banking. They show, among other things, that for the fiscal year, ending June 30, 1921, the gross

income of all member banks was \$1,829,671,000, and that for the calendar year, 1925, gross income was \$1,918,094,000, an increase of only \$88,423,000 during a four-year period of expanding business. On the other hand, interest paid on deposits by the member banks rose from \$472,003,000 to \$643,158,000, an increase of \$171,155,000, or almost double the increase in gross income. On a percentage basis, interest being paid on deposits rose from 25.8 per cent to 33.5 per cent of gross income. Every banker has long known that interest on deposits was rising out of proportion to income. These figures show definitely how far out of proportion the rise has gone.

Expenses Are Increasing

While the Federal Reserve figures are aggregates for all member banks, they, nevertheless, present a picture that is substantially true of what has been actually taking place, and every banker, if he studies his own situation will find it substantially in accord. Unfortunately, Federal Reserve figures are obtainable for only recent years. While it is true that 1921 and the period since was unusual in many respects, the same principle holds true for the period since 1919, the earliest for which information of this type is available. Summing up the essential factors regarding the growth of interest payments in contrast with other bank items, the following are outstanding:

Interest on deposits has increased since 1919.....65.2%
Gross deposits have increased since 1919.....40.5%
Total resources have increased since 1919.....41.3%
All expenses except interest on deposits have increased since 191948.5%

The result of this situation, as would be expected, fell heavily upon the return earned on the invested capital in the banking business. In 1919, earnings were equivalent to 10.6 per cent on capital and surplus, whereas last year they amounted to but 8.92 per cent and for the period, 1922 to 1925, they averaged less than 8 per cent. In other words, the average rate of return on invested capital shows a drop of over 20 per cent during this period. It should be recalled in this connection that this occurred during a period that was generally prosperous in practically all other business and commercial lines. Furthermore, it must not be forgotten that in dealing with averages covering a great number of banks, allowances must be made. In recent years, some of the larger banks, whose ability to affect the averages would be considerable, have organized Investment Companies for the purpose of engaging in underwriting industrial, public utility, railroad, and real estate mortgage loans. This has proven a profitable field in many cases and has done much to augment earnings for such institutions, so that the showing for many institutions would be considerably less favorable than the averages indicate.

Paper Rate Shows Decrease.

The mounting cost of deposits assumes an even more serious aspect when we take into consideration the decline in interest rates in recent years. For example, if the average commercial paper rate for 1919 is taken as index 100, we find the average rate for 1925 to be index 74.3, a de-

Why Foreign Mortgage Bank Bonds?

Because of their excellent records dating back in some cases for three-quarters of a century, Foreign Mortgage Bank Bonds have been considered in Europe one of the prime securities for trust and savings banks, ranking just under government obligations and ahead of the securities of states and municipalities.

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cline of almost 25 per cent in the average rate obtained on this class of paper. Similarly, the bond yield rate shows a drop to index 89.9, a decline of over 10 per cent in the average rate secured on this type of investment. On the other hand, the average rate of interest paid on gross deposits by all member banks increased from an average of 1.84 per cent in 1919 to an average of 2 per cent for last year, which is equivalent to an increase of over 8 per cent in the amount of interest being paid on gross deposits. The significance of this rise in the rate paid on deposits during a period of declining money rates cannot be over-emphasized. Thus, from whatever angle the problem is approached, the facts show an unfavorable trend to the course of interest paid on deposits, as contrasted with other items of expense or income. In view of these facts the outlook is not encouraging unless the farseeing bankers of the country get together and make an effort to correct the situation, so as to bring into closer accord the cost of money to the rate which the banker can obtain for it in the market.

The Banker's Difficulty.

With respect to the second aspect—namely, the effects of this situation, the facts speak for themselves. Deposits are to the banker what raw materials are to the manufacturer. They are the banker's principal stock in trade. The banker, no more than the business man, can pay an ever and ever higher price for his raw material, pay higher wages, meet increased costs in every field, and steadily sell the finished product, bank credit, at a lower price. Yet this is what the banker has been attempting to do. That he has met with difficulty is not surprising. The effects of this situation are the same in the field of banking as in other lines—namely, compelling the banker to take chances and to indulge in practices that sound business judgment does not warrant, with the inevitable result that bank failures have become more numerous. With lower rates and increased costs the banker cannot afford to assume the same credit risk that he could under other conditions. However, in his effort to meet competitive conditions he is often forced to accept risks out of all proportion to either the needs of business or the interests of his depositors. The existence of such circumstances obviously produces an unwholesome situation.

How to Solve the Problem.

With respect to the third aspect—namely, some of the means by which the problem might be solved, the following proposal appears to deserve

consideration. Banking practice with respect to the method of paying interest on deposits is rather illogical in so far as it ignores reserve requirements. Today, under the working of our Federal Reserve law, a definite proportion of bank reserves are non-earning assets. Years ago when interest was being paid on only a relatively small proportion of all demand deposits, the burden of the loss entailed on non-earning assets could be absorbed more easily than today when the practice has become very general. Furthermore, before the establishment of the Federal Reserve System all reserves were non-earning assets to the same

extent that they are today. It would appear that a logical step for the bankers to take would be to apply the same rule to the demand deposits of their customers that the banking laws of the country require of them—namely, to deduct from net deposits before interest is paid the reserve balance that they must carry with the Federal Reserve. While it is true that the same ultimate result could be accomplished by a general lowering of interest rates paid on deposits, such a change would still leave the banker in the position, technically at least, of paying interest on funds not actually available for investment.

An additional $1\frac{1}{2}\%$ to $3\frac{3}{4}\%$ on your reserves

THE banker who maintains a liberal margin of cash and quick reserves needs to earn every dollar of income he can safely obtain on his secondary reserve.

For this purpose "short maturities" have too low an earning power, and local commitments may not be sufficiently liquid. Marketable long-term bonds are often best suited for that part of a bank's assets which is least likely to be needed.

How large that reserve should be and how invested, depends of course upon the nature and source of deposits and the maturity of customer loans of the bank in question. If deposits are unstable and loans are of the deferred type, it might be advisable to put the secondary reserve into short-term investments, even at some sacrifice in income.

But in most cases, there is no reason why that extra income should be sacrificed. By a careful selection of bonds, readily marketable and properly adjusted to the bank's liquid needs, a bond investment structure can be built up of substantial earning power.

Hundreds of banks find our experience in this connection of marked assistance; many rely upon us for building and rebuilding their entire bond investment reserve. The service is thorough and complete. Perhaps your bank would find it equally useful.

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Deposits Cost Too Much.

A more logical method, before attempting to scale down the rate of interest being paid, would be to apply to the deposit item the same requirements that the laws of the country place upon the banks. This should not be as difficult a proposition as would appear at first thought. Those banks that have an analysis department in which commercial accounts are studied to determine whether they are profitable or not already utilize this principle and have been educating their customers in this respect. In such analysis, allowance for reserve requirements is made and when the customer's account is not self-supporting all the facts are laid before him and he is shown the various costs involved in maintaining his account, among which the reserve

requirements are included. He is then usually given the choice of either increasing his balance or making payment in some other way for the service rendered. Where these methods have been used, business men have been quick to appreciate the requirements of the banker and little difficulty should be experienced in widening the application of this principle. While there is no way of definitely determining the exact amount of saving that might be made by the bankers paying interest only on that portion of deposits that is available for investment, it is quite apparent from the data now at hand that the sum would be very substantial and, on the average, would probably approximate in the neighborhood of 10 per cent of the total amount now being paid. Such a policy

would apparently save the member banks of the Federal Reserve System approximately \$50,000,000 annually, a sum which would give considerable relief in more ways than one, not only in improving earnings but in eliminating the necessity on the part of bankers to assume undue credit risks and thus jeopardize the vital interests of depositors.

This proposal of deducting from the deposit item the reserve requirements before calculating the interest payment is admittedly not the only means by which this important problem can be solved. It is offered primarily as a concrete constructive suggestion for meeting a problem that calls for definite action in the near future. Much will have been accomplished toward the final solution of this vexing problem if the bankers of the country can be aroused with respect to its significance. If they will give it the thought, study, and attention that it deserves we can look forward with confidence to its ultimate satisfactory solution in the near future.

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Fifteen Boys Promote Good Will

(Continued from page 9)

ness men whom they could never reach alone.

"Any town that can support one bank, can furnish fifteen boys, and any town that can support two banks can furnish thirty boys, three banks, forty-five boys, and so on. I would not recommend that high school boys should be one of the qualifications for membership, as in all towns some might not have a high school, and good boys should not be barred for that reason alone; but they should be school boys, however, as the ages would indicate, fourteen to eighteen years. All those details might be worked out to suit the bank forming the organization, but I think the membership should be fifteen. That number will get recognition where a smaller number might not."

One of the features of the council that arouses a great deal of interest and enthusiasm among the boys is a trip which Mr. Williams gives each year to members of the council.

The first trip was to Little Rock for a day of sight-seeing. In Little Rock they visited the Federal Reserve Bank, of which Mr. Williams is a director, and the boys saw more money than they had ever dreamed of seeing. Then they were conducted through the plant of the Arkansas Gazette, by Fred W. Allsopp, business manager.

At noon they were guests of the Bankers Trust Company at a luncheon at the Hotel LaFayette. Robert E.

Wait, secretary of the Arkansas Bankers Association, addressed them, as did R. C. Irvine and I. J. Steed of the Bankers Trust official family.

The last visit was to the Gus Blass Company's store, where Julian Blass devoted two hours showing them the huge department store and explaining the principles by which it is operated. They returned to Hot Springs in automobiles about 4 o'clock in the afternoon.

This year Mr. Williams took the boys on an automobile trip to New Orleans, where they visited the banks and business men of the city and saw the many interesting historical sights. The boys had a writeup in the New Orleans Times-Picayune. They met the editor of the paper and had their pictures taken for the paper. Naturally, they had a wonderful and instructive trip, and they returned home better citizens and ardent boosters for the Community Bank & Trust Company.

Conclusive evidence that these boys are a valuable asset to the bank is shown by the fact that one of the boys recently came to Mr. Williams and said that he thought it would be a good idea for him to write a personal letter to some of his friends asking them to do business at the bank. Mr. Williams consented.

Here is a copy of one of the letters he wrote:

Dear Edward: The first fifteen months in business this bank has opened about two thousand accounts. Our deposits are gradually increasing, and we are making new friends every day.

It is a pleasure to me to see my friends doing business with this bank, and I would be more than pleased to have you open an account with us—it makes no difference whether large or small, we appreciate it just the same.

Of course my increase in salary and promotions depend solely on the new customers that do business on account of my being here. I wish you would consider this seriously, Edward, and I hope that you will render a decision in our favor.

Looking forward to the time when we may have the pleasure of serving you, I am

Your friend,
C. R. GRAHAM.

The bank has made many friends and secured many accounts as a result of the council. It has made young business men out of school boys, and the boys have made good for the bank. They have made good in their own efforts and they have attracted favorable attention and publicity to the

bank because their mothers, fathers, brothers, sisters, uncles, aunts, cousins and friends have been interested in their progress.

Municipal Financing Shows Decline in November

State and municipal bond flotations, according to The Daily Bond Buyer, of New York, were smaller in November than in any other month this year, aggregating only \$60,151,416, against \$105,789,241 in October, and \$71,522,706 in November of last year.

The total for 11 months of 1926 shows that municipal financing has fallen behind both 1925 and 1924. In each of those years final total of new issues exceeded \$1,400,000,000. This year's

figure for the full 12 months will probably be nearer \$1,300,000,000.

The following table compiled by The Daily Bond Buyer of New York, shows sales of State and municipal bonds in November and the eleven months ended November 30th, for ten years:

		11 mos. ending November	November 30
1926	.....	\$ 60,151,416	\$1,205,777,089
1925	.....	71,522,706	1,238,429,540
1924	.....	120,243,926	1,373,088,678
1923	.....	132,167,398	1,037,820,494
1922	.....	93,600,366	1,226,056,132
1921	.....	121,487,608	1,069,623,024
1920	.....	64,612,511	692,107,121
1919	45,833,309	680,609,157
1918	19,659,392	236,934,567
1917	17,285,168	406,883,808



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Lehman Brothers.

Offering 200,000 shares Patino Mines & Enterprises Consolidated Capital Stock. Price \$25 per share.

A. B. Leach & Co., Inc.

Halsey, Stuart & Co.

Porter Fox & Co., Inc.

Offering \$4,000,000 Central West Public Service Company First Lien Collateral 30-Year 5½% Gold Bonds Series A. Dated November 1, 1926. Price 99 and accrued interest, to yield about 5.55%.

Baker, Fentress & Company

Continental & Commercial Company

Harris Trust & Savings Bank

First National Company

Offering \$6,500,000 Dierks Lumber and Coal Company First Mortgage 6% Sinking Fund Gold Bonds. Price 100 and interest, to yield 6%.

William R. Compton Co.

E. H. Rollins & Sons

Offering \$6,500,000 New York Trap Rock Corporation First Mortgage 6% Sinking Fund Gold Bonds (closed mortgage). Dated December 1, 1926. Due December 1, 1946. Price 98½ and interest, yielding over 6.125%.

Halsey, Stuart & Co.

E. H. Rollins & Sons

Hallgarten & Co.

W. A. Harriman & Co., Inc.

A. B. Leach & Co., Inc.

William R. Compton Co.

Offering \$3,250,000 The Long-Bell Lumber Convertible Five-Year 6% Collateral Gold Notes. Due December 1, 1931. Price 98 and interest, yielding about 6.50%.

Otis & Co.

Halsey, Stuart & Co.

Lehman Brothers

Redmond & Co.

Offering \$10,000,000 Detroit City Gas Company First Mortgage Gold Bonds, Series "B" 5%. Dated October 1, 1925. Due October 1, 1950. Price 100 and accrued interest to yield 5%.

H. M. Byllesby and Co.

Federal Securities Corporation

Janney & Co.

Hambleton & Co., Inc.

Offering \$10,000,000 Standard Gas and Electric Company 6% Gold Debentures. Dated December 1, 1926. Due December 1, 1966. Price 99 and interest, to yield over 6.06%.

G. L. Ohrstrom & Co.

Liberty Central Trust Co.

Offering \$7,000,000 New York Water Service Corporation First Mortgage 5% Gold Bonds, Series "A". Dated November 1, 1926. Due November 1, 1951. Price 94½ and interest, to yield about 5.40%.

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Eldredge & Co.

James H. Causey & Co., Inc.

Offering \$1,350,000 Farmers' Irrigation District, Nebraska, 6% Bonds. Dated January 1, 1926. Optional January 1, 1936. Due January 1, 1956 to 1971, inclusive. Price 101.75 and interest, to yield 5.75% to optional date and 6% thereafter.

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Offering \$500,000 Magnolia Compress and Warehouse Co. (Houston, Texas) First Mortgage Sinking Fund Gold Bonds. Dated December 1, 1926. Due December 1, 1936. Price 100 and interest, to yield 6.50%.

Prince & Whitley

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Mississippi Valley Trust Co.

Continental & Commercial Company

Spencer Trask & Co.

Watling, Lerchen & Co.

Offering \$2,000,000 Electric Refrigeration Building Corporation First Mortgage 10-

Year 6% Sinking Fund Gold Bonds (Closed Mortgage). Dated December 1, 1926. Price 100 and interest, yielding 6%.

P. W. Chapman & Co., Inc.

Offering \$1,350,000 The Citizens Water Company of Washington, Pa., First Mortgage 5.50% Gold Bonds, Series "A." Dated July 1, 1926. Due July 1, 1951. Price 99.50 and interest, to yield over 5.50%.

The Hanchett Bond Company

Offering \$50,000 City of McGehee, Arkansas, Sewer District No. 1 5½% Bonds. Dated July 1, 1925. Price par and interest, yielding 5½%.

Stein Bros. & Boyce

Kauffman, Smith & Co., Inc.

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Offering \$6,000,000 Mortgage Security Corporation of America Guaranteed First Lien 6% Certificates. Dated December 1, 1926. Price 100 and interest, to yield 6%.

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Offering \$7,500,000 Illinois Power and Light Corporation First and Refunding Mortgage Gold Bonds Series C, 5% Thirty Years. Due December 1, 1956. Price 97 and interest, yielding about 5.20%.

Hayden, Van Atter & Co.

Whitaker & Co.

Offering \$2,000,000 The Celotex Company Ten-Year Convertible Sinking Fund Gold Debentures. Dated November 1, 1926. Price 100 and accrued interest, to yield 6%.

Bonbright & Company

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A. C. Allyn & Company

Offering \$700,000 Keystone Telephone Company of Philadelphia One-Year 5% Gold Notes. Dated November 1, 1926. Price 100 and interest, to yield 5%.

A. C. Allyn & Company

Offering \$1,250,000 Central Service Company (Des Moines, Iowa) First Mortgage Fifteen Year Sinking Fund 6½% Gold Bonds Series "A." Dated October 1, 1926. Price 100 and accrued interest, to yield 6½%.

J. P. Morgan & Co.

Kuhn, Loeb & Co.

The National City Company

First National Bank, New York

Yokohama Specie Bank, Ltd.

Offering \$19,740,000 City of Yokohama External Loan of 1926 Sinking Fund 6% Gold Bonds, unconditionally guaranteed by the Imperial Japanese Government. Dated December 1, 1926. Due December 1, 1941. Price 93 and accrued interest, to yield over 6.50% to maturity.

A. C. Allyn & Company

Offering \$2,000,000 Keystone Telephone Company of Philadelphia First Lien and Refunding Mortgage Gold Bonds Series "B" 6%. Dated October 1, 1926. Due October 1, 1951. Price 98½ and accrued interest, to yield over 6.10%.

Marshall Field, Gloré, Ward & Co.

Brown Brothers & Co.

Edward B. Smith & Co.

Brokaw and Company

G. H. Walker & Co.

Offering 100,000 shares Associated Gas and Electric Company \$6.50 Dividend Series Preferred Stock. Cumulative—no par value. Price 95½ and accrued dividend, to yield over 6.80%.

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A. B. Leach & Co., Inc.

Hill, Joiner & Co., Inc.

Offering \$10,000,000 Interstate Public Service Company First Mortgage and Refunding 5% Gold Bonds, Series D. Due December 1, 1956. Price 96 and interest, yielding over 5.25%.

The National City Company

Guaranty Company of New York

Offering \$35,000,000 Chile Copper Company Twenty-Year Five Per Cent Gold Debentures. Dated January 1, 1927. To Mature January 1, 1947. Price 96¼ and interest, yielding over 5.25%.

Dillon Read & Co.

Hallgarten & Co.

Halsey, Stuart & Co.

International Acceptance Bank, Inc.

Mendelssohn & Co.

Offering \$20,000,000 Berlin City Electric Company Twenty-five Year 6½% Sinking Fund Debentures. Dated December 1, 1926. Price 98 and interest. To yield over 6.65%.

The Union Trust Company, Cleveland

Tillotson & Wolcott Company

First National Company

Offering Cleveland Terminal Tower Building Site Land Trust Certificates representing 5750 Equal Undivided Shares of Equitable Ownership in the Terminal Tower Building Site, being a portion of the premises above the new Cleveland Union Terminal Station to be occupied by the Terminal Tower Building. Price \$1010 for each 1/5750th interest, plus accrued rental, to yield approximately 5.45%.

Waldheim Platt & Co.

The Minnesota Loan & Trust Company

Stern Brothers & Co.

Offering \$1,250,000 Omaha Orpheum Company First (Closed) Mortgage Fee and Leasehold 6% Serial Gold Bonds, guaranteed as to principal and interest by Orpheum Circuit, Inc. Price to yield 5.50% to 6% according to maturity.

Hill, Joiner & Co., Inc.

Halsey, Stuart & Co.

Paine, Webber & Co.

Offering \$1,000,000 Wisconsin Power and Light Company First Lien and Refunding Mortgage 5% Gold Bonds Series "E." Due May 1, 1956. Price 96½ and interest, yielding over 5.20%.

George H. Burr & Co.

Offering \$600,000 The Kinnear Stores Company 8% Cumulative Convertible Preferred Stock Series "A." Unit: 1 share 8% Preferred Stock and 1 share Common Stock. Price per unit: \$120 and accrued dividend on preferred stock.

J. P. Morgan & Co.

Offering \$120,000,000 Standard Oil Company, Incorporated in New Jersey, Twenty-Year 5% Gold Debentures, Dated December 15, 1926. Price 100½ and accrued interest.

Industrial Acceptance Corporation

New York

Capital & Surplus Over \$7,000,000



COLLATERAL TRUST GOLD NOTES

(The National City Bank of N. Y., Trustee)

The Notes of this Corporation are regarded by a nation-wide banking clientele as appropriate and attractive investment for short term funds. They may be obtained under customary option in varying maturities between 2 and 12 months. Complete information available on request to any of our offices.

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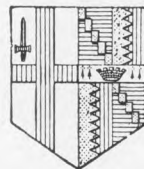
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The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates 2,250 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

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50% more color in Reed's Mass-magazine Plan for 1927; printed in full-color gravure.

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Three entirely new features in Reed's Mass-magazine Plan for 1927

See them for yourself.

Think Cautiously and Act Decisively

By Milton O. Johnson

Manager of Analytical Department, First Illinois Company

THE business situation, whether it be that of an individual, a company, an industry or that composite of activities which we call general business and financial conditions, must always be examined for what it may develop into as well as for what it is.

Before anyone can make an estimate as to how long a period of prosperity or depression will last, it must first be ascertained what factors are likely to bring about a change.

The question about the unevenly distributed present period of business

prosperity now isn't how soon it is going to stop, but what's going to stop it—and how abrupt will the stop be.

Unbalanced production is the generally accepted explanation of business depressions and the fundamental causes of an unbalanced situation are in operation months, and even years, before the depression or recession occurs.

The first question about the extent of any period of business prosperity is what factors are likely to throw the co-operative, complex and price-regu-

lated economic organization out of balance to the extent that there follows a sudden decline in business and industrial activity or a slow and gradual recession.

Stiffer money rates, declining foreign trade, lessened demand for building construction, increased competitive price-cutting in the automobile industry and falling purchasing power in agricultural sections are symptomatic of the existence of a less favorable balance now than existed last year or the year before between those fundamental factors which constitute the sound basis for a period of sustained prosperity.

It must be kept in mind, however, that our economic system is never in perfect balance—adjustments are constantly being made through the organizing function of prices, and while these constant adjustments lower the efficiency of industry, they do not seriously disturb the general state of balance.

When adjustments have been of considerable magnitude and there has existed a **genuine credit stringency**, sudden declines in business and industrial activity have come during the past, while the slow and gradual recessions have started and run their courses in times of relatively easy credit.

A state of credit inflation exists when the amount of credit in use is increasing faster than the volume of physical production, and it must always be remembered that purchasing power—whether immediate or deferred payment be made—rests in production—and more particularly in balanced production.

At present there is no credit stringency in prospect, and because of this it is probable that any near-term change in business and industrial activity will be gradual rather than drastic, and protracted rather than brief.

Such factors as hand-to-mouth buying, large stocks of gold, the open market and rediscount rate policy of the Federal Reserve Board, construction activity and increased railroad operating efficiency, have been strong factors in the present period of well sustained prosperity, but equally important has been the policy of an increasing number of merchants, manufacturers and bankers to "Think Cautiously and Act Decisively."

The present is no time for relaxation from cautious thinking or the abandonment of those conservative policies which have proved their worth; there is still need for a steady hand upon the wheel and a clear eye ahead; there is still need to "THINK CAUTIOUSLY AND ACT DECISIVELY."



A Specialized Service

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The First National Bank of Chicago and the First Trust and Savings Bank

and provides complete facilities for active and inactive accounts, collections, B/L's, investments, letters of credit and foreign exchange transactions

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President

Combined Resources Exceed \$450,000,000



News & Views

The Banking World

By Clifford De Puy
Publisher De Puy Banking Publications



Happy New Year! I know of no better way to express my New Year greeting to you than in the words of Edgar A. Guest, when he said:

"This I would like to be—just a bit finer,
More of a smiler and less of a whiner,
Just a bit quicker to stretch out my hand
Helping another who's struggling to stand,
This is my prayer for the New Year to be,
Lord, make a regular man out of me."

—\$—
Congressman Dickinson believes that the present administration should either favor the McNary Farm Relief Bill or present a new bill which will help to solve the farming situation. Mr. Dickinson puts it this way: "Whenever a government or a party finds that they cannot find a solution for the problems that face our people, then that party or that leadership sooner or later has got to be discredited and new leadership has got to be assumed."

—\$—
Talk may be cheap but New York bankers made \$10,000,000 in ten days by purchasing the Victor Talking Machine Company for \$115 a share and selling it for \$155 a share. It is understood that "His Master's Voice" now emanates from Wall Street.

—\$—
The high cost of the city government of Paris is indicated by the fact that the budget for 1927 is 2,394,000,000 francs or seven times the cost of operating the city government before the war. This represents a deficit for the city of Paris of 102,000,000 francs. The city council hopes to eliminate this deficit by increasing the custom duties on articles entering the city, rather than increasing the present high taxes.

—\$—
If you want to get rich, buy good farm lands in any good agricultural state. This is a buyer's market. Five years from now you can sell out and make enough money to retire for the rest of your life. Activity in the Iowa farm real estate market in the last 30 days is indicated by the fact that one farm of 160 acres was sold for \$194 an acre, another farm of 130 acres sold

for \$225 per acre, and this transaction was all on a cash basis. Another farm sold for \$160 an acre, and another one for \$250 an acre.

—\$—
The General Motors Corporation and the U. S. Steel Corporation, which have been fairly (?) successful as money makers and also in declaring stock dividends, have both been pushed off the map by the Union Fabric Co. of Derby, Connecticut, which has declared a 3,900 per cent stock dividend. The company was established in 1887 with a capital stock of \$9,000, and this is now being increased to \$360,000. The company manufactures covered corset steels and radio parts.

—\$—
Bank robbers in Buffalo, Kansas, decided that they would not disturb the community by blowing open the safe of the Buffalo State Bank within the city limits, so they took the safe and placed it on a truck and then drove out of town and had a "safe opening" far from the angry mob.

—\$—
The U. S. Government reduced its public debt approximately \$1,179,000,000 in 1926. The government obligations at the beginning of this year were slightly over \$19,000,000,000, with \$200,000,000 in cash on hand. Taxpayers are interested to know that the annual interest paid out by the government has been reduced about \$75,000,000.

—\$—
Dr. C. H. Crennan, noted economist of the Continental & Commercial Banks, in "The Trend of Business," says, "Good business is in prospect for the first half of 1927. And this opinion can be stated with a feeling of assurance. It is based on correct statistics. Business may be good throughout 1927. But the first half of the year is a foreseeable period, whereas a prediction as to what is likely to happen during the entire year would be more of a guess than a statistical forecast."

"Money rates will be easy. And ample credit and easy money sustain business. They do not contract activity. The opinion that something like the usual seasonal variation in money at an easy level may be expected—this is one of the main reasons for expecting business activity, good business, during the first half of 1927. The

story of money is the story of business. In this we have faith."

—\$—
Representative Morton D. Hull has divided the McFadden Bill into three parts so that each one may be voted upon separately during the present session of Congress. Bill No. 1 provides for renewal of the Federal Reserve System charter; Bill No. 2 grants to national banks all the forms of relief contained in the McFadden Bill except those referring to branch banking; Bill No. 3 contains the provisions of the McFadden Bill in regard to branch banking as passed by the House of Representatives, embodying the Hull amendments.

—\$—
A. J. Barak, agent for the National Union Fire Insurance Company of Pittsburgh, at Petersburg, Nebraska, calls our attention to a large advertisement which is being used in the local paper in his community entitled, "How Old is Your Oldest Doctor Bill?" The advertisement, while unsigned, is no doubt sponsored by the medical profession, as it emphasizes the point that the average individual pays the grocer, the butcher, the baker and the candlestick maker first, and the doctor last. Any community, if it is to thrive and prosper, must have a high credit rating among its individual citizens. Dead-beets are parasites upon any community.

—\$—
W. C. D'Arcy, president of the D'Arcy Advertising Agency at St. Louis, believes firmly in the installment plan buying. In a recent address on this subject he said: "The so-called 'installment evil' may exist for a few people who make fools of themselves by buying more than they can pay for, but that should not cause the system to be condemned."

"During one year in the United States, there is sold \$6,750,000,000 worth of goods on time payments and from 10 to 40 per cent of this amount is paid down in cash. The rest of the debt is liquidated within one year, or eighteen months at the longest. Why is not this form of selling just as sound, from a credit standpoint, as any of the loans a banker makes? To anyone who asks, do you believe in installment plan selling I reply: Do you believe in the United States? Do you believe in Liberty Bonds? Do you believe in land mortgages? The principle is the same."

—\$—
Charles B. Mills, president of the Midland National Bank and Trust Company, Minneapolis, sent me the following story of which he says he is not

the author, but which he heartily endorses:

"When I used to tote nourishment to the swine, I noticed something you also have noticed if you are hogwise—the tendency of every pig is to get its feet into the trough. Keep that buttermilk and kitchen refuse clean as we would, the very minute it got into the trough some porker who didn't stop to think or care where his hoofs had been last, rammed them into the food of all the rest.

"The rest said: 'Well, it's as dirty now as it can get, so we'll all try that, and fight it out.' So they did.

"Ever see people do the same thing? They complain that printed matter is lacking in truthfulness, yet they go around dropping language as carelessly as if none of it meant anything.

"They put their feet into the trough of human life and dirty up everything within reach. They say it is a shame such and such a girl has been talked about the way she has, when nine cases out of ten that is the first time some of those present ever heard that that girl had been talked about.

"Somebody whispers that a bank is shaky. Everybody who has money in that bank knows the destructiveness

of a bank 'run' and then they fall over each other to be the first to start it—feet in the trough.

"In fact, a close study of pigs will give one a very keen insight into human nature."

—\$—

Milton O. Johnson, manager of the Analytical Department of the First Illinois Company, calls my attention to a statement which appeared in this department in our December issue. Mr. Johnson says:

"I notice in your 'News & Views of the Banking World' that you make the comment on Mr. Babson's prediction of a downward trend of commodity prices during the coming year as follows. 'During the past twenty-five years, the trend of commodity prices has been upward.'

"As a matter of fact, the trend of commodity prices has been downward since March of 1925, and very clearly downward since December of that year, as a great many business men and bankers are quite aware of because of the major influence exercised by prices upon profits."

Stable Money Advocates Meet in St. Louis

Stable money advocates from all over the United States assembled in St. Louis recently to attend the series of meetings held in connection with the meetings of other national organizations interested in economic and social problems.

The principal event of the meeting of the Stable Money Association was a dinner held at the Statler Hotel, where experts of international reputation discussed matters relating to the stabilization of the purchasing power of the dollar.

Dr. W. F. Gephart, vice-president of the First National Bank in St. Louis and vice-president of the association, spoke on "The Stable Money Movement." Other speakers included Irving Fisher, professor of economics at Yale University; George Clarke Cox, investment counsellor, New York City; G. F. Warren, professor of agricultural economics, Cornell University; Kelton White, G. H. Walker & Co., St. Louis; Norman Lombard, executive director of the Stable Money Association, and John R. Commons, professor of economics, University of Wisconsin.

Without philosophy we should be little above the animals that dig or erect their habitations, prepare their food in them, take care of their little ones in their dwellings, and have besides the good fortune, which we have not, of being born already clothed.—Voltaire.

To officers of corporations

Through its Corporate Trust Department, The Equitable relieves a corporation of much clerical and technical detail and effects a real economy in its overhead. The Equitable acts in the following capacities:

1. As trustee under mortgages and deeds of trust, securing bonds of railroad, public utility and industrial corporations.
2. As transfer agent and registrar of stock.
3. As depositary under protective agreements or under plans of reorganization of railroad, public utility and industrial corporations.
4. As agent and depositary for voting trustees.
5. As assignee or receiver for corporations under action for the protection of creditors.
6. As fiscal agent for the payment of bonds and coupons of states, municipalities and corporations.

Without obligating you in any way, we shall be pleased to go into detail with regard to any of the above-mentioned services.



Over \$1,750,000,000 in Railroad, Industrial and Public Utility Bonds

MORTGAGESsecuring over \$1,750,000,000 in bonds of a number of the nation's important industries are now in our care as trustee.

Our record as corporate trustee and our experience in the sound and businesslike administration of these trusts is reflected in the continual growth in volume of this business entrusted to our care.

The services of The Equitable are available to local banks wishing to amplify their own services for the benefit of their customers.

Send for our booklet: *Schedule of Fees for Corporate Trust Services.*

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Total resources more than \$450,000,000

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ENVELOPES FOR BANKS
HECO ENVELOPE COMPANY
Chicago, Illinois

Safety Pay Envelopes
HECO—CHICAGO

Big Flower Display in Bank Lobby Attracts Attention

Those who had occasion to visit the Texarkana National Bank on a certain day recently were astonished by the sight of huge baskets of flowers that supplemented the beautiful decorations of the banking room.

They were the gift of Mrs. George W. Bottoms, 512 Hickory street, a lover of flowers and whose magnificent garden at her home is annually one of the city's show places.

Mrs. Bottoms was in the bank recently and remarked, "I see you get little bouquets here sometimes, but I'm going to send you a sure enough one soon," and sure enough she did.

The flowers were sent to John W. Wheeler, president of the bank, and his fellow-officers, and when the huge assortment of all colored chrysanthemums arrived the bank officers were certain a florist's shop had been moved in by mistake.

The flowers attracted a great deal of attention and proved that banking is not just cold hard cash. A. R. Covney, assistant vice-president of the bank, expressed it as follows: "Just as the flowers show the banking room in a bright, cheerful mood, so it expresses the human, natural side of our profession."

Chemical National Appoints Farwell Chicago Manager

The Chemical National Bank of New York has announced the appointment of Thomas W. Farwell as manager of its Chicago office, which is located in the Illinois Merchants Bank building, Chicago.

Mr. Farwell has been for twelve years with the Illinois Merchants Trust Company of Chicago, devoting himself to business in Michigan and Indiana.

During the war he was a First Lieutenant in the 130th Infantry, Prairie Division.

Federal Reserve Directors Elect 1927 Officers

According to announcement of William McC. Martin, chairman of the Board of the Federal Reserve Bank of St. Louis, the directors have re-elected the following officers for the year 1927:

For parent bank at St. Louis: D. C. Biggs, Governor; Olin M. Attebery, Deputy Governor; J. G. McConkey, counsel and secretary; J. W. White, cashier; A. H. Hail, J. W. Rinkleff, S. F. Gilmore and F. N. Hall, assistant cashiers; E. J. Novy, general auditor, and E. I. Nowotny, L. A. Moore and A. E. Debrecht, assistant auditors.

For Louisville Branch: W. P. Kincheloe, managing director; John T. Moore, cashier, and Earl R. Muir, assistant cashier.

For Memphis Branch: W. H. Glasgow, managing director; S. K. Belcher, cashier, and C. E. Martin, assistant cashier.

For Little Rock Branch: A. F. Bailey, managing director; M. H. Long, cashier, and Clifford Wood, assistant cashier.

The following branch directors, whose terms expire at the end of this year, were also reappointed by the board of the parent bank to serve for

three years, beginning January 1, 1927: Eugene E. Hoge, Louisville Branch; John D. McDowell, Memphis Branch, and Stuart Wilson, Little Rock Branch.

Breckinridge Jones, St. Louis, was re-elected to represent the Eighth Federal Reserve District in the Federal Reserve District in the Federal Advisory Council during 1927.

It is suggested that the way to get the minimum satisfaction out of money spent is to contribute it to the campaign fund of an unsuccessful candidate.—Stuff and Nonsense.



ST. LOUIS NATIONAL BANK
St. Louis, Mo.

TO ENABLE a banker to make an intelligent decision as to the advisability of going into a building project—our latest publication, "Preliminary Service for Contemplated Bank Buildings," shows how we present a comprehensive building program, including plans, sketches and condensed specifications, together with estimate of total cost.

A copy will be mailed you for the asking

**ST. LOUIS BANK BUILDING
AND EQUIPMENT COMPANY**

Banks Exclusively

NINTH AND SIDNEY STREETS . . . ST. LOUIS, MO.

Cody Trust Opens Offices in Borland Building

On January first, the Cody Trust Company opened offices on the third floor of the Borland Building, 105 South LaSalle street, Chicago. It will handle real estate loans exclusively, specializing in mortgages for life insurance companies and in conservative bond issues for banks, estates and private investors.

Officers of the Cody Trust Company are: President, Arthur B. Cody; vice-president and treasurer, Lewis W. Riddle; vice-presidents, Hiram S. Cody and Thomas T. Roberts; secretary, Arthur C. Cody; assistant secretaries, Edward S. Clark and Bester P. Price;

general counsel, Robert W. Campbell.

Cody Trust Company is the exclusive loan correspondent in Chicago of State Mutual Life Assurance Company of Worcester, Mass.; Home Life Insurance Company of New York, and Register Life Insurance Company of Davenport, Iowa.

It is one of the real estate loan correspondents in Chicago and the state of Illinois for the Life Insurance Company of Virginia, Richmond, Va., and has direct connections with three other large insurance companies, enabling it to handle mortgages of any size.

The mortgage business of Cody Trust

Company, originated in 1848 by Judge Hiram H. Cody, was later developed by the law firm of Gary, Cody & Gary. This firm consisted of Judge Elbert H.



Arthur B. Cody

Gary, now and for many years chairman and chief executive officer of the United States Steel Corporation; Judge Hiram H. Cody, under whom



Hiram S. Cody

Judge Gary had studied law, and Noah E. Gary, Judge Gary's brother. Its offices were in the Reaper Block, still standing at the northeast corner of

THE BANKER

The Banker, published in London by Eyre & Spottiswoode, Limited, Printers to the King's Most Excellent Majesty, is one of the most distinguished financial journals in the world. Its contributors and correspondents include such eminent authorities as Sir Robert Horne, M. P., late Chancellor of the Exchequer; the Right Hon. Philip Snowden (a former Chancellor of the Exchequer in the Government of Great Britain); Joseph Caillaux, formerly Prime Minister and Minister of Finance in the Government of France; Count Volpi, Minister of Finance in Italy, etc.

The Banker has the largest sale of any banking journal published in the British Empire. The technical production is unsurpassed and is worthy of its editorial distinction. All sections of the British Press have paid tribute to its remarkable influence, and it is, perhaps, the most quoted of all banking journals.

Each issue contains a comprehensive article on banking affairs in the United States, and special advertisement positions are available facing this section.

Many great American Banks will find it highly advantageous to be represented in the advertising pages of The Banker. It is read by the leading bankers of Europe and the British Empire, many of whom are potential customers of American banks.

We shall be pleased to send you a specimen copy of The Banker, together with full particulars of the available advertisement spaces, upon application.

EYRE & SPOTTISWOODE, Limited,
Printers to the King's Most Excellent Majesty,
9 East Harding Street, London, E. C. 4.

Clark and Washington streets, Chicago.

In January, 1910, Arthur B. Cody, then of the law firm of Cody and Eaton (the late Marquis Eaton) was appointed mortgage loan correspondent of the State Mutual Life Assurance Company of Worcester, Mass., of which the firm of Gary, Cody and Gary was appointed Chicago counsel in 1879.

In February, 1912, Arthur B. Cody took into partnership his son, Hiram S. Cody, and continued the general mortgage loan business under the name of Arthur B. Cody and Son.

On March 1, 1919, the business of Arthur B. Cody & Son was consolidated with Chicago Trust Company, Arthur B. Cody and Hiram S. Cody being made managers of the real estate loan department of the bank, later becoming vice-presidents. Arthur B. Cody was also elected a member of the board of directors of the bank.

The division of the mortgage loan business, between Chicago Trust Company and Cody Trust Company, as arranged two years in advance, takes place under a complete and friendly understanding between the two institutions.

The directors of Cody Trust Company are Senator William Alden Smith, formerly United States senator from Michigan, chairman of the board of the Grand Rapids Savings Bank, Grand Rapids, Michigan, and chairman of the board of Goodrich Transit Company; Robert W. Campbell, of the firm of Knapp & Campbell, attorneys, 208 South LaSalle street, Chicago, president of the Northwestern University Board of Trustees, Evanston, Illinois; Gilbert L. Daane, president of the Grand Rapids Savings Bank, Grand Rapids, Michigan; Albert W. Swayne, builder of co-operative apartments, Wrigley Building, Chicago; Arthur B. Cody, Hiram S. Cody, Lewis W. Riddle, Thomas T. Roberts and Arthur C. Cody, of Chicago.

Committee Completes Survey of Investment Advertising

The results of what is believed to be the first concerted effort by practical authorities to collect and catalogue available information and data for the purpose of increasing the efficiency of investment advertising are now ready in published form, it is announced by C. H. Handerson, president of the Financial Advertisers' Association.

The Investment Department Research Committee of the Association, of which A. E. Bryson, Vice-President and Director of Advertising of Halsey, Stuart and Company, is Chair-

man, has spent approximately a year in making a complete survey of the investment advertising field, and much of what was learned is incorporated in this report, which is divided into four subjects, each handled by a special sub-committee. The Chairmen of the various sub-committees are as follows: Markets, H. G. Hodapp, Advertising Manager, National City Company, New York; Media, H. B. Matthews, Advertising Manager, S. W. Straus and Company, New York; Methods, Paul T. Bollinger, Harris, Small and Company, Detroit; Direct Mail, Edmond Boushelle, A. B. Leach and Company, New York.

It is expected that this work will be used as the basis for the new textbook on financial advertising to be

sponsored by the Financial Advertising Association. All the members of the Investment Bankers Association will receive a copy of the Research Committee's report. Those interested in receiving a copy but who are not members of the I. B. A. or the F. A. A. may obtain copies through Preston E. Reed, Secretary, Financial Advertisers' Association, 231 South LaSalle Street, Chicago.

All the makers of dictionaries, all compilers who do nothing else than repeat backwards and forwards the opinions, the errors, the impostures, and the truths already printed, we may term plagiarists; but honest plagiarists, who arrogate not the merit of invention.—Voltaire.



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Federal Reserve Bank
Little Rock, Arkansas

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Architects

Architectural
woodwork, marble
and bronze, executed

by the

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Benton Plaza and Bellefontaine
KANSAS CITY, MISSOURI



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M. A. GRAETTINGER
Secretary

South Chicago Bank Opens New Building.

The South Chicago Savings Bank, Chicago, Ill., opened for business in its new home at the southwest corner of Ninety-second street and Commercial avenue on November 22nd.

This new bank building is one of the finest on the South Side and is equipped with every modern convenience known to bankers. The vaults are practically impregnable to robbers and the safety deposit department has many unique features which places it



1927

To bankers of the Middle West we extend our sincere wishes for a most pleasant and profitable year, and it is our hope that we may be privileged to serve in ways that will accomplish most for those who entrust us with their business.

THE STOCK YARDS NATIONAL BANK
AND
THE STOCK YARDS TRUST & SAVINGS BANK
of CHICAGO

amongst the most modern in all Chicago, for no expense has been spared in having everything of the best and most up to date.

J. F. Lee

Elected Cashier.

J. F. Lee of Allenville has been appointed cashier of the Peoples' State Bank of Allenville, Ill., to fill the vacancy caused by the resignation of D. G. Carnine, who was elected county treasurer of Moultrie County.

Home State

Opens New Building.

The Home State Bank of Princeville, Illinois, recently celebrated the opening of its fine new bank building with a public reception attended by hundreds of friends and customers.

In connection with the opening of the new banking home, the bank issued a very attractive booklet, "A Part of Princeville." The booklet contained a history of the bank and its former quarters, and went on to describe the personnel and growth of the bank and the part it had played in the development of Princeville.

The building which has just been



Home State Bank, Princeville, Illinois

opened to the public is of true colonial design, built of colonial brick and Indiana limestone. The front portion of the building, one story in height, constitutes the main banking room which is finished with panelled walls, tiled floor and matched walnut counters. The building was constructed by the Geo. W. Stiles Company, and the vault is furnished with a massive York vault door.

Officers of the bank are: Peter Auten, president; Wm. Gelling, vice-president; Edward Auten, Jr., cashier, and Chas. H. Auten, assistant cashier.

Berwyn Bank

Opens New Home.

The American State Bank, Twenty-second and Oak Park avenue, Berwyn, Ill., held its formal opening November 20th in its magnificent new home built of Bedford stone with an interior of marble, together with fittings the most modern that banking practice has developed.

Two Toluca Banks Merge.

A merger of the First State Bank of Toluca, Ill., with the Citizens' National Bank of that city, is being perfected. The Citizens' National Bank will assume all the deposits of the other bank and will continue to do business under the same name and with the same officers. James E. Hatton is president; Frank Shipley and R. M. Barnes, vice-presidents; F. J. Ghigbiri, cashier; and Elmer J. Heun, assistant cashier.

P. L. McPheeters Now at Wheaton

P. L. McPheeters, who has been with the Champaign National Bank, Champaign, Ill., since 1907, and cashier since 1913, is now the cashier of the new Wheaton Trust and Savings Bank, Wheaton, Ill. Mr. McPheeters began his banking career October 1,



P. L. McPheeters

1907. He served as bookkeeper and general utility man until January 1, 1913, when he was elected cashier.

Mr. McPheeters has been active in various public capacities in Champaign. He is an Elk and has just resigned as Exalted Ruler of his lodge preparatory to removing to Wheaton. He is a member of various Masonic bodies and of the Champaign County Country Club. For a number of years he has been a director of the Champaign Loan and Building Association, the largest building and loan association in that city.

Arthur E. Zitt, aged 53, vice-president of the People's State Bank, Waukegan, Ill., died suddenly November 23rd.

"ROLL of HONOR" BANKS IN ILLINOIS

It is an honor to be listed among the Honor Roll Banks of Illinois. It indicates that the bank has Surplus and Undivided Profits equal to or greater than its capital!

Such distinction is accorded to the banks listed on this page. By careful banking and sound management they have achieved this enviable position.

These banks will be especially glad to handle any collections, special credit reports or other business in their communities which you may entrust to them.

Correspondence is invited.

City	Bank	Capital	Surplus and Profits
Abington	First National	\$ 75,000	\$ 175,000
Alexander	Alexander State	25,000	50,000
Assumption	Illinois State	25,000	65,000
Beardstown	First State	100,000	180,000
Berwick	Farmers State	30,000	35,000
Bloomington	American State	100,000	336,000
Bloomington	Corn Belt State	100,000	255,000
Canton	Canton National	125,000	175,000
Chapin	Chapin State	25,000	56,000
Chicago	Central Mfg. District	500,000	670,000
Chicago	Cont. & Com. Tr. & Svg.	5,000,000	11,377,000
Chicago	Drovers Tr. and Svg.	250,000	517,000
Chicago	First Tr. and Svg.	6,250,000	10,534,000
Chicago	First National	12,500,000	17,956,000
Chicago	Foreman National	4,000,000	4,588,000
Chicago	Harris Tr. and Svg.	3,000,000	4,874,000
Chicago	Illinois Merchants	15,000,000	35,231,000
Chicago	Northern Trust Co.	2,000,000	5,347,000
Chicago	State Bank of Chicago	2,500,000	6,563,000
Chicago	Union Trust Company	3,000,000	3,923,000
De Kalb	First National	100,000	160,000
Dixon	City National	100,000	200,000
Flora	First National	50,000	75,000
Freeport	First National	150,000	430,000
Grand Ridge	First National	25,000	33,000
Greenfield	Farmers State	25,000	30,000
Joliet	First National	400,000	600,000
Joliet	Joliet National	150,000	650,000
Joliet	Joliet Trust and Savings Bank	100,000	119,633
La Salle	La Salle National Bank	200,000	330,000
Murphysboro	City National	50,000	62,000
Mt. Vernon	Third National	125,000	200,000
New Athens	State Bank of New Athens	25,000	45,000
Rushville	Rushville State	100,000	105,000
Tiskilwa	First State	25,000	30,000
Urbana	First National	50,000	60,000
Warren	State Bank	75,000	95,000

ALONG LA SALLE STREET

Speaking financially, there is but one Wall street. In Europe the same is true of Threadneedle street in "dear old Lunnnon." By the same token, there is but one LaSalle street, Chicago, U. S. A. To the latter financial thoroughfare this column is dedicated and will appear as a regular feature of the Mid-Continent Banker in the future.

Not unlike the Eastern metropolis, Chicago has attracted from outside cities some of its shining stars to help guide its financial destiny. St. Louis and a number of cities in the Southwest have contributed a goodly share

of these men now high up in Chicago's financial affairs. Of course, when this subject is discussed, 'most everyone immediately thinks of Melvin A. Traylor, president of the First National Bank and of the A. B. A. But three states lay claim to him. Born and raised in Kentucky, prosecuting attorney in Texas, as well as resident of St. Louis before removal to Chicago.

A well known trio that might be seen lunching at the Mid-Day or some other noon day club in the Loop, consists of Messieurs Leavell, Little and Kauffman. When this writer was a fi-

nancial editor in St. Louis a number of years ago, he agreed with other newspaper men that the world would hear a lot of this triumvirate in the years to come.

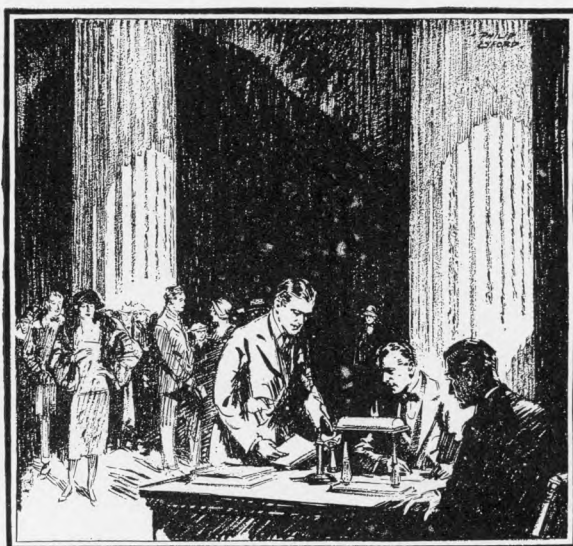
Today, we find that James R. Leavell, one time vice president of the old Mechanics-American National, St. Louis, who married Miss Lorna Doone Carr, is vice-president of the Continental & Commercial Banks. Jim handles cotton and other Southwestern accounts. To retain and make perfect his connections and interests in affairs in that section, Jim makes frequent trips to that territory. He even kept the old colored butler, who has been with the family lo these many years.

Alden H. Little, now well established in his new berth as executive secretary of the Investment Bankers Association, was a great friend of Jim, while they both lived in St. Louis. Alden had his own bond firm, but he always found time to work for the best interests of the I. B. A., having been on the governing board and affiliated with the Mississippi Valley Group for a long time. No one could have been better suited for the big job which is now his.

Everybody in the St. Louis banking territory, of course, knew R. King Kauffman, executive vice-president of the Mercantile Trust Company. He helped Festus J. Wade to bring numerous industries to the Mound City. He is one of the latest Chicago arrivals. The John R. Thompson family (in whose restaurants even bankers are said to munch sandwiches occasionally) drafted King to look after their securities. Welcome to Chicago.

Many changes calling for increased facilities and expansion have been made by a number of the larger banks during the past twelve months. The Foreman Banks, founded in 1862, have had a remarkable year. Sixty-four years young. Combined resources are now well past the hundred million mark. They recently took additional space, spreading to the Andrews Building, next door. The entire first floor has been taken over and is being devoted to the Foreman Trust & Savings Bank's savings department.

Frederick H. Rawson, chairman of the board, Union Trust Company of Chicago, tells us that "although I am not inclined to make predictions for more than six months ahead in any year, I believe we may expect a continuance in 1927 of about the same business activity as that experienced



Conservative Traditions in Modern Banking

In the Illinois Merchants Trust Company, the traditions of a half century of conservative banking stand back of each transaction. ¶ With its large financial resources, its highly developed and specialized facilities and organization, its intimate business and governmental contacts at home and abroad, this institution is today one of this country's leading banks—a logical choice for banks or commercial concerns establishing a Chicago banking connection. ¶ Personal attention to inquiries concerning our specialized services will gladly be given by our officers.

ILLINOIS MERCHANTS TRUST COMPANY

Capital & Surplus 45 Million Dollars

LA SALLE, JACKSON, CLARK AND QUINCY STREETS • CHICAGO

in 1926." He further explains that the financial sky is free of any serious storm clouds, the country is fortunate in having a conservative president, and all in all, the business situation in the United States was never better than at present.

The New Year ushers in a new trust company in Chicago—The Cody Trust Company, with offices on the third floor of the Borland Building, 105 South LaSalle street. It will handle real estate loans exclusively, specializing in mortgages for life insurance companies and in conservative bond issues for banks, estates and private investors.

This is the time of the year, what with annual elections and changes to take place, when many Juniors, hard-working chaps in the banks are hoping and praying for a move up to larger things, including both compensation and official recognition.

This changing world is ever moving onward and onward. Six big Loop banks have had important changes in their advertising and publicity departments during the past year. In most instances the head of the department is promoted to an even more responsible position.

Upwards of seventy-five well trained bond men, representing Chicago houses travel the state of Illinois regularly, calling on banks and investors. These men, as a rule, know their business, and deserve a lot of credit. Listen to these men and you seldom go wrong. Compare this present situation of high grade men selling high grade bonds to that of the stock promoter and high pressure Blue Sky era of a few years ago. Things ARE getting better.

Do bank officials spend too much time at their desk and not enough time meeting their "public?" Of course, the larger institutions are more and more adding a high type of outside men for their new business departments. Bond salesmen, too, are working harder. In an article in The Mid-Continent Banker several years ago, Edward S. Jordan, of automobile fame, said that a man would eventually become a ten thousand dollar a year salesman if he would call on or communicate in some way with 18 prospects daily. Harold Leopold, wealthy Chicago bachelor and insurance broker, tells this writer that for the past ten years he has made an average of ten calls a day on either prospects or regular customers.

Senor Eliseo D. Zelarmino, 28-year-old Filipino, is a Chicago hotel bell boy

at night, and during the day is one of the brightest students at De Paul (school of commerce and finance) University. He is specializing in banking and no doubt some day will be a big banker in the Philippines or elsewhere. He owns neither flivver nor raccoon coat and is rounding out his sixteenth year of studious application to his lessons. Some people still take their life's program quite seriously.

The new Congress Trust & Savings Bank, to be opened at Congress street and Wabash avenue, has announced the election of Henry S. Henschen, president. Other officers are: Philip

F. W. Peck, vice-president; Thor H. Erickson, cashier, and Oliver W. Reese, assistant cashier. Directors, in addition to Mr. Henschen and Mr. Peck, are Albert I. Appleton, Norman E. Bensing, Vail R. Bucklin, Alfred Cowles, Eugene R. Farney, Mitchell D. Follansbee, Adolph Lindstrom, Roy O. Ne-reim, J. A. O. Preus, Alexander H. Revell, Jr., Paul Schulze, Ernest J. Stevens and P. D. Swigart.

Formal announcement that the proposed merger of the North Western Trust and Savings Bank and the Home Bank and Trust Company has been abandoned, was made by John F. Smulski and Peter L. Evans.

An Ode to a Bank

The following poem was sent to us by O. F. Anderson, first vice-president of the Moline State Trust & Savings Bank of Moline, Illinois. The poem is by Marjorie Allen Seiffert, the author of a volume of verse published a short time ago. It was read at a banquet given recently to the employes of the Moline State Trust & Savings Bank:

As I look up and down this table
And know that all of you are able
To straighten tangled check-book stubs
I think the rest of the world are dubs!
When I sell tickets to a dance
I think I'm deep in high finance . . .
I think finance is higher still
When I check over the grocer's bill.
Though I never get the amount they
say
I know they're right . . . and so I pay.
But every month long hours I take
Adding it up for conscience sake!
For reasons such as this I thank
Heaven I know an honest bank!

What is a bank? Did you ever think?
A place where silver dollars clink,
A building of stone and metal cages,
And ledgers with a thousand pages,
With big steel vaults and adding machines
And pow-wows going behind the scenes,
Where balances are black and grand
If you have money left on hand,
Where crimson ink, like blood, is shed
If your account runs in the red.
It seemed that way to me for a minute
But there was something different in it.
Though it's housed in a building tall as
a steeple
A bank like ours is built of people.

And suddenly I saw it meant
Mr. H——, the president
Handsome, tall and debonaire
Giving the place a noble air

And Mr. A——'s stately style
That warms you with its pleasant smile
And the friendly T—— T——
With the pleasantest greeting ever seen,
I will not mention another name
For in each face I see the same
Expression of helpful friendship grow
And I think of the awful things you
know!

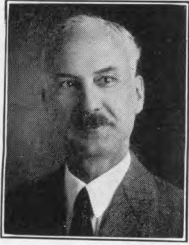
Compound interest that makes me sick
And the secrets of darkest arithmetic.
I can add a little and multiply
But long division makes me cry,
And I'm never safe when I subtract . . .
My family knows this is a fact!
What would I do, Oh what would I do
Without the friendly help of you?
I'd keep my dollars in a sock
Or hide them under a small flat rock.

You are all people with wonderful talents
Able to make long columns balance . . .
I look at you with envious wonder,
You laugh off sums I'd break down
under,
I tell you truthfully I've never
Seen thirty people I think so clever.

But the most astounding one of all
Is Cora F., so handsome and tall.
I look at her in deep amaze
Thinking of the old High School days . . .
I never knew how smart she'd be
When she was a careless kid like me.

Here's to you all. You ARE the bank,
There's nobody but you to thank
If half the savings of our town
Are in hands capable and clean.

Battered Motorist (waking up):
"Where am I? Where am I?"
Nurse: "This is number 116."
Motorist: "Room or cell?"



H. C. Rothert
President

Indiana

OFFICERS INDIANA BANKERS ASSOCIATION: Hugo C. Rothers, Huntingburg, President; C. O. Holmes, Gary, Vice-President; Forba McDaniel, Indianapolis, Secretary; Jos. W. Springer, Elizabethtown, Treasurer; Jones, Hammond & Buschmann, Indianapolis, Counsel.

GROUP CHAIRMEN: I—Rollo N. Walter, LaGrange; II—J. G. Wallick, Elkhart; III—E. S. Goodrich, Winchester; IV—F. D. Thompson, Edinburg; V—C. C. Newlin, Terre Haute; VI—Walter Hungerford, Shelbyville; VII—W. M. Wells, Scottsburg; VIII—A. J. Wedeking, Dale.



Forba McDaniel,
Secretary

Madison Bank Opens New Home.

The First National Bank of Madison, Ind., opened its new home November 26th. The new bank is situated at

the corner of Main and West street on the site of the old building. The front and side of the building are of buff Bedford stone with blue Bedford base. Entrance to the main banking room



The Opening of the New York Office

of a representative of The National Bank of the Republic of Chicago is another link in the "Republic's" chain of service. The new office is located at No. 1 Wall Street, and we cordially invite you to make it your headquarters while in New York City.



116 Features

If you are not personally acquainted with the length and breadth of "Republic" Service, you will be particularly interested in our new booklet—just off the press. It covers 116 outstanding features of our specialized service to correspondents—everything from our loan policy on down to the act of making a hotel reservation for you in Chicago, New York or Paris. Merely write for a copy of "A Directory of Services Rendered to Correspondents."

The National Bank of the REPUBLIC .. OF CHICAGO ..

JOHN A. LYNCH, Chairman of the Board
DAVID R. FORGAN, Vice-Chairman GEORGE WOODRUFF, Vice-Chairman
H. E. OTTE, President

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is through a large vestibule into the public lobby, which is one of the very attractive features of the building. In the center of the building at the rear, and in full view of the lobby, is the vault, built of reinforced concrete with walls, ceiling and roof twenty-seven inches thick, reinforced with chrome steel bars, placed six inches on centers, two ways.

Richard Johnson is president of the bank; W. H. Horuff, vice-president; Louis P. Scheik, cashier, and Joseph F. Niesse, assistant cashier.

New Bank At Liberty.

The Farmers and Merchants' Bank of North Liberty, Ind., was opened for business December 6th. Clyde A. Moorman is president; F. C. Fetzer, vice-president, and Clyde Sheneman, secretary and cashier.

Carl A. Ploch Now Vice-President.

Carl A. Ploch has been elected vice-president of the Farmers' Trust Company, Indianapolis, Ind. Mr. Ploch was formerly vice-president of the Washington Bank and Trust Company and has been succeeded there by Delmar G. Patrick, assistant secretary.

Mulberry Bank Changes Name.

Because of a state law requiring the reorganization of all state banks each twenty years, the Mulberry State Bank, Mulberry, Ind., has been reorganized under the name of the Mulberry Bank and Trust Company. The bank is capitalized at \$25,000.00. A. I. Yundt is president and Genevieve L. Mills cashier.

The Arlington State Bank, Arlington, Ind., has been chartered to succeed the Arlington Bank, with capital of \$25,000.00 and surplus of \$10,000.00. The officers of the institution are: Frank Offutt, president and J. F. Downey cashier.

A new organization to be known as the Citizens' Trust and Savings Bank is being established at Mitchell, Ind.

A new bank and trust company has been organized at Mitchell, Ind., and capital stock of \$25,000 is already subscribed.

Glen E. Foster, cashier of the American National Bank, Rushville, Ind., has been promoted to the position of vice-president.

General Motors Has Larger Number of Stockholders

On December 11 when General Motors paid the regular quarterly dividend of \$1.75 a share on the common stock for the fourth quarter of 1926 there were 30,210 common stockholders of record, compared with 27,446 common stockholders of record for the third quarter.

The total number of General Motors common and preferred stockholders for the fourth quarter of 1926 was 50,369, compared with 47,805 in the third quarter.

Potter Now Vice-President of Guaranty Trust Co.

W. C. Potter, president of the Guaranty Trust Company of New York, yesterday announced the appointment of Archibald F. Maxwell as a vice-president of the company. Mr. Maxwell is already well known in financial circles through his former connections here as second vice-president of the National Bank of Commerce, and more recently as president of the Central National Bank of New York.

Mr. Maxwell first entered the banking field as credit manager of the Mellon National Bank in Pittsburgh. He subsequently was assistant treasurer of the Pittsburgh Gage and Supply Company, and came to New York in 1913 as manager of the credit department of the National Bank of Commerce. He was made an assistant cashier in 1915, and later, as second vice-president, with an associate officer, was in charge of the bank's business in the New England States and New York State. With the organization of the Central National Bank of New York in January, 1926, Mr. Maxwell became its first president, which position he now resigns to go to the Guaranty Trust Company.

Mr. Maxwell has been active in credit circles for many years. He was vice-president and director of the Pittsburgh Credit Men's Association, and for several years vice-president and director of the New York Credit Men's Association. In 1917 he was president of the New York Chapter, American Institute of Banking, and for several years conducted a class in credits under the direction of Columbia University.

Mr. Maxwell is a native of Davenport, Iowa, and a graduate of Cornell College, Iowa. He is a charter member of the Bankers' Club of America, a member of the Board of Governors of the Pelham Country Club, and a member of the Larchmont Shore Club.

HIGH RATES

Short Term Bank Paper Motor Lien Participating Certificates

Maturities 30 Days to 12 Months

Discount Rates 6¼% to 7½%

Payable, New York, New Orleans, Dallas, St. Louis

Guaranteed by Two Companies with Net Assets Over \$1,900,000

Ask for Circular M. B. for Full Particulars

PALM BEACH GUARANTY COMPANY

Net Assets Over \$1,300,000

Guaranty Building West Palm Beach, Fla.

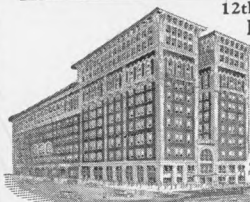
BANK CHECKS - LETTERHEADS STOCK CERTIFICATES AND BONDS OF QUALITY AND DISTINCTION

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We have earned this name
in the last 35 years

NORTHERN BANK NOTE COMPANY
Founded in 1892 by S. W. Hale
CHICAGO

HOTELS Baltimore Muehlebach

12th Street and Baltimore Avenue
KANSAS CITY, MO.



500 ROOMS

IN the very center of the business district, the combined buying power giving the best in room accommodations, cafe and dining service at fair prices.

S. J. WHITMORE,
Chairman

JOSEPH REICHL,
V-P. and Gen. Mgr.

William S. Mitchell, Res. Mgr., Hotel Baltimore

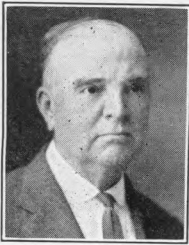
500 ROOMS



Bankers Safety Envelopes
HECO ENVELOPE COMPANY
Chicago, Ill.

Statement Envelopes
HECO - CHICAGO

Kentucky



R. E. Turley
President

OFFICERS: KENTUCKY BANKERS ASSOCIATION: President, R. E. Turley, Richmond; Secretary, Harry G. Smith, 300 Louisville National Bank Bldg., Louisville; Treasurer, J. W. Hardaway, Shepherdsville. GROUP CHAIRMEN AND VICE-PRESIDENTS: I—J. D. Russell, Owensboro; II—M. W. Tucker, Campbellsville; III—Matthews Hall, Shelbyville; IV—C. K. Thomas, Paris; V—Jno. M. Yost, Pikeville; VI—L. F. Brashear, Hazard; VII—R. P. Taylor, Winchester.



Harry G. Smith,
Secretary

G. W. Rue Elected Cashier.

George Welsh Rue has been elected cashier of the Farmers National Bank of Danville, Ky., succeeding J. Fleece Robinson, resigned.

Mr. Rue was born in Danville, Ky., July 5, 1893, and was connected with the Farmers National Bank from July, 1913, to October, 1917. He then left Danville and became associated with the Chicago Mill and Lumber Company. He assumed his new duties on July 1st.

C. W. Miles Is President.

The new president of the Farmers Exchange Bank of Union City, Ky.,

Charles W. Miles, is forty-two years old and began his career with the Old National Bank of Union City twenty years ago as a clerk, being promoted later to the position of assistant cashier. Mr. Miles has been cashier of the Farmers Exchange Bank for the past five and a half years and succeeds the late Harris Parks as president.

W. W. Peavyhouse Elected President.

W. W. Peavyhouse, cashier of the Commonwealth Bank and Trust Company, Lexington, Ky., since its establishment last September 1, has been elevated to the presidency of the institution to succeed Rausie Denton,

who resigned on account of failing health.

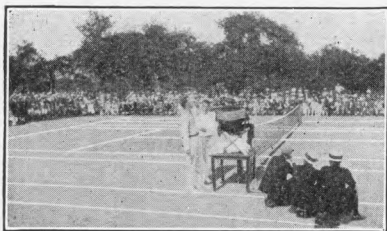
Mr. Peavyhouse has had long experience in the banking business. Prior to his going to Lexington he held positions as cashier of the Bank of Amsden, of Versailles, the Hargis Bank, of Jackson, and the Perry County State Bank at Hazard. He was also a deputy state banking commissioner for several years.

W. T. Gibson was named cashier of the bank to fill the vacancy caused by the promotion of Mr. Peavyhouse. He has been connected with the bank as assistant cashier since the bank opened.

Joseph Trapp Elected Cashier.

Ralph B. Threlkeld, 27, of Latonia, Ky., has been appointed assistant cashier of the Farmers' State Bank at Alexandria, Ky. He takes the place of Joseph Trapp, who has been promoted to cashier, succeeding J. H. Blackburn, who resigned. Mr. Threlkeld was formerly employed in the office of W. E. Hunter, master mechanic of the L. & N. Railroad at Covington.

The Paintsville Bank and Trust Co., Paintsville, Ky., has been changed to a national bank with capital increased from \$75,000.00 to \$100,000.00.



A "Midsummer Day" in April

New Orleans XXV Tennis

Tennis is only one of the many year 'round sports enjoyed in New Orleans. The courts at the tennis clubs, public parks, country clubs, playgrounds, schools and colleges provide the devotees of the game with ample facilities for its full enjoyment. The photograph (above) shows Tilden and Chapin resting between sets during their exhibition match on the New Orleans Country Club courts April 12th, 1925.

Hibernia Bank & Trust Co.
New Orleans, U. S. A.

Entering
Our
73RD
Year of Progress
**LIBERTY
INSURANCE
BANK**
LOUISVILLE

Dorsey Speaks at Chicago Meeting.

Waterways were heralded as feeders for railroads rather than transportation rivals by F. C. Dorsey, vice-president of the Liberty Insurance Bank of Louisville at the recent meeting of the Agricultural Commission of the American Bankers' Association, held in Chicago. Mr. Dorsey stated that railroads are approaching the limits of their capacity and that the Mississippi River and its tributaries could serve as useful auxiliaries if properly developed.

New Bank at Ludlow.

Articles of incorporation for a new Farmers and Mechanics Bank of Ludlow, Ky., with capital of \$30,000 were approved today by the Banking Commissioner. The old bank closed April 10, after a shortage had been discovered in the accounts of a former cashier, and the new institution will take over assets of that company.

Two Large Cincinnati Banks Are Merged

The Fifth-Third National Bank and the Union Trust Company of Cincinnati, affiliated institutions for seven years, enter the new year as one institution to be known as the Fifth-Third Union Trust Company, thereby forming one of the largest financial institutions in the country. The capital of the new institution is \$5,000,000, surplus and profits are more than \$6,000,000, and total resources are more than \$90,000,000.

The formation of Cincinnati's greatest bank is the crowning achievement of Charles A. Hinsch, president of both banks, who will be president of the united institution.

The united bank will operate under an Ohio banking charter, with membership in the Federal Reserve System.

The merger will be accomplished without any change in the personnel of directors, officers or employees, or without any change in the banking facilities of the present Fifth-Third-Union of Trust chain of branches.

A securities company to be known as the Fifth-Third-Union Company, with an authorized capital of \$500,000 is to be formed to conduct the bond and investment business heretofore handled by both banks.

A third corporation, to be known as "The Fifth-Third-Union Safe Deposit Company," with an authorized capital of \$500,000, is to be formed to operate the safe deposit business of the banks and the branches.

THE Hanover National Bank

OF THE CITY OF NEW YORK

Corner Nassau and Pine Streets

ESTABLISHED 1851

Capital	.	.	.	\$5,000,000
Surplus and Profits	.	.	.	\$26,000,000

WILLIAM HAYWARD, President

E. HAYWARD FERRY, Vice-President

HENRY P. TURNBULL, Vice-President
SAMUEL WOOLVERTON, Vice-President
JOSEPH BYRNE, Vice-President
JOSEPH S. LOVERING, Vice-President
JAMES P. GARDNER, Vice-President
GORDON H. BALCH, Vice-President
WILLIAM E. CABLE, Jr., Cashier
J. NIEMANN, Ass't Cashier
GEORGE E. LEWIS, Ass't Cashier

FREDERICK A. THOMAS, Ass't Cashier
WALTER G. NELSON, Ass't Cashier
CHARLES B. CAMPBELL, Ass't Cashier
WILLIAM B. SMITH, Ass't Cashier
WILLIAM H. ALLEN, Ass't Cashier
WILLIAM J. LOGAN, Ass't Cashier
FRANK WOOLLEY, Ass't Cashier
ELTON E. OGG, Trust Manager

FOREIGN DEPARTMENT

WILLIAM H. SUYDAM, Vice-President and Manager

ROBERT NEILLEY, Ass't Manager

FREDERIC A. BUCK, Ass't Manager



Do business with this strong company, which has gained a country-wide reputation as a "National Institution of Service."

The Federal Surety Company is managed by experienced underwriters, and has from its conception built for STRENGTH rather than size.

Backed by Federal Service, these lines are written—Accident and Health, Automobile, Burglary, Plate Glass, Public Liability and Workmen's Compensation Insurance, and Surety Bonds.

FEDERAL SURETY COMPANY

CASUALTY INSURANCE SURETY BONDS

W. L. TAYLOR, Vice-President and General Manager

HOME OFFICE

DAVENPORT, IOWA

BANK OF NEW SOUTH WALES, AUSTRALIA

Paid-Up Capital \$30,000,000.00

Reserve Fund - 23,750,000.00

Reserve Liability of

Proprietors - 30,000,000.00

\$83,750,000.00

Aggregate Assets
30th Sept., 1926 } \$410,975,720.00

ESTABLISHED 1817



Head Office:
GEORGE ST., SYDNEY,
New South Wales

London Office:
THREADNEEDLE ST.,
E. C.

OSCAR LINES, General Manager

431 Branches and Agencies in all Australian States, New Zeland, Fiji,
Papua, Mandated Territory of New Guinea and London

Australia

Population, 6,000,000; Area, 2,974,581 square miles; Sheep, 80,110,000; Cattle, 14,350,000;
Horses, 2,400,000; Imports, \$785,500,000; Exports, \$805,600,000.

Annual Value of Australia's Products

Agricultural, \$405,625,000; Pastoral, \$514,215,000; Dairying, \$210,559,000; Mining, \$111,159,500;
Manufacturing, \$1,742,888,000; Total, \$2,984,446,500.

FOREIGN BILLS COLLECTED—Cable remittances made to, and Drafts drawn on Foreign
places DIRECT. Circular Notes issued, NEGOTIABLE THROUGHOUT THE WORLD.

St. Louis Agents: NATIONAL BANK OF COMMERCE

Arkansas Notes

Little Rock Bank Has Splendid Growth.

The recent statement of condition of the Federal Bank and Trust Company of Little Rock, Arkansas, shows total resources of more than \$2,266,600. The bank, which was organized about two years ago, now has more than 4,000 checking accounts and approximately an equal number of savings accounts. It has just paid out \$72,000 to the 2,300 members of its first Christmas Savings Club.

Bank of Sherrill Opens for Business.

The new Bank of Sherrill, Arkansas, celebrated its formal opening recently. Visitors from Little Rock, Pine Bluff and surrounding cities and towns attended. A program of music was rendered and refreshments were served.

The bank building is constructed of pressed brick and is 30x60 feet. It is two stories high.

J. M. Barrett is president of the bank, and W. I. Payne is vice-president. The directors are: J. M. Barrett, Jr., L. M. Quartelbaum, L. W. Quartelbaum, P. Mitchell and Joe Nickels. A. R. Merrett is cashier.

New Bank At Jonesboro.

A charter has been legally granted for the opening of a new banking house in Jonesboro, Ark., the Arkansas National Bank, with \$100,000.00 capital and \$10,000 surplus. The newly organized company will replace the First National Bank, which closed its doors last summer.

Add Trust Department to Bank.

Addition of a trust department to the Federal Bank and Trust Company, Little Rock, Ark., has been announced by Thomas R. Ashcraft, vice-president and executive officer.

John R. Fletcher, who has been vice-president and real estate loan officer, has been elected trust officer in addition, and will have charge of the new department.

The Citizens State Bank of Monette, Ark., was organized December 1st with capital stock of \$50,000.00. L. W. Finch is president; John V. Hancock, vice-president, and Robert Braden, cashier.

W. A. Easterling has resigned as cashier of the Farmers and Merchants' Bank of Huntsville, Ark.

C. E. Causey is now cashier of the Bank of Tyronze, Ark., succeeding Jerry Young, who resigned.

The Cotton Belt Bank and Trust Company, Pine Bluff, Ark., has begun business as the successor of the Cotton Belt Savings Bank. C. C. Handley is the new president.

H. F. Grigsby of Little Rock, Ark., for the last five years connected with the state banking department, has become associated with the Exchange Bank and Trust Company, El Dorado, Ark., as vice-president.

The new home of the Security Bank and Trust Company, Paragould, Ark., situated at the corner of Pruet and Court streets, has been formally opened to the public. It has been completed at a cost of \$75,000.00.

F. G. McNair, who will be the executive head of the new Arkansas National Bank, Jonesboro, Ark., has returned from Washington, where he represented the bank at the granting of the charter by the comptroller.

The Bank of Sherrill, Arkansas, has moved into its new \$15,000 modern bank building.

Continuous Contacts— at Your Service in Memphis

Every business day since its founding in '69, the U & P has been serving its customers locally and out of town without a moment's interruption by epidemics, natural disasters or economic disturbances.

We try to provide correspondent service in the Tri-State Region as unique in its speed, accuracy and usefulness as is our record of continuous operation—which is unique in Memphis.



**UNION & PLANTERS
BANK & TRUST COMPANY**

*Forward with Memphis—
Since '69*

MEMPHIS TENNESSEE

Tennessee Notes

E. C. Buchanan

Elected Cashier.

W. H. Roden, cashier of the Meigs County Bank, Decatur, Tenn., has resigned to become manager of the Bluff City Bank at Bluff City, Tenn., a branch of the Bank of Bristol, Tenn. E. C. Buchanan, former assistant cashier, has succeeded Mr. Roden at the Meigs County Bank, and E. W. Culvahouse has been elected assistant cashier.

G. W. Venten

Elected President.

In the reorganization of the Farmers Bank, Portland, Tenn., George W. Venten has been elected president to succeed R. D. Moore, who resigned. R. W. Enders, who has been cashier, will continue to act as the executive in active charge. The bank's capital has been increased from \$15,000 to \$25,000.

Start Work

On New Building.

Construction work on a new home for the Bank of Strawberry Plains, Tenn., has been started. The building will be of brick construction, with the entire lower floor to be occupied by the bank, and the upper story to be designed for professional and business offices. The cost will be \$7,500.

Thurman Smith

Elected President.

Thurman Smith, cashier of the Union Bank of Pulaski, Tenn., was elected president, and Edward Russell, cashier of the Farmers and Merchants Bank, Centerville, Tenn., secretary, of Group Six of the Tennessee Bankers Association.

Purchases Stock

In Clarksville Bank.

The majority of the stock of the Northern Bank of Tennessee, Clarksville, Tenn., has been purchased by Emery Kimbrough, the president of the First Trust and Savings Bank. Most of the stock was owned by out-of-town interests. Mr. Kimbrough will continue as president of the First Trust and Sterling Fort as head of the other institution.

J. E. Caldwell

Elected President.

James E. Caldwell, president of the Fourth and First National Bank of Nashville, Tenn., has been elected president of the Nashville Trust Company to succeed the late William Nelson.

S. P. Witt

Elected President.

Sterling P. Witt, formerly president of the People's Bank of Lenoir City, Tenn., has been elected president of the newly formed Ridgedale Savings Bank of Chattanooga, Tenn.

J. N. Fisher, president of the City

National Bank of Morristown, Tenn., has resigned.

The City Bank and Trust Co., Mc-

Minnville, Tenn., has moved into its new home.

The Bank of Adams, Tenn., has pur-

chased the People's Bank and Trust Company of Adams.

The Foreman Banks Take On Additional Space

The Foreman Banks of Chicago have taken on additional space by acquiring the entire main floor of the Andrews building, which adjoins the bank to the west on Washington street, an entrance having been made connecting the new banking room with their present quarters. This additional space measures 60x180, the largest part of which will be occupied by the Real Estate Loan Department. Business was not disrupted during the moving and the new room was opened Monday morning, December 6.

Three removes are as bad as a fire.—Franklin.



Our fifty-fifth year begins and finds us still the Mid-South's highest capitalized and most resourceful bank



BANK OF COMMERCE AND TRUST COMPANY

MEMPHIS
CAPITAL, SURPLUS AND UNDIVIDED PROFITS
\$ 5,000,000.00

Safety Pay Envelopes
HECO—CHICAGO

NEED ENVELOPES? Write
HECO—CHICAGO

Louisiana



Travis Oliver, President

OFFICERS LOUISIANA BANKERS ASSOCIATION: President — Travis Oliver, Monroe; Vice-President—W. P. Connell, Baton Rouge; Secretary—J. C. Barry, Lafayette; Treasurer—W. J. Mitchell, New Orleans.

EXECUTIVE COMMITTEE: L. O. Broussard, Chairman, Abbeville; Leon Haas, Opelousas; A. W. Watson, Natchitoches; G. F. Provost, Mansfield; W. P. O'Neal, New Orleans; T. J. Labbe, St. Martinville; Travis Oliver, Monroe; W. D. Haas, Alexandria.

GROUP CHAIRMEN: "A" J. P. Sealy, Shreveport; "B" Jas. A. Christian, Pineville; "C" E. E. Soulier, Lafayette; "D" E. G. Davis, Baton Rouge.



J. C. Barry, Sec'y

John P. McKean Elected Director.

At a meeting of the Board of Directors of the Bank of Commerce and Trust Co., Mansfield, La., held December 11th, John P. McKean, of Alexandria, La., was elected a director, filling a vacancy which occurred some months ago.

Mr. McKean is well known throughout North Louisiana. For many years he was the traveling representative in that section for Rice-Stix Dry Goods Company, St. Louis, but has more recently devoted his full time to his own extensive interests. He has been a stockholder of the Bank of Commerce and Trust Co.

Mr. McKean is one of the partners of Lee-Baker Dry Goods Co., Shreveport, which operates mercantile establishments at Merryville, La., Bel, La., and De Queen, Ark., and owns the Red Cross Drug Store in Alexandria.

The Hammond State Bank, Hammond, La., has purchased the assets of the First State Bank & Trust Company.

The Whitney Central National Bank of New Orleans, La., has purchased \$500,000 of the \$1,250,000 Bay-Waveland seawall bond issue for improvements on the New Orleans Gulf Coast. The premium paid was \$5,000. They will bear interest of 5¼ per cent.

The Bank of St. Bernard, La., has let contract for the erection of a building to house their branch bank at St. Claude avenue near Angela street.

F. J. Dunkerley, vice-president of the Mexico City Banking Corporation, died in New Orleans recently.

Henry Greenberg, a director of the First State Bank and Trust Company, Bogalusa, La., died recently. His place on the Board of Directors has been filled by Elias Berenson.

S. P. Gibbens, until recently assistant cashier of the Bank of Baton Rouge, La., has resigned to become organizer of the Baton Rouge Securities Co.

The Bank of St. Bernard, La., has changed its name to the St. Bernard

Bank & Trust Company. The bank will erect a branch bank building there.

Bank Issues

Foreign News Letter.

The Hibernia Bank & Trust Company has just issued the second number of its new monthly foreign news letter, "Foreign News and Comments." The aim of the new publication is to give brief but reliable information concerning business conditions, in addition to a monthly discussion of some outstanding foreign trade subject.

The first issue contained an article on "The Decline of the Franc" and the second issue contained a discussion of the "German Internal Debt."

F. A. A. Mid-Year Meeting, New Orleans, March 10

The mid-year conference of the Financial Advertisers Association will be held in New Orleans, March 10, 11 and 12, 1927. This conference will be attended by officers, directors and association representatives on the National Advertising Commission. One of the matters of business that will come before this conference will be the selection of the 1927 convention city and the dates of that meeting.

Spring A. B. A. Meeting to Be Held at Hot Springs

The spring meeting of the A. B. A. will be held at Hot Springs, Arkansas, the first week in May. Headquarters will be at the New Arlington Hotel. Two hundred and twenty-five rooms have been reserved at the hotel. Greens fees will be waived on both golf courses, but a charge of 75 cents will be made for two-mile round trip to the country club.

L. M. POOL, President
J. A. BANDI, Vice-President
W. T. MARFIELD, Vice-President
JOHN DANE, Vice-President
FRED BRENCHLEY, Vice-President
W. P. O'NEAL, Vice-President



W. J. PILLOW, Cashier
A. J. CROZAT, Assistant Cashier
G. J. FRUTHALER, Assistant Cashier
W. N. LOUQUE, Assistant Cashier
W. D. KINGSTON, Trust Officer
R. W. BRADY, Ass't-Mgr. Foreign Dept.

The Marine Bank & Trust Company

NEW ORLEANS, LA.

Resources Over Thirty Million Dollars

ACCOUNTS OF BANKS AND BANKERS INVITED

YOUR INTERESTS WILL RECEIVE PERSONAL ATTENTION OF OUR OFFICERS

Mississippi Notes

Leo Percy, planter of Greenville, Miss., was re-elected Class B director of the Federal Reserve Bank of St. Louis by the member banks in Group 3.

Rex Cannon, assistant cashier of the Bank of Franklin, Meadville, Mississippi, has resigned. He has accepted an appointment as cashier of the Bank of Clinton, in Clinton, Miss.

John H. Salmon, organizer of the First National Bank of Pontotoc, Miss., and its president since that time, died recently.

Warren Potts, prominent business man of Kosciusko, Miss., has been elected president of the Merchants and Farmers Bank there, succeeding W. B. Potts.

Announce Formation of New Securities Company

Stone & Webster, Inc., and Blodget & Co., announce the formation of a new company under the name of Stone & Webster and Blodget, Inc. The company begins operations on January 1st, 1927, with an authorized capital of \$10,000,000.

The corporation is a combination of the securities department of Stone & Webster, Inc., and the old investment house of Blodget & Co. The engineering and construction, management and investigating departments of Stone & Webster, Inc., are not included and will not be affected by the combination. The consolidation follows the trend of amalgamation in other fields, being one of the first of importance in the investment banking business.

Bayard F. Pope, now a partner of Blodget & Co., will be president of the new corporation. Other officers and the directors will be drawn from both the participating companies, all the present partners of Blodget & Co. being officers of Stone & Webster and Blodget, Inc.

The head offices of the new company will be at 120 Broadway, New York City.

Negotiations Continued.

An undersized Italian was married to a strapping German woman. Recently he received a blackhand letter which read: "If you don't give \$1,000 to our messenger, who will call Sunday for it, we will kidnap your wife."

He replied promptly: "I don't have the \$1,000, but your proposition interests me greatly."—Pitt Panther.

The Whitney-Central Banks

New Orleans, La.

We invite correspondence regarding the far-reaching service we have to offer.

Capital and Surplus, \$6,603,000.00

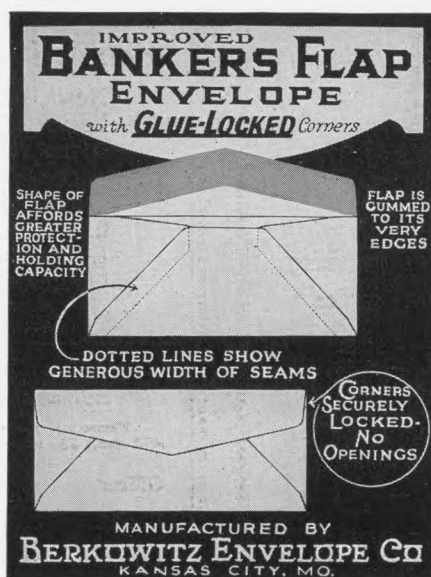
Service

Capital
Surplus
Undivided
Profits
\$3,500,000

Faithfully serving the needs of Industrial St. Louis for the past 65 years, qualifies this bank to extend its depositors experienced financial co-operation.

The Merchants Laclede National Bank

of St. Louis



3 New Features: 26.6% greater size—6 more painters—50% more color—all at the old price in Reed's Mass-magazine Plan for 1927.

See it for yourself.

Oklahoma Notes

Two Henryetta Banks are Merged.

The American Exchange Bank and the People's National Bank of Henryetta, Okla., have been merged under the name of the American Exchange Bank. K. V. Lucas is cashier and J. T. Haymon active vice-president.

P. W. Samuel Sells Bank Interest.

P. W. Samuel, active vice-president of the Vinita National Bank, Vinita, Okla., has disposed of his holdings to his associates in the bank and has resigned. J. W. Ratcliff, the former assistant cashier, was elected active vice-president by the board to succeed Mr. Samuel.

Drumright Bank Remodels Building.

Officers and directors of the Drumright State Bank, Drumright, Okla., have decided to have the present building now occupied by them enlarged, and are now at work extending the building to the rear in order to make more room for the business of the institution.

Dr. S. E. Mitchell Elected President.

At a meeting of the directors of the First National Bank of Stigler, Okla., J. M. Duke resigned as president. Dr. S. E. Mitchell was elected president to fill the vacancy caused by Mr. Duke's resignation.

Central National Establishes Trust Department.

The Central National Bank, Okmulgee, Okla., has established a trust company. The new department, in charge of T. R. Marshall, assistant cashier, is ready to function now. The officers are: D. M. Smith, chairman of the executive committee; H. E. Kennedy, president; Senator W. B. Pine and T. J. Baker, vice-presidents; H. E. Perkins, cashier, and Sam D. Morrow, T. R. Marshall, E. A. Henley and R. L. Robe, assistant cashiers.

Kenneth Williamson has been promoted to the position of assistant cashier in the First National Bank, Guymon, Okla.

Wilbur J. Holleman has succeeded Thomas H. Owen as trust officer and general counsel for the American National Bank, Oklahoma City, Okla.

Chester Gates Goes to Seminole.

Chester Gates, assistant cashier of the Drumright State Bank, Drumright, Okla., has resigned to take a similar position with the First State Bank of Seminole, Oklahoma.

General Roy Hoffman has purchased all the bank stock formerly owned by Judge C. B. Ames in the American National Bank, Oklahoma City, Okla. The consideration was \$250,000.00.

M. M. Meek, who has been active vice-president of the Security National Bank of Duncan, Okla., has sold his interests in that institution to L. L. Humphreys and associates.

The Bank of Meeker, Okla., has moved into its new brick home, which has just been completed on the corner of Main and Fowler streets.

Richard A. Rabon, president of the First State Bank, Kinta, Okla., died recently.

The Exchange National Bank, Pauls Valley, Okla., has moved to its new building.

HOTEL EMPIRE Broadway at Sixty-Third Street NEW YORK CITY

M. P. MURTHA, General Manager



The NEW fourteen-story fireproof structure containing every modern convenience and "Servidor" service

RATES: { Room, private toilet - \$2.50
Single Room with bath - 3.50
Double Room with bath - 5.00

The location is unique:
Subway, elevated, street cars, buses,
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Please enter my subscription for one year (12 issues) for which I will remit \$3 upon receipt of your bill.

Officer.....
Bank.....
City.....State.....

Kansas Notes

Organize New

A. I. B. Chapter.

The bankers of Montgomery County, Kansas, have organized the Montgomery County Chapter of the American Institute of Banking, with the following persons as officers: R. H. Shaw, People's State Bank, Cherryvale, president; E. E. Boys, Independence State Bank, Independence, vice-president; Amy V. Sevier, First National Bank, Coffeyville, secretary, and G. E. Cutler, Commercial National Bank, Independence, treasurer.

F. S. Wettack, who has been admitted to the bar, and is cashier of the First National Bank, Coffeyville, was chosen as instructor of the class.

New Bank

At Glendale.

Carl T. Johnson, who was cashier of the Falun State Bank until he went to California a few years ago, is to be cashier of the American National Bank of Glendale, Kansas, which is being organized and will open for business February 1. The bank will start with a capital of \$200,000 and a surplus of \$40,000. A new building will be erected for the bank on a prominent corner in Glendale.

W. B. Lowrance, widely known Topeka attorney, has been elected to membership on the board of directors of the Farmers National Bank of Topeka, Kansas, succeeding J. E. Yingling, who has resigned.

The Langdon State Bank, Langdon, Kansas, is erecting a modern banking building, which will be ready for occupancy soon.

James Johnson has resigned as president of the LaCrosse State Bank, LaCrosse, Kansas, and A. D. Wilson has been elected to fill the vacancy.

The Saxman State Bank is to be re-organized at once and the bank reopened, according to W. H. Hall, cashier of the institution.

The Farmers' State Bank of Vineyard, Kansas, has merged with the People's Bank of Baldwin, the institution continuing under the management of the Baldwin bank.

W. M. Lukens has succeeded Dr. E. N. Daniels as president of the Guaranty State Bank, Beloit, Kansas.

E. L. Bacon Elected Cashier

After serving 17 years as president of the People's State Bank at Baldwin,

Kansas, J. B. Ross has sold his bank stock to E. L. Bacon of Arnett, Okla., who has assumed his duties as cashier of the bank. F. M. Hartley, Baldwin lumberman, who holds a block of the

Better Bank Buildings

THE J. H. WISE CONSTRUCTION COMPANY

Manufacturers of Complete Interior Equipment

Engineers : Designers : Constructors

SYNDICATE TRUST BUILDING

ST. LOUIS, MISSOURI

THE NATIONAL PARK BANK of NEW YORK

Established 1856

214 BROADWAY

Uptown Offices:

Park Avenue and 46th Street : Seventh Avenue and 32nd Street

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John G. Milburn
William Vincent Astor

Joseph D. Oliver
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Banking in all its branches

Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safekeeping of Securities; Collection of Income. Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

Capital, Surplus and Undivided Profits \$34,000,000

In Nashville— The Best Bank for You

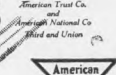
Is one whose ability to serve covers every branch of high class finance and where each department is officered by a skilled executive who is a specialist in his line.

The American is such a bank and, as such, invites your business.

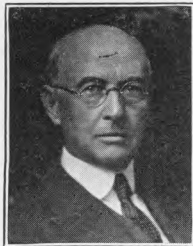
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NASHVILLE
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Fifth
of a Series



W. W. Pollock, Pres.

Missouri

OFFICERS MISSOURI BANKERS ASSOCIATION: President, W. W. Pollock, Mexico; Vice-President, Edward Buder, St. Louis; Secretary, W. F. Keyser, Sedalia; Treasurer, E. B. Jacobs, Carthage.

GROUP CHAIRMEN: 1—W. C. Brown, Macon; 2—O. H. Moberly, Harris; 3—G. L. Wilfley, Maryville; 4—W. H. Erwin, Ulrich; 5—C. A. Eaton, St. Louis; 6—Henry Stocks, Malden; 7—C. W. Moody, Springfield; 8—W. H. Waters, Jr., Jasper.



W. F. Keyser, Secretary

Two Charleston Banks Consolidate.

Consolidation of the Farmers Ex-

change Bank and the Peoples Bank of Charleston, Mo., under the name of the People's Exchange Bank, has been

perfected. The new institution has opened for business in the building owned by the People's Bank. R. A. Barry is president; John C. Russell, vice-president; Edward G. Rolwing, second vice-president, and H. A. Coon, cashier.

New Bank At Macon.

Announcement has been made of the formation of a new financial concern in Macon, the Security Trust Company of Macon, which has opened its doors. Albert F. Smith, who for the past three and a half years has been secretary of the Rubey Trust Company, is president of the new organization. Judge N. M. Shelton is vice-president. William C. Brown, who was assistant for the Rubey Trust Company for many years, is secretary and treasurer of the new company.

Two Chula Banks Merge.

Announcement has been made of the merging of the Bank of Chula and the Farmers and Merchants' Bank, the latter taking over the other institution by order of the officers and directors of the Bank of Chula.

S. H. Davis Elected President.

S. Hunter Davis has been elected president of the Park National Bank, Kansas City, Mo. Prior to his election Mr. Davis was in the investment and real estate loan business in Kansas City for the past fifteen years.

Sells Stock In Nettleton Bank.

Ellsworth Mackey, cashier of the Nettleton Bank, Nettleton, Mo., has sold his stock to Prof. Earl Teegarden, a teacher in Kidder Institute. Mr. Teegarden succeeds Mr. Mackey as cashier.

Cameron Bankers Elect Officers.

The bankers of Cameron, Mo., have perfected an organization. R. C. Anderson of the First National is president; E. G. Urban of the Farmers Bank, secretary, and Elbert Crawford of the Cameron Trust Company, treasurer.

Marthasville Bank Elects New Officers.

O. E. Dickmann has been elected cashier and Edwin R. Kienker assistant cashier of the Savings Bank of Marthasville, Mo. Mr. Ordelleide, the present cashier, will soon take up his work as county collector.



The Mississippi Valley Trust Company
Has Financed Projects
in Nearly Every
State in the Union

Applications for Large
 Loans on Improved
 Property
 are Solicited

MISSISSIPPI VALLEY TRUST CO.
Fourth and Pine
ST. LOUIS

Rex Clark Elected Cashier.

Rex Clark has been elected cashier of the Bank of Hollister, Mo., to succeed C. W. Moore. Mr. Clark began his banking experience with what is known as the American Southern Trust Company of Little Rock, Ark., in the year 1913 and stayed with them until 1924 when he resigned on account of ill health. He received his gradua-



Rex Clark

tion certificate from the American Institute of Banking in 1921, and for three years was a teacher of the elementary banking class of this organization. Mr. Clark is thirty-two years old and for the past year has been connected with Henry L. Doherty & Co.

Revere Bank Elects New Officers.

At a special meeting of the board of directors of the Bank of Revere, Mo., Mr. and Mrs. Jacks resigned as directors and cashier. Jesse Thompson has been elected cashier of the bank and C. E. Lucas a director.

Charles B. Linville, Jr., has been appointed assistant cashier of the Bank of Edina, Mo.

The Union Savings Bank of Monroe City, Mo., has been granted a charter with a capital stock of \$60,000.00.

"I had rather talk of saving pennies and save them than theorize in millions and save nothing."—President Coolidge.

Religion is the eldest sister of philosophy; on whatever subjects they may differ, it is unbecoming in either to quarrel, and most so about their inheritance.—Landor.

"ROLL of HONOR" BANKS in MISSOURI

It is an honor to be listed among the Honor Roll banks. It indicates that the bank has surplus and undivided profits equal to or greater than its capital. Such distinction is accorded to the banks listed on this page. By careful management and sound banking they have achieved this enviable position.

The banks will be especially glad to handle any collections, special credit reports or other business in their communities which you may entrust to them. Correspondence is invited.

City	Bank	Capital	Surplus and Profits
Agency	Farmers Bank	\$ 10,000	\$ 10,000
Augusta	Bank of Augusta	20,000	26,000
Bigelow	Bank of Bigelow	10,000	12,000
Cameron	First National	50,000	55,000
Clinton	Citizens Bank	25,000	33,750
Columbia	Boone County Trust Co.	75,000	200,000
Concordia	Concordia Savings	50,000	52,000
Dalton	Bank of Dalton	10,000	20,000
Everton	Bank of Everton	25,000	55,000
Farmington	Bank of Farmington	50,000	125,000
Gilman City	Gilman Bank	25,000	30,000
Hardin	Bank of Hardin	75,000	87,000
Hayti	Bank of Hayti	20,000	26,471.82
Ironton	Iron County Bank	10,000	21,000
Joplin	Miners Bank	100,000	175,000
Kansas City	First National	1,000,000	3,470,000
Lebanon	State Bank	30,000	35,000
Maitland	Peoples Bank	20,000	35,000
Neosho	First National	50,000	85,000
Odessa	Bank of Odessa	50,000	75,000
Perry	Peoples Bank	25,000	50,000
Raymore	Bank of Raymore	10,000	27,000
St. Joseph	First Trust Co.	100,000	143,334
St. Louis	Jefferson Bank	200,000	252,000
St. Louis	Mercantile Trust Co.	3,000,000	8,096,642
Sedalia	Citizens National	100,000	290,000
South Gifford	Bank of Gifford	10,000	14,900
Sullivan	Bank of Sullivan	10,000	82,000
Steellville	First National	25,000	30,000
Stover	Stover Bank	15,000	22,000
Tarkio	Farmers Bank	20,000	32,000
Troy	Peoples Bank	50,000	115,000
Union	Bank of Union	15,000	42,000
Walker	Farmers Bank	10,000	12,000
Wellston	First National	100,000	146,900
Windsor	Citizens Bank	40,000	60,000

Sale of MODERN BANK FIXTURES

Marble and Bronze Cashier and Lobby Counter Fronts, Mahogany Partitions and Birch Counters, 8 cashier cages and 75 ft. officers and department space. Owned and for sale February 1st, 1927, by

Kokomo Trust Company

KOKOMO, INDIANA

26.6% greater size in Reed's Mass-magazine Plan for 1927, but no increase in price.

See it for yourself.

A MAGNIFICENT NEW HOTEL

400 Rooms with Baths
\$3⁰⁰ and up for One Person
\$4⁵⁰ and up for Two Persons

**HOTEL
KNICKERBOCKER
NEW YORK**

WEST 45TH STREET
Just East of Broadway
Times Square
Heart of
Theatrical and Shopping District

Advertise

in the

Mid-Continent Banker

Merger Creates World's Largest Trust Company

THE American Exchange Irving Trust Company, representing a union of the Irving Bank and Trust Company and the American Exchange-Pacific Bank, opened its doors for business at its twenty-five banking offices throughout Greater New York on December 13.

This institution, by virtue of the consolidation which became effective at the close of business on December 11, takes rank, in point of total resources, as the third largest bank in New York City and the largest trust company in the world. Its resources exceed \$600,000,000, and its capital investment is approximately \$60,000,000, of which \$32,000,000 represents capital and \$28,000,000 surplus and undivided profits.

Lewis E. Pierson and Harry E. Ward, chairman and president, respectively, of the Irving Bank and Trust Company, continue to hold those positions in the continuing institution. Lewis L. Clarke, formerly president of the American Exchange-Pacific Bank, is chairman of the Executive Committee. There are three vice-chairmen of the Board—Alexander

Gilbert, of the former Irving, whose active banking career covers more than sixty years, and Walter H. Bennett and Theodore H. Banks, both of whom were vice-presidents of the American Exchange-Pacific.

The new Board of Directors of forty members not only reflects the commercial character of the business of the two consolidated banks; it also typifies the close co-operation between banking and commercial enterprise that has been one of the striking developments of the last quarter-century. Many different classes of commercial, financial and industrial activity are represented by the Board's personnel.

The work of transforming the Irving and the American Exchange-Pacific into the American Exchange Irving was accomplished in an astonishingly short time. Between the close of business on Saturday and the opening on Monday, every outward evidence of the consolidating institutions had disappeared from all the banking offices.

Lincoln Trust & Savings Opens New Building

The Lincoln Trust and Savings Bank of Chicago has recently issued a very attractive booklet commemorating the thirteenth anniversary of the bank and the opening of the new bank building at Lincoln avenue and Irving Park boulevard.

The booklet describes the growth of the bank and tells of the services of the different departments and of the new building.

The new building has a frontage of

137 feet on Lincoln avenue and 139 feet on Irving Park boulevard, with entrances on both streets. The exterior of the building is of Gothic design with a facing of Bowling Green, a stone which becomes a purer white with age. The spacious lobby of the bank is flooded with daylight and its beauty is enhanced by a multi-colored dome.

Officers of the institution are: O. B. Conklin, president; E. T. Behrens, vice-president; H. O. Anderson, cashier, and U. M. Foerster and B. J. Malburg, assistant cashiers.



A View of the Lobby of the Lincoln Trust and Savings Bank

Happy New Year!

Resolved: That all through 1927 we will continue to be immensely useful to our correspondents.

Commerce Trust Company

Capital and Surplus 8 Millions
KANSAS CITY



When your customers have
contracts payable in New York funds

SUCH occasions call for the services of a New York correspondent with wide commercial experience. The Seaboard is chiefly a commercial bank. Its varied experiences cover many years.

THE SEABOARD NATIONAL BANK
of the City of New York

MAIN OFFICES: BROAD AND BEAVER STREETS

Correspondent Banks Throughout the United States Praise Our Free Advertising Service



Scores of complimentary letters have been received from "Commerce" correspondents throughout the nation, telling of the great value they are deriving from our Advertising Service, which was organized a little more than a year ago to furnish free copy and other helps to patrons. Excerpts from a few of these letters are published below:

Arkansas

"We are making rather free use of the advertising material you are sending us. We find it helpful and appreciate the opportunity of thus availing ourselves of this high class service."

California

"I want to let you know how much we appreciate your advertising copy. We have been using it three times a week in our local papers and have received a great deal of favorable comment on these advertisements. Personally, I think they are super-excellent."

Georgia

"Your Advertising Service Department is to be highly congratulated on the character of advertisements gotten out and it is indeed a privilege to be numbered among your correspondents."

Illinois

"We wish to thank you for the special newspaper copy you are sending us each week and

wish to assure you we are using it exclusively in our advertising."

Iowa

"We are today in receipt of another lot of newspaper copies put out by your advertising department. We think them peppy and to the point."

Louisiana

"Your advertising is very useful to us for our local papers and we want to express our appreciation."

Mississippi

"We deeply appreciate your service and the high tone of the advertisements. We have received many favorable comments from the subject covered and the excellent quality of each advertisement."

Missouri

"I am thoroughly sold on your Advertising Service, as it certainly gets the results. I want to thank you and express our appreciation of the Service rendered."

New Jersey

"I have carefully gone over the budget of Advertising Service you sent us and find the copy is very well written. It has given me many new ideas and I shall use them in our advertising."

Oklahoma

"The copy you supply us from time to time, we find we can use advantageously in our advertising campaigns—scarcely a sheet remaining unused. You are to be commended for this splendid service you are rendering your friends over the country."

Texas

"We certainly feel under many obligations to you for the advertising service you are rendering us in addition to all that you have heretofore done for us."

Virginia

"We have taken pleasure in going over your advertisements and think they are not only well-written, but should bring good results."

The National Bank of Commerce

with which is affiliated the
Federal Commerce Trust Company
Investments



BROADWAY

OLIVE TO PINE

in Saint Louis
Commercial, Savings, Trust, Foreign,
Safe Deposits