APRIL, 1928

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The logical way to investigate our service is to write us about your problems.

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Convention Calendar

April 20-21—First Southern Trust Conference, Chattanooga
April 26-27—Louisiana .........Biloxi
May 3-4—Arkansas............Little Rock
May 3-5—North Carolina . Pueblo
May 8-10—Texas .........San Antonio
May 15-16—Tennessee-Mississippi .................Memphis
May 15-16—Oklahoma. ......Tulsa
May 16-17—Maryland. ...
...Old Point Comfort, Va.
May 17-19—Alabama .......Mobile
May 22-23—Missouri.........Kansas City
May 23-25—Ohio. ..........Cincinnati
May 24-25—Kansas........Lawrence
May 24-26—Georgia .......Savannah
May 25-26—New Mexico. Tumacome
June 6-9—California.......Pasadena
June 7-8—South Dakota ......Sioux Falls
June 14-15—West Virginia. ...
...White Sulphur Springs
June 18-20—Iowa .........Cedar Rapids
June 18-20—Minnesota....Pequot
June 18-22—American Institute of Banking ...Philadelphia
June 20-22—Illinois ........Rock Island
June 22-23—Colorado ......
...Troutdale in the Pines
June 26-27—Wisconsin ....Milwaukee
July 10-11—North Dakota ..Dickinson
Sept. 3-4—Montana. Yellowstone Park
Sept. 12-13—Kentucky ....Louisville
Sept. 19-21—Indiana ........Gary
Oct. 1-4—American Bankers Association ....Philadelphia

Zullich New President of Reserve Loan Life

W. R. Zullich, who, in 1897, was one of the organizers of the Reserve Loan Life Insurance Company, of Indianapolis, Indiana, and who has, since that date, served in the capacity of vice-president and treasurer, has been elected president and treasurer of that company, succeeding Chalmers Brown, who died January 26th.

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When your depositor looks at his passbook

When a depositor looks at his passbook he gains something of a picture of a bank's method of operating. For a passbook is after all, the most important link between bank and depositor.

Picture in your own mind the impressions likely to be made by the two books shown here. Which would you like to have represent your bank?

One a tangled mass of hand-written figures, difficult to read, easy to change, giving little or no protection either to bank or depositor.

With the other, every entry is clearly and indelibly printed by machine. All three records printed at the same operation, once in passbook, once on the bank's ledger card and once on an audit strip.

Hand-written methods made the book on the left. National bank-posting machines made the one on the right. Which does your depositor see when he looks at his passbook?

National Bank-Posting Machines

The National Cash Register Company

Dayton, Ohio
Some Points to Consider in Making and Keeping Contacts With Your Customers

By ROME C. STEPHENSON
President, St. Joseph Savings Bank,
South Bend, Indiana

If you want to live in a town, the sort of a town you like,
You'll not throw your clothes in a grip and go for a long, long hike.

For you will always find what you've left behind—
For there's nothing that's really new—
For you knock yourself, when you knock your town—
It isn't the town, it's you.

Real towns were not made—by bankers afraid that others might get ahead,
When everyone works and nobody shirks,
You can raise a town from the dead.

And while you make your personal stake,
Your banker friend may make one too;
And your town will be what you'd like to see,
It isn't the town, it's you.

The banker, if he takes advantage of his opportunities—has an unusual privilege of performing a helpful service to the members of his community and by acts of courtesy, kindness, consideration and patience, he can bring sunshine and good cheer to the lives of those with whom he comes in contact. There is no place in the banking world for the grinch, impatient or impertuous. The banker should always greet his customers with the smile of cordiality and sincerity, ever anxious to give helpful advice and counsel in connection with the perplexing problems that are presented, which involve financial and property matters and often include the most intimate and private relations of the home and family. These things that are so near and dear to the heart of the customer are brought to the banker for attention, for the reason that the community regards the banker as possessed of intelligence, experience and good judgment. As a class, the banker is considered a man of strict integrity and one, whose word can be relied upon. If the banker has lived up to the high standard expected of him, the good opinion of the community is justified.

There are many forms of advertising that aid in developing business, but we will all agree that the best advertisement a bank can have is its satisfied and enthusiastic customers, who are constantly talking for and praising the treatment received. It should, therefore, be the purpose of bankers to have all contacts made between the officers and employees of a bank, with its customers, to generate a cordial and friendly feeling. This can be done by using tact and giving each subject presented the proper consideration and attention.

In the course of each day’s business the officers in charge of loans are compelled to decline many applications and if the matters are not handled in a tasteful and delicate manner, the customer is likely to leave in an unfriendly mood and become a knocker rather than a booster. There are ways, however, whereby an officer can decline a loan and still retain the good will of his customer—and that requires skillful and careful treatment as each case is presented. One of my banker friends in Indiana has for years made a practice of never declining a loan but he always tells the customer he can have the amount applied for and then asks what the security will be. If the security offered is not satisfactory, the customer is told that it does not come within the classification that is approved by the board of directors. The customer leaves the bank, feeling that it is his misfortune that he cannot furnish the required security, rather than the desire of the officer not to make the loan.

Bankers and employees of banks, should take every possible opportunity to extend their acquaintance throughout the territory, wherein business is attracted, as it is through friendships that are thus created, that the business is built up and the customers retained.

Contacts between officers and customers through special letters sent out by certain designated employees to every person, firm or corporation over the signature of the president of the bank, in all cases of new accounts or where accounts are closed, produce good results. Letters of this character are appreciated and those opening new accounts are made to feel that they are welcome. On the other hand, the letter that goes out to the one closing an account frequently develops that the account was closed through some misunderstanding or unjustified grievance and the officer is enabled to make satisfactory explanation and retain the business.

Many bankers never have the opportunity of meeting the customer in his humble home, but in cases where the bank is making loans to home owners, a senior officer should, whenever practicable, go with the appraiser to inspect property and spend a few minutes in the home, in conversation with the husband and wife. A bank president of my acquaintance makes frequent pilgrimages of this character and he regards the friendships he has thus made, most enduring and substantial.

He told me that he had visited the homes of persons who had come to the United States from Poland, Hungary, Servia, Russia, Italy, Sweden, Holland and other European countries and he never found a home owner who expressed dissatisfaction with the government of the United States, but that
in every case they had stated they were well satisfied with their government and conditions here. The obvious remedy, therefore, for radicalism, socialism, and all other tendencies of a similar character is to encourage the working people to own their own homes.

At one of the homes visited by the bank officer, it developed upon inquiry that the husband and wife lived in Hungary before they came to this country. The house was a modern six-room bungalow with basement, good warm air furnace, modern sanitary plumbing and bath room, electric lights, gas and hard wood floors. The place was artistically and appropriately furnished, giving the appearance of a comfortable, cozy and attractive home. The owners were asked if they had owned a similar home in Hungary and both laughed heartily at the question. Finally the wife stated that only the aristocrats and wealthy of Hungary had as good homes as they had here and regardless of their wealth, no one in Hungary had a more comfortable home or more modern conveniences than they possessed.

Bankers from 15 States Attend Special Meeting in Kansas City

WITH the purpose of considering means for further strengthening the banking structure of the country by increased cooperation among bankers, especially in country districts, the Clearinghouse Section, American Bankers Association, sponsored a special conference at Kansas City, March 19. The meeting was held at the Kansas City Athletic Club.

The meeting was planned to bring together from the states of North Dakota, South Dakota, Minnesota, Wisconsin, Nebraska, Iowa, Illinois, Colorado, Kansas, Missouri, Oklahoma, Arkansas, Texas, Mississippi and Louisiana, the presidents and secretaries of state bankers associations, the state bank commissioners, the chief national bank examiners, representatives from the comptroller's office and other bankers who have given especial study to the question of group cooperation for the common good.

The problem of mapping out and recommending definite plans for the organization and operation of regional clearinghouse associations of from fifty to seventy-five banks, which will bring to country banks the advantages long enjoyed by city clearinghouse association members, was the major topic of discussion.

The first regional clearinghouse association of this type, embracing the banks of five counties, was formed last year at Fremont, Nebraska, under the leadership of Dan V. Stephens, President Fremont State Bank, Fremont, Nebraska. This association, comprising seventy-five banks, has installed a credit bureau, employed a secretary and arranged with the state banking department to allocate two state examiners to its district. In other sections bankers are actively taking steps toward the installation of similar associations, notably in Wisconsin, Iowa, Illinois, Missouri, Kansas, Utah and Mississippi.

State Bank Commissioner S. L. Cantley, of Missouri, in advocating organization of regional clearinghouse associations, has declared that the present system of bank supervision is "vitally defective." In his own jurisdiction of Missouri he is urging that the banks be organized into district clearinghouse associations, each composed of several counties, and that each district organization engage an examiner or manager accountable to an executive committee, with an office centrally located, to function in the same manner as clearinghouse associations, keeping a complete credit file available for all banks in the district and maintaining reciprocal relations with examiners in other districts.

EVERY business man would like to have the faculty developed so that he could remember the names and faces of his customers, especially, and others with whom he comes in contact. This accomplishment is greatly to be desired as it is an asset to any man. So often it is said, "I can remember his face but I do not remember the name." It is generally believed that if one does not have a natural tendency for remembering the names and faces, that it cannot be acquired. This is a mistake, however, as the mind can be trained and developed to a wonderful extent along that line, so that the power to remember names and faces will be unusually keen and effective and the student will be surprised and delighted at the results attained. Very few persons have a natural tendency to remember names and faces in the abstract, without any associations or reminders, but the latter are used, either consciously or unconsciously. It makes no difference how poor the memory has been in the past, by observing certain rules and principles anyone can become adept.

The attitude of the banker and employees should be as friendly, cordial and attentive to the humblest customer, white or black, as to the largest depositor and most important customer of the bank. People appreciate cordial treatment and it is to the discredit of any bank when the words go out that in order to get decent treatment at that bank, one must be a large depositor, and engaged in big business.

It should be remembered that the tellers in a bank are the ones that come in contact with the customer more frequently. There are many customers who go to the bank to make deposits and as they have no other business with the bank, they seldom meet any of the officers. The tellers, therefore, should be trained carefully in the treatment of the customers as their proper attitude is essential in establishing the reputation of the bank as a friendly, helpful and delightful place in which to transact business.

The banker should always be optimistic and cheerful and remember that depression in spirit and business is largely brought about through the mental attitude. He should always speak in a complimentary way of his competitor, cultivate his friendship and maintain a harmonious and friendly feeling among his banker friends. He should always praise the town or city in which he lives. Take the viewpoint that it is the best place in the world for his home and never "knock."

 Overnight Mail Service to Be Extended to Tulsa

National Air Transport will extend its overnight mail and express routes into Tulsa, Okla., and into Detroit, as soon as the government can install the necessary lighting equipment. United States Department of Commerce men are on the ground making their survey, and it is confidently expected that operations may start over the extensions within three months. On the Tulsa line, the planes will fly over the Osage Indian reservation.

The connection with Detroit will be made possible by making Toledo, Ohio, a regular stop on the New York-Cleveland-Chicago overnight mail and express flight. The Detroit connection, and the Tulsa one as well, will be exclusively a night route. The Tulsa line will be extended from Ponca City, Okla., which already is an important stop of the Chicago-Dallas overnight planes. Toledo is now building a modern airport.
Keep a Lot of Flies in Your Bank if You Want the Examiner to Make a Short Visit

By ROSCOE MACY

The disappearance of the snow-drift that has been blocking the screen door which leads out of our bank into the adjoining alley, reminds us once again of the approach of gentle spring. Regularly each fall, I forget to take down this screen door until the morning after the first blizzard, when we find that the door can't be opened, and it is too late. Then in the spring, when the first robin appears and the tax assessor tells me that he "has waited just about as long as he's a-going to do for that there statement," I know that it is time to get out the screw-driver and take down the screen door.

Almost immediately, the first flies of summer begin to show up, and then along in July or August, when they have all found their way into the bank, I bring up the old screen door from the basement and hang it up again so the flies can't get out. I play this little joke on them every year, and it never fails.

It's a funny thing, when you stop to think about it, the way house flies gravitate to a bank building. To the man in the street, the banker is a stony-hearted, glassy-eyed individual with a flinty hide and a metallic voice—a sort of a composite mineral specimen, in short. But the fly knows better. It is always the great-hearted, bald-headed, perspiring banker that he chooses for his inseparable companion. Every time. You can't fool a house fly.

When, in the chill, gray dawn of a summer's morning, I unlock the front door (if I haven't forgotten to lock it the night before) a cheerful humming and buzzing strikes my ears, and I recognize it as the lowing of our herd of flies, coming upstairs from the basement to greet me and the dawn. And I know that all is well.

In my younger banking days, I had the traditional layman's idea that flies were a nuisance. I confess that I even tried to get rid of them, not yet having acquired the banker's viewpoint toward them. I purchased large quantities of insect powders, which were supposed to be sprayed about the room in the evening, and in the morning, according to the label on the box, the flies would all be gone. We buried a couple of bookkeepers and an unidentified teller, blindly ascribing their deaths to a flu epidemic, before we realized the dangerous properties of this insecticide we were using. The hundreds of our largest specimens lying, cold and apparently lifeless, about the floor. With tears in my eyes, I sweep them tenderly into a dust pan, carry them downstairs, and set them close to flies, meanwhile, were thriving on the treatment.

It is to an ordinary house fly that we owe the largest real estate profit our bank has ever made. A bookkeeper carelessly closed the general ledger one evening at the moment when one of our tamest flies was making a meal of the ink on the Real Estate account. The poor fly was crushed almost beyond recognition. It chanced that his left hind leg, in the process of his dissolution, became attached to the ledger page in such a fashion as to transform a figure "1" into a "7."

We found the next morning that the value of our Other Real Estate had increased—almost overnight, you might say—by six thousand dollars! As it was a period of apparent inactivity in the real estate market, we were fairly astounded at our good fortune. But the over inquisitive bookkeeper, after several hours' work, discovered the source of the unearned increment before I had a chance to add it to the Undivided Profits balance.

It is always a sad experience to come down to work on the morning after the first autumn freeze, and find hun...
The Present Business and Financial Situation

By DR. W. F. GEPHART

Vice-President First National Bank in St. Louis

BUSINESS today is chiefly characterized by its spotty and irregular condition. It is the time of the year when nothing pronounced is usually shown. It is too early for the spring upturn and the autumn activity has passed. There certainly has been no general increased activity since the first of the year, although the automobile and steel industries have shown improvement. On the other hand, the soft coal, the textile, and the oil industries are in a slump, and the final returns for the business of the railroads for the past six months are in some respects unsatisfactory.

What is called the unemployment situation is attracting considerable attention, but as a matter of fact, we have no accurate unemployment statistics in the United States. New York state has, on the whole, satisfactory records, but even there the data applies only to factory employment. The estimates of unemployment vary all the way from one million to four million. When allowance is made for the seasonal unemployment always occurring during the winter, and especially during this very mild winter, together with the unemployment due to the strikes in the soft coal industry and in the textile industry, the remaining amount of unemployment is perhaps not excessive.

The grateful warmth of the fire, of course, soon revives most of them, and they find their way upstairs again. After a few days of this, they learn to go down stairs of themselves when the clock indicates the hour of four, and the lives of the hardiest are thus preserved through the winter. This accounts for our success in developing the virile strain of fly which is at once our pride and the envy of our competitors.

There is inherent, in the possession by a banking institution of an active, wellbred drove of house flies, that air of old-fashioned respectability which can be obtained from no other source. The depositor may well be suspicious of the bank which has no flies in its inkwells. It indicates a reckless departure from the best banking traditions, which does not augur well for the soundness of its other business policies. To be sure, there is always the irascible customer who feels that he has been mistreated when, after dipping his pen in ink, he carelessly brushes a fly from his nose, and in the process throws a pint or so of the fluid which writes blue and dries a perfect black, over the front of his fresh shirt. But perhaps the bank is better off without such customers, anyway—who knows? Such a man will get sore when you inadvertently charge someone else's check to his account and refuse to listen to your explanation that it was the bookkeeper's fault, not yours.

So guard your flies well, brethren. Remember it was a fly that saved Robert Bruce's life one day. Yes, I know most people give the credit to the spider, but if there hadn't been any flies, the spider would have been a darned fool to weave his web across the entrance to Bob's hiding place or anywhere else, for that matter. The more flies you have, the shorter the examiner's visit.

New Edition of Encyclopedia of Banking and Finance

Glenn G. Munn, railroad editor of the Standard Statistics Company, New York, has completely revised his "Encyclopedia of Banking and Finance" which was first published in 1924. This work is described in the sub-title as a "reference book comprising over 3,200 terms relating to money; credit, banking practice, history, law, accounting and organization; finance; foreign exchange; trusts; investments; speculation; insurance; markets; brokerage."
The price of the new edition is $10 and it is published by the Bankers Publishing Company, New York.

"John, I hope I didn't see you smiling at that creature who just passed."

"I hope you didn't, m' dear."
The question has often been asked—what can the bankers of the Southwest do to help the farmers? Many answers have been given and if applied in a practical way, most of them would help the situation.

Poultry development has been tried in the Southwest and in the past two or three years has been a big factor in solving the problems of many farmers.

In Labette County, Kansas, a specialized effort has been made along this line and the results have been amazing to the bankers, to the business men, and to the farmers themselves. Take a ride over the hard surfaced roads of Labette County and on practically every farm you will see a sizable flock of hens.

Did you ever notice a flock of three or four hundred White Leghorn chickens, feeding on a green background of wheat? If so, you must have been impressed with the sight. Another way to be impressed would be to talk with the owner of the flock. His story would convince any banker or merchant, because it would show a steady weekly income from a comparatively small investment, with a minimum amount of labor.

The flock, of course, be properly housed, properly fed and above all else, must be well bred.

If the farmer happens to be a dairyman, he can still take care of 400 or 500 hens and not neglect his cows; if he is a grain farmer, or a stock farmer, these same hens will not interfere with his other activities.

In other words, the farmer can create a weekly income during the entire year, thereby increasing his buying power and his whole financial condition.

When the lowly hen can do all this on a farm, she should no longer be classed as a barnyard nuisance. She should be classed as the mortgage lifter of the Southwest.

The banker can well afford to bring about a desire on the part of the farmer to increase his flock to 500 well bred hens by using the proper publicity, and through the local Chambers of Commerce or similar organizations. In this way the farmer will soon see the wisdom of taking care of a flock of hens and after he has been shown, will cooperate in a splendid way. It is an easy matter to interest the average farmer by showing him what his friends and neighbors are doing, at least that has been the experience around Parsons, Kansas.

Proper marketing conditions are essential and if the eggs are produced and graded on a quality basis, the market will not be a problem. For instance, in Parsons today the market price for hennery eggs is 25% higher than it is for seconds—just think of it, Mr. Banker, not 8% higher, but 25% higher.

In other words, the day has passed when the farmer’s wife brings in a few dozen eggs and trades them for groceries. Instead, the egg business is a business, and the egg crop is a crop, the same as hogs, or cattle, or grain, and should be marketed accordingly.

What about over production? There is no more danger of over production of quality eggs or poultry than there is of over production of quality dairy or live stock products. The public has demonstrated the last few years that it will pay the price for high grade products. The increased consumption each year and the increased population will take care of all surplus production. In any event that is the judgment of experts on production and distribution.

An ideal situation and one that is becoming a reality in Labette County is where the eggs and poultry are actually paying the entire living expenses of the whole family, while the crops and live stock provide the profit that is available for paying debts in a lump sum, and in some cases now is being used for savings accounts and buying more land.

Situated as it is, the Southwest can and will become “The egg basket of the...
Foreman Banks Announce Plans for New Building

DETAILS regarding the proposed sky-scraping tower to house the Foreman Banks, Chicago, made pubic by Harold E. Foreman, president of both institutions, disclose that the structure will be the tallest bank building in Chicago. Its heaven-most tip will be exactly 479 feet and three inches above La Salle street, or forty stories in all.

Mr. Foreman also announced that wreckers on May 1 would begin pulling down the historic old Chamber of Commerce building, at the southeast corner of Washington and La Salle, on which site the towering Foreman banks' permanent home is to be erected. The new building will be ready for tenants on May 1, 1929, according to Graham, Anderson, Probst and White, the architects.

Of course, to the owners the most important facts relate to the size of the banking floor and the things like that, but to us the most novel thing is the fact that the Foreman's are going to have a completely equipped gymnasium and recreation room for bank employees. Here a teller who has been wrestling all morning with big wads of money, may slip upstairs to the gym and come back to the cages feeling like a million dollars just out of Washington. It has been suggested that a regulation swimming pool would make banking even more of a pleasure for foreman employees, but this has not yet been decided on.

Now to tell about the banking quarters. As already announced the Foreman banks have leased space on the first four floors of the Conway building, across the alley to the east, in the part west of the Conway rotunda. This space will be linked with the new Foreman building by a four story building to be erected in the lot between the Conway and the present Chamber of Commerce building.

This will give the bank an entrance from Clark street through the Conway rotunda. The bank's lobby will be thirty-five feet wide.

The main entrance will be on La Salle street in the center of the new building and will consist of a doorway 20x40 with bronze decorations. Within the immediate entrance there'll be an ornamental staircase to the second floor where the banking room of the Foreman National Bank will be located.

This room will be 167 feet long, fifty-four feet wide and thirty-six feet high, free of all columns and posts. This means it will be one of the outstanding banking rooms of the nation.

The entire first floor will be occupied by the Foreman Trust and Savings Bank. There'll be two basements in which the safety deposit vaults will be located. Their initial capacity will be 25,000 boxes, with room for expansion.

The directors' and officers' meeting rooms will be on the thirty-seventh and thirty-eighth floors. The main office building above the bank quarters will consist of eighteen floors, having a rentable area of 12,000 square feet per floor and thirteen floors in the tower, each floor with 3,800 square feet of space. There'll be ten elevators.

Here's the comment of one of the bank officials regarding the proposed move: "One of Chicago's oldest banks enters a new era of development with the beginning of the new Foreman National Bank building. Without the aid of consolidation the Foreman banks have grown to be one of the largest in Chicago, having over $100,000,000 in resources.

"The Foreman banks were founded in 1862 and have kept pace with Chicago's progress. In 1897 it was incorporated as a state bank and in 1923 incorporated as a national bank, although it still retains its charter as a state bank for the Foreman Trust and Savings Bank. With the beginning of its new building the bank indicates its desire to keep abreast of the growth and expansion of Chicago."

The southeast corner of La Salle and Washington was first the site of the First Baptist church in 1844. This was destroyed by fire and in 1853 a new church was erected. In 1864 the newly formed Chamber of Commerce bought the property. The new building was completed in 1865 but the big fire of '71 wiped it out. A second Chamber of Commerce building was completed by the following October. In 1889-90 the building was remodeled.

Directors of the Foreman Banks include:


The National Association of Mutual Savings Banks will hold its annual conference at the New Ocean House, Swampscott, Massachusetts, June 13, 14 and 15. Topics of general interest to bankers will be discussed, and interest rates will occupy a prominent place on the program.
Advertising Ideas and Business Extension Plans for Country Banks

By J. Blake Lowe
Vice-President, Capital National Bank, Jackson, Mississippi

ALTHOUGH recent years have seen a marked development in the advertising and business extension departments of banks, too little thought has been given to this phase of banking by the smaller financial institutions. The result is haphazard advertising and an unproductive new business policy. Delusive reasoning is often the cause behind the effect. Either sufficient funds are not appropriated for this work; or if appropriated, are not given the time and thought to make it effective. Naturally the results do not seem to justify the expense and the banker is not encouraged to augment his appropriation or to bend his efforts more seriously to the work. If he goes on at all, it is frequently owing to the fact that his competitor is doing it and he feels that he must keep up with the bank in the next block or around the corner.

It is essential, first, that a definite advertising campaign should be planned for each year, with the purpose of securing a well rounded program—one that will produce the maximum results compatible with a sound advertising budget.

There are numerous methods of determining the budget. One-tenth of one per cent of total resources may be taken as a reasonable advertising appropriation. It is suggested, however, that this amount be then compared to the previous year’s profits and that a percentage of profits be used as a basis for the advertising appropriation.

It is difficult to correctly decide how much each advertising medium should consume of the annual advertising budget. Competition, location, and class of clientele must be considered.

The following distribution, however, has been found to be successful and may be taken as a basis on which to work out your own solution—

1. One-half of appropriation to newspapers.
2. One-fourth of appropriation to outdoor advertising.
3. One-fourth of appropriation to direct mail and miscellaneous advertising.

Larger newspaper ads with fewer insertions are preferable. Very small ads are not in harmony with the public’s conception of a bank. The larger advertisement impresses one more with the safety and solidity of the institution. Wherever possible, use illustrations with the advertising to attract attention to the copy. Newspapers frequently will supply this service, or a local artist will serve the purpose at a reasonable price. Do not try to say too much. Dominance is preferable to volume.

Outdoor advertising is beginning to gather momentum in the advertising budgets of financial institutions. The following reasons are offered for participation in this medium and the application of one-fourth of the budget to this type of advertising:

1. It has produced nearly every slogan and trademark.
2. It repeats and repetition establishes reputation.
3. It is large and hence impressive.
4. It is selective—only the best locations may be used.
5. There are more people outdoors today owing to automobiles and better roads.
6. It is seen by pedestrians, car, bus, auto and truck drivers.
7. It is seen by people who are less likely to be thinking of other things.
8. It is mass advertising—everybody is a prospect.

DIRECT mail advertising is the most selective form of advertising and should be included in every bank’s program of progress. It may be made the least expensive or most costly method of appeal—depending, of course, largely on the type of the mailing list. A bank which seeks to develop its Trust Department and which is directing its efforts to the more wealthy classes cannot afford to employ cheap material. On the other hand, if the real estate department is planning a real estate loan campaign, and where the greatest field is among the small home owners, expensive material is wasted. The cost should determine the cost.

Small printed slips, blowers or pamphlets enclosed with the monthly bank statements is an ideal method for this medium and requires no additional mailing expense. This helps to retain the bank’s customers; also to invite the customers of one department to avail themselves of the other facilities offered by the bank.

A bank’s expansion and business extension cannot be handled by one man, even though he be a specialist in his work. Real business extension requires the active cooperation of an entire organization, including the officers, directors and stockholders. It is necessary to occasionally get the officers away from their desks and the daily routine of business. Otherwise, the broader, more distant and less tangible phases of the bank’s progress will be lost in the practical maze of daily problems close at hand. It is necessary to get the directors actively interested in the bank’s expansion. It is necessary to make the stockholders realize that it is their bank; that the bank’s growth is their growth.

When this background has been obtained, when the owners, directors and administrators of the bank are willing and ready to play their parts, then the new business department is in a position to obtain real results. There will be cooperation all along the line. A machine and not a tool will do the work; a team and not a horse will pull the wagon.

A ONE or two page bulletin should be sent to the bank’s directors monthly. This should be made as interesting, personal and informal as possible. Credit should be given the active directors for their individual services and efforts. Keep them informed as to the valuable new accounts obtained, of those which are being solicited. This will keep them in touch with the bank’s activities, of each other’s participation in those activities, and will retain their close affiliation with the bank’s affairs.

A personal letter should go to the
The Rule Against Perpetuities Does Not Apply to Charitable Trusts

By the LEGAL EDITOR

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, St. Louis."

THE rule against perpetuities is a positive rule of law which requires that all future estates in property shall vest in possession and enjoyment not later than a life, or lives in being at the time of the creation of the estate, and twenty-one (21) years thereafter. The rule applies to all contingent future estates, but does not apply to present vested estates. The purpose of the rule was to provide that all future estates might not be rendered inalienable for a longer period of time than allowed by the rule. If it were possible to convey the title to property to trustees to be held in a perpetual trust, then it would be possible during such period of time to provide that the trust estate could not be alienated during this period of time, and thus the right to sell and dispose of property could be taken away forever. Under the rule mentioned it is absolutely necessary for the title to property to be vested at some future date, not later than a life or lives in being at the time of the creation of the trust, and twenty-one (21) years thereafter. To this period of time the period of gestation is sometimes added where it is involved.

If the future estate is created under the provisions of a last will and testament, then the life or lives in being must only be in being at the death of the testator, and not necessarily at the date of the execution of the will. This is true because the will only speaks from the date of the death of the testator. Where the future estate is created by means of a deed or conveyance in trust, then the life or lives in being must be in being at the date of the execution of the deed or conveyance in trust. If there are no lives involved then the longest period of time for which a trust may be created, or for which an estate may be rendered inalienable, is a period of twenty-one (21) years. The period of twenty-one (21) years added to a life estate has no reference to minority whatever, and a future estate may be so limited that it will take effect and vest absolutely in possession and enjoyment twenty-one (21) years after the death of a person or persons living at the time of the creation of the trust. The lives of the persons selected need not be the lives of the beneficiaries of the trust; nor the persons for whose benefit the estate was created, thus a trust or an estate may be created for the use and benefit of A and B, or the survivor of them, during the lives of C and D. It is only necessary that the lives selected shall be definitely ascertained and that the persons shall be living and in existence at the time of the creation of the estate.

If an estate were limited to A for life, and then to A's child at the age of forty (40) years, this trust or estate would be void unless limited to a child of A living at the time of the creation of the estate. If the trust or estate were limited to A for life, and to all of his children living at the date of his death at the age of twenty-one (21) years, this would be a valid estate or trust for the reason that the children of A, if any, would become entitled to their estates at the age of twenty-one (21) years, or within twenty-one (21) years after the life of A.

It is very important to keep this rule in mind in the preparation of any will or trust document, deed, or other instrument where future estates are created because if the title to the property does not vest absolutely within the time above mentioned as required by the rule the conveyance or limitation will be absolutely void. In some states the estates which vest within the time required by the rule are considered good and only the estates which might vest at a time not allowed by the rule are considered void. In other states the entire estate will fail if any of the estates may vest at a time not allowed by the rule against perpetuity. Some states have changed this rule of law by statute, and have provided that future estates may only be created during two lives or three lives. THE rule against perpetuities does not apply to charitable trusts, and a trust may be created for a charity in perpetuity, or to last forever. It must be certain, however, that the trust is charitable, and that it comes within the designated class of charities which fall within this rule.

It was considered contrary to public policy to permit an owner of property to tie it up in such a way as to render it inalienable forever as such a situation would produce a very unwholesome and undesirable condition. This consideration for public policy led to the establishment of the rule against perpetuities.
Are Bankers People?
"Yes and No" Says Lyon Karr

BRET HARTE once said that you are always sure to detect a fraud in things folks most affect, that bean pods are noisier when dry and that as a rule men wink with the weakest eye.

The philosophy of the well known author coincides exactly with the ideas of Lyon Karr, the lovable banker-sage of Wenona, Marshall County, Ill. On the whole bankers are actually people, according to Mr. Karr; humane, kindly and just as sympathetic as the average species of mankind. Too many bankers, however, he contends, have cultivated the idea that they are superior people and there is no more need of false dignity in the banking business than in any other line of endeavor. There is no place where a fraud is harder to conceal than in banking and a man that plays the part by his extravagance in dress and habits will sooner or later come to grief, he says.

Mr. Karr, who is president of the First State Bank of Wenona, Ill., which according to those who know contend his institution to be one of the best managed banks in Illinois, knows human nature. Inspired by the military feats of that gallant soldier, General Nathaniel Lyon, of the War of Rebellion fame, his parents gave him this name with which to start a most versatile and interesting life. In early youth he made a careful analysis of the three century old professions—military, medicine and law. None of these was for his life's work, however, but later we find him a popular school master, in politics to the extent of helping to nominate presidents of the United States, finally entering banking, and now at the age of 67 years being referred to by his friends in that profession as a model banker.

But let Lyon Karr talk to the readers of The Mid-Continent Banker: "The banking business seems to breed a generation of snobs who care more for appearances than for realities. When the old HE banker, who made the business and presided over it with a real dignity, dies he is often succeeded by some one who has been fed with a silver spoon, and who thinks more about the cut of his clothes than he does about the adornment of his note case."

"In his mad race to keep up appearances, in the face of unprofitable business, losses accumulate and inevitable disaster confronts him. He turns to dishonesty, hoping for better days which do not come. Many banks have thus been wrecked by the feeding fat with the dead lice dropping off him."

"A spendthrift has no place in a bank, either as a clerk or an officer. A bank should make money and save it and everybody connected with a bank should be a saver. Living beyond his income is about the finest disqualification an officer or a clerk in a bank can have."

"A business letter should be answered the day it is received or the day afterward at farthest if it is worthy of an answer. Prompt attention to correspondence is just as commendable as prompt attention to a note. It is easy to be a laggard in either case, crawling along to old age like a beggar with the dead lice dropping off him."

He continues, with reference to recreation, as follows: "Golf is a wonderful game, healthful, invigorating and altogether pleasant, but it looks like loading a cannon to kill a bug to ride fifteen miles for a walk. The game is not so expensive as duck hunting but at that it costs too much for men of small means to keep up with the procession. The petty betting on shots add to the thrills but really the walking is the real value of the game and makes it worth while."

During the past several years, Mr. Karr, together with his friend, J. Lloyd Jones, president of the First National Bank of Henry, Ill., has become nationally famous for his public utterances before bank association meetings advocating the establishment of county credit bureaus. Known as the team of Karr & Jones, they have talked on the subject in various counties throughout Illinois, Indiana, Wisconsin, Ohio and Virginia, and have a number of invitations to appear in other states in the near future.

As a result of this work in his home community, Mr. Karr points out "Down in Marshall County, Ill., where the bankers have been operating a County Credit Bureau for three years, a duplicate borrower has no more show than a rabbit. There are no duplicate loans made any more. In every case of bankruptcy in that county in four years, the bankrupt owed two or more banks. Every loss that any bank has sustained has been on account of a duplicate borrower. His elimination can not but help prevent losses. There is no longer any argument, the facts are proved. Our bankers pass up loans they are requested to share with each other, gladly, and are content with what they can handle alone. Cooperation among bankers is about as profitable as any activity open to them."

There are six things every man should revere and love, according to Lyon Karr. They are:

First: The God who created him.
Second: The country to which he owes allegiance.
Third: The wife of his bosom.
Fourth: The father who engendered him.
Fifth: The teacher that educated him.
Sixth: The business that supports him.

Any man who observes his duties to these six things can look even old man Bad Luck in the face and tell him to go to Hades without a qualm.
How J. H. Stribling and the First National Bank Are Building Their Community

By RUSSELL RAYMOND VOORHEES
From an Interview Written for "The Tennessee Banker"

SOME time ago a government man rushed down to Lawrenceburg, Tenn., and sought out the First National Bank. Once inside he sought out J. H. Stribling, president of the institution. He found him.

"What's the idea of your bank owning a potato warehouse? Why you should all be in the penitentiary," quickly snapped out the government man.

"No, not the penitentiary, the asylum," smilingly answered Mr. Stribling. "If you don't like the idea we will sell the warehouse."

This is the tail end of a very interesting little event which shows the way that J. H. Stribling and his bank, the First National Bank of Lawrenceburg, Tenn., builds his community. Here is the first part of the story.

Mr. Stribling had a long talk with the county agent one day and together they figured that if the farmers would begin to raise Irish potatoes the farmers would make some money out of them. A short time later a meeting of farmers was called which was fairly well attended. The proposition of raising potatoes was put up to them and all agreed that it would be a profitable thing. But, it was pointed out, they would need a warehouse and at that time they had no money to build such a building.

"Don't worry about such a little thing as a warehouse," said Mr. Stribling. "My bank will build one for you. All you fellows have to do is to pledge enough acreage to potatoes so that we will know we will have a crop to put in the warehouse when it is finished. I'll see that the warehouse is built."

"But you can't do that, the banking authorities will object," suggested some there.

"Yes, I know that, but it is time enough to worry when they do. We can sell the warehouse, when they object, can't we?"

It was Mr. Stribling who made this last remark. There was no answer to it.

WITHIN thirty minutes the full acreage of potatoes desired had been pledged. The warehouse was built by the bank on a bank owned lot and in due course of time the bank found itself in the warehousing business. This was what brought the government man post haste to Lawrenceburg.

To complete this story it should be said that the bank sold the warehouse to an Alabama man and made a profit in so doing. It was a 20,000 bushel warehouse, not such a small affair for a place like Lawrenceburg. Since this deal has been put through the purchaser of the potato warehouse has built a large cotton warehouse which gives a slight idea of how Mr. Stribling and his unusual ideas of banking are helping his community.

"I believe that any bank that doesn't render the necessary aid to its community and to the people of its community, isn't entitled to a charter."

That's pretty hot stuff but it is the banking creed of Mr. Stribling. I sat in his office in Lawrenceburg for some time talking with him and hardly once did he mention banking directly. He told me of the community and what the bank had done to further the interests of the people. Indirectly, I realized, this was the most modern of banking science.

For instance, he took a trip north from St. Louis along the Mississippi River to the head of the river studying...
The result was that he came home and began to preach dairying to his fellow citizens. He did more than this. He told the farmers that if they would sow grass, build a shelter and provide dry food for the winter months the bank would buy cows for them and aid them in starting the dairying industry in Lawrence County.

"But if we are going into the dairy business we should have a creamery here to buy our milk," suggested one farmer.

"What milk?" dryly asked Mr. Stribling.

"Well, we haven't any milk yet, but when we get these cows we will have milk and will want a market for it," was the answer.

"Don't worry about the creamery. Get the cows first. Remember you can't sell milk until you get it. If you get cows here and establish a real dairy industry you won't be able to keep the creamery people out of Lawrence County—not even with a shot gun."

That was the way he came back at the farmer and it ended the whole question. They decided to go at the whole thing the Stribling way which is always the logical way.

Grass was sowed. Shelters were put up and dry feed provided. And the bank began to lend money to buy cows, young, thrifty growth heifers that would provide milk in March, April and May. The dairy industry is being established in Lawrence County and in a short time the creamery people will be fighting to get in there.

And while a dairy industry is being established, idle land is being improved and put to use. It is beginning to pay a revenue and because of that fact will begin to advance in value.

To tell all of the things that Mr. Stribling and his bank have done and are doing, would take a volume the size of an unabridged dictionary. The fact of the whole matter is that this combination is forever doing something. Take the boys and girls for instance. Mr. Stribling and his bank have made it possible for every boy and girl in Lawrence County to own either a sow, pig or a flock of chickens. The bank had loaned the money with which they were purchased. In the past three years which this has been going on the losses have been less than $50 which is a very small price to pay for the progress that has been secured. The county has been literally covered with pigs and chickens and fresh revenue has been created within the county.

"A few years ago we didn't have any cattle, pigs, chickens—or money in this county," said Mr. Stribling. "Now we have all of these things. The one makes possible the other."

"How about your losses?" I asked.

"Don't you have some, sometimes?"

"Practically never," he quickly replied. "You lose money on dudes who borrow to buy a Pierce Arrow car or something like that but you never lose on a farmer who buys stock with which to make money."

Mr. Stribling personally owns the Lawrence County High School, and the fourteen acres included in the site. He rents it rent free to the county reserving for himself one room where he has a teacher paid by him to teach the Bible to those who want to learn about it.

The Lawrence County High School is free except the commercial course which is a pay course. He reserves ten scholarships in the commercial course, which the county is naturally glad to give to him, and which he awards every year to the ten pupils of the high school, who make the highest averages in Bible study.

And then there is—

But why go on and on and on? Whatever progress that has been made in Lawrenceburg and Lawrence County had been started almost invariably by Mr. Stribling and the First National Bank. The two are community builders.

Even by his acid test, there isn't a chance in the world of Mr. Stribling's losing its charter.

Johnston Now With Sterling Securities Corporation

Hugh R. Johnston has resigned as treasurer of the Guaranty Trust Company of New York, effective March 15, to become a director, vice-president, treasurer and member of the executive committee of the Sterling Securities Corporation, an investment trust, with offices at 1 Exchange Place, Jersey City. The Insuranshares Corporation of New York are the fiscal agents of the Sterling Securities Corporation.

Mr. Johnston entered the employ of the Guaranty Trust Company as a bookkeeper seventeen years ago, and was successively assistant auditor, loan clerk, assistant secretary, assistant treasurer, and treasurer. Mr. Johnston is also a director of the General Reinsurance Corporation.

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| Resources |
|-----------------|-----------------|-----------------|-----------------|
| Cash on Hand and Due from Banks | $86,069,204.98 |
| Exchanges for Clearing House | 67,465,034.78 |
| Call Loans, Commercial Paper and Acceptances to Create Dollar Exchange | 135,767,212.00 |
| United States Obligations | 39,402,320.00 |
| Short Term Securities | 48,064,273.56 |
| Loans due on demand and within 30 days | 74,443,209.87 |
| Loans due 30 to 90 days | 65,086,886.77 |
| Loans due 90 to 180 days | 49,644,911.97 |
| Loans due after 180 days | 2,832,122.41 |
| Customers' Liability for Acceptances | 44,636,674.15 |
| Bonds and Other Securities | 12,654,657.67 |
| New York City Mortgages | 11,976,149.68 |
| Bank Buildings | 3,569,558.31 |
| **Total** | **$642,591,869.53** |

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| Liabilities |
|-----------------|-----------------|-----------------|-----------------|
| Deposits | $506,463,349.77 |
| Official Checks | 22,145,073.04 |
| Acceptances (including Acceptances to Create Dollar Exchange) | 46,745,470.25 |
| Discount Collected but not Earned | 1,116,685.80 |
| Reserve for Taxes, Interest, etc. | 2,261,174.52 |
| Capital Stock | 32,000,000.00 |
| Surplus and Undivided Profits | 31,866,156.15 |
| **Total** | **$642,591,869.53** |
Mr. George Weston,
Vice President and Treasurer,
American Express Company,
New York, N. Y.

Dear Mr. Weston:

Thank you for your commendation of our continuing use of American Express Travelers' Cheques.

I am glad to have our Foreign Exchange Department do everything they can to stimulate our business with you. I have never forgotten the courtesies shown and wonderful work done by the American Express Company at the beginning of the War in aiding Americans stranded abroad. You deserve, for the services you rendered at that time, the patronage of all American citizens and their complete confidence in your issues throughout this whole generation.

Very sincerely yours,

R. A. Wheeler
President.
A New Era in Merchandising Financial Service and Investment Securities

By HERBERT L. RACKLIFF

Editor's Note: Herbert L. Rackliff has had many years' experience in merchandising and organizing. About a year ago he organized United States Shares Corporation, an investment trust that grew rapidly under his leadership as president. He recently resigned and founded the American Financial Holding Corporation. He is a director and member of the Executive Committee of that company. Mr. Rackliff is interested also in other financial enterprises to which he brings broad experience.

H. L. RACKLIFF

ONE of the most interesting developments in the business world in recent years has been the trend toward modern merchandising methods in the financial field. One need not look farther than the newspapers of the larger industrial and financial centers or the leading magazines to observe, for instance, a decided change in both the volume and the character of the advertising of many banks and conservative security houses. Banks which in days gone by regarded the solicitation of new accounts as unethical now are actively competing for this business. In cities where there are a large number of banking institutions competition has become extremely keen and the best merchandising wins.

As The American Banker pointed out on February 17th, "within the last four years the expansion in trust business, based on returns from 1,000 trust companies, has been 374%. . . . Ten years ago, even five years ago, this form of fiduciary service was scarcely known to the public at large. The advantages were just as existent as today. The difference is that people are now being made acquainted with them."

I quote as follows from the remarks of Dr. Daniel Starch, director of research of the American Association of Advertising Agencies, in a speech on February 19th before the Mid-Winter Conference of the Trust Company Division of the American Bankers Association.

"Banks and trust companies are today not only accepting business but actively soliciting it. Adequate analysis of their markets should be a help to them as it is to industry. Financial institutions have a peculiar duty. Upon them more than anyone else rests the proper investment of the seven billions of savings each year and the reinvestments of the many billions of capital released annually for new purposes."

BANKS as well as corporations, together with many trade and industrial associations, are constantly gathering facts which prove of direct or indirect value in marketing. Moreover financial advertisers are finding it profitable to study the trends and methods of commercial advertising. Commercial imagination is creating new avenues of profit in the financial field. Financial advertisers are testing the public's attitude toward the service or securities they offer. They are meeting whatever obstacles may exist with the proper appeal. They are endeavoring—and with a growing measure of success—to apply the principles of intelligent merchandising to their business.

This development in the banking field has been hastened by the tendency toward consolidations. The more resourceful the bank, the more thoroughly equipped and the more anxious it is likely to be to compete for new business. It is noteworthy also that banks are becoming a greater factor in the distribution of securities. Witness the growth of investment and security subsidiaries of leading banks in New York and other cities. Some of these subsidiaries participate in underwritings and distribute new securities either to the public or at wholesale to other dealers. In New York several banks recently have announced the formation of such subsidiaries which are extending their activities on a nation-wide scale. They are competing successfully with local dealers who will find themselves confronted,

to an increasing extent, with a merchandising machine of high order. Indeed it has become evident that intelligent sales work is carrying these progressive banks forward rapidly. Consider the importance of this development in our present-day banking. It means more competition and the need for more highly specialized management.

The writer finds from his contacts with the large, progressive banks that the demand for men with real result-getting selling experience exceeds the supply. The merchandising of securities calls for men who actually know how to sell, who sense the importance of good salesmanship to the institution, who know how to lead their prospects step by step from the point of creating interest to the point of a favorable decision, men who have the ability to select and train other salesmen toward maximum efficiency in the art of getting business. Only proper training from the top down can develop such men.

As banks and kindred institutions are "selling" the idea of service in their various departments to the public and are extending their activities in the distribution of securities, so are investment houses throughout the country coming to realize that aggressive yet conservative merchandising in the security field is as important as in commercial lines. In every industry—in every business activity—there is the need for more effective merchandising—improved selling methods. This is true in the financial field. Therefore, financial selling and advertising may profitably follow many of the progressive merchandising methods employed by other lines of business.

Investment bankers who wish to build up a sizable distribution and placing capacity are realizing more fully that their success depends largely upon their ability as merchandisers. They are now employing men with extraordinary sales ability. Financial organizations, in the majority of cases, have heretofore given too little consideration to their sales departments. Their sales department heads in turn have paid too little attention to the proper education of their selling staff. The day is over when a "green" salesman can be brought into the organization, sent out with a list of securities to sell and be expected to produce results.

In viewing the changing conditions

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In viewing the changing conditions
SEVEN 7 POINT FULL COVERAGE AUTOMOBILE POLICY

THIS is the mark of the Republic Casualty and Surety Company. It is a simple, rugged design that is a fitting emblem for a company built on these simple, rugged principles:

A fair and square deal for agents
Safe insurance protection for policyholders

Watch agents grow who sell the Republic’s great 7 point automobile policy. There are agency openings in some localities—write to the Agency Department for details.

REPUBLIC
CASUALTY and SURETY COMPANY
35 East Wacker Drive
CHICAGO

AUTOMOBILE INSURANCE
during the past few years in the activities of the security departments of banking institutions, in the rapidly expanding trust field and in several other channels, I am convinced that we have entered a new era in the merchandising of financial service and investment securities. In the banking and investment field, more than in any other business activity I know of, there are greater opportunities for expansion. Financial advertising presents tremendous possibilities. It will continue to grow in volume. It will increase in effectiveness as it presents more intelligently and more humanly the story it has to tell.

Ten or fifteen years ago a real merchandiser, attempting to make headway in the financial field, was regarded as a dreamer, a visionary. The financial world was opposed to his ideas. Today men with vision are at the head of our great, prosperous financial institutions.

The successful sales executive always sees the big possibilities of tomorrow. He is always striving to make the big things come true. Vision, hand in hand with sound practice, is necessary in the banking and investment business. So-called visionaries are needed.

John B. Heinrichs Is Named Assistant Vice-President

Among the recent promotions in banking circles is that of John B. Heinrichs, formerly assistant cashier of the National Park Bank of New York, who has been elected assistant vice-president.

Mr. Heinrichs is a graduate of Boys’ High School of Brooklyn, in which borough he resided for many years, though now a resident of Jamaica, Long Island.

He entered the employ of the National Park Bank in August, 1900, after having spent a few years in the grain export business; was elected assistant cashier in January, 1919. He is well versed in foreign exchange matters and is associated with the Foreign Department.

S. B. Royster
Elected Cashier.

S. B. Royster, formerly of Lexington, has been elected cashier of the Crestwood State Bank, Crestwood, Ky. Mr. Royster was one of the organizers of the bank in 1892 and was its first cashier.

Would Be Worth It

"Really, that’s the most atrocious necktie that I ever saw on a human being."

"Thanks, old chap. I’ll give you a dollar if you’ll repeat that in the presence of my wife."
WHATEVER may be said of the modern flapper, no longer need we doubt American womanhood's ability to assume the responsibilities of the family and to direct its financial affairs with success. This conclusion is supported by facts developed after a careful investigation by one of the large life insurance companies having billions of insurance in force.

The statement has frequently been made that "life insurance claims paid in a lump sum soon vanish," and that "95 per cent of all estates of $5,000 or upward are dissipated in from 5 to 7 years." But efforts to find facts to support these statements have failed. Perhaps because many men seem to have little capacity either to save, or safely invest money, it has been popular to assume that women, suddenly possessed of large sums of money, would not be able to withstand the temptation to indulge in extravagance, nor would they be able to safely invest such funds.

By HENRY ABELS
Vice-President, Franklin Life Insurance Company, Springfield, Illinois

Desiring to have reliable information as a basis upon which to determine the measure of truth in these statements, a large life insurance company selected 1,000 of its claims, scattered throughout the United States, and instructed forty of its most experienced representatives to ascertain the facts concerning the disposition of money paid, not only under its own policies, but under any other life insurance that may have been in existence upon the lives in question.

FACTS were secured regarding 739 of these claims, amounting to $9,579,589. This money had been in the hands of beneficiaries not more than six years and not less than three years. The remaining cases could not be located. There had been actual loss of principal through investments or other causes in only thirty-two cases. The amount lost in these cases averaged less than $4,000, and the aggregate was only $126,724, or 1.3 per cent of the total insurance involved. This record should stimulate confidence in American womanhood's business ability and should allay any doubts concerning what our wives will do with life insurance money if forced to invest and conserve it.

The story of how the beneficiaries of these policies administered these payments is most interesting. The claims were all on male lives. Of these, 215 claims were for amounts of from $3,000 to less than $5,000 and 524 were for amounts ranging from $5,000 to $50,000. In 85 per cent of the cases a wife, mother, sister, or daughter was the beneficiary. The average amount of insurance was $12,963.

Each case is a story vibrant with human interest. Homes were bought,
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

When in ST. LOUIS

It is generally expected that you are stopping at the Hotel Chase—where those desiring the best in hotel accommodations make their headquarters.

* * * *

Hotel Chase is ranked among the outstanding hotels of the country. Its quiet, unobtrusive service has made it nationally famous.

* * * *

On your next trip to St. Louis make the Hotel Chase your home. 500 large outside rooms—each with its own bath.

HOTEL CHASE
Lindell at Forest Park

George T. Thompson—Frederic C. Skillman
Managing Directors

mortgages were liquidated, small businesses were purchased (furnishing income from small investments supplemented by personal service), children were educated, partners of husbands were bought out, and in many other ways the money was put to efficient use.

In 366 cases where the wife was beneficiary there were children to the number of 834, and the insurance amounted to $4,838,158, or $4,032 per person, including mother and children.

In only 313 cases did there appear to be other estate than life insurance, and in only seventy-nine cases where the wife was beneficiary had she married again. These were the cases, possibly, where the widow was left so small an amount that she was forced to marry or go to work.

In eighty cases the sum of $325,526 was used to pay off mortgages; in 115 cases, $781,141 was used to purchase homes or business; and in 466 cases the sum of $6,812,360 was otherwise invested and is still yielding income.

Children numbering 165 were the beneficiaries of special educational advantages in which $142,300 was invested.

Considering the wide distribution of these claims and the varying amounts involved, this picture might be taken as a fair cross-section of what happens to the money paid to beneficiaries under life insurance policies. The results indicate an inherent strength of character and ability in American womanhood which constitutes an assurance to every insured man that his plans will be carried out and his trust capably executed by his beneficiary. Think of it—$9,579,589 of insurance on 739 lives, left almost wholly to women, a majority of whom, we may assume, had little or no previous business experience—and only 1.3 per cent lost! It would be difficult to believe the figures if they were not based on carefully ascertained facts. What better evidence could be desired, by even the most idealistic insurance enthusiast, that life insurance is fulfilling its mission?

The Right Doctor

He was dug out of the wreck of his automobile and carried into the nearest doctor's office.

"I can't do anything for this man," said the doctor; "I'm a veterinary surgeon."

"You're the right man, Doc," said the amateur motorist. "I was a jackass to think I could run that machine."—Boston Transcript.
AN insurance transaction of particular interest to midwestern financial circles took place recently with the purchase of the Republic Casualty and Surety Company, of St. Louis, by a syndicate headed by Felix Broeker, well known insurance executive, and formerly secretary and general manager of the Atlas Casualty Company, of Ft. Wayne, Indiana.

The home offices of the company have already been moved to Chicago.

Associated with President Broeker in the purchase of the Republic Casualty and Surety Company were a group of midwestern business men, bankers and capitalists that assures the company of strong financial backing, which, together with the highly successful insurance experience possessed by Mr. Broeker, speaks well for the future progress of the organization.

The company's recent financial statement shows a sound financial structure, which, however, is being enlarged.

President Broeker, who will personally direct the agency production and sales promotion of the company activities, has announced the company's intention to apply for admittance to Ohio and Wisconsin, with the added possibility in the near future of adding additional lines.

The company at the present time operates in Missouri, Iowa, Indiana, Illinois and Kansas.

Bankers Trust Company Increases Dividend

Commemorating its Twenty-fifth Anniversary on March 30, the Bankers Trust Company of New York City increased the annual dividend from $20 to $30 a share. Some action of this kind has been anticipated for several months because of the bank's large and steadily increasing earnings during the last few years. Such expectation has been reflected in the price of the stock which has risen from $754 twelve months ago to over $1,000 a share.

The board at the same time declared an anniversary bonus to all employees of 5 per cent of their annual salaries.

The year 1927 was one of the best in the company's history. Surplus and undivided profits were increased from $56,031,000 to $61,488,000, a gain of $5,457,000 after dividend distributions of $4,000,000. Deposits increased during the period over $112,540,000, to a total of $562,069,000. According to the recent American Bankers tabulation of the hundred largest banks in the United States, only two institutions exceeded this record last year.

Have You any Farm Mortgages?

... of course you have made loans on good farm lands. ... Those loans are protected by substantial...

Mortgages

... but you do not want to foreclose in the event of the death of the borrower. ... Do you?

The Coupon below will bring to you information regarding our new...

Mortgage Plan for Farmers

Abraham Lincoln Life Insurance Company

Home Office, Springfield, Illinois
H. B. HILL, President

F. M. PEPFER
Vice-President—Agency Director

Abraham Lincoln Life Ins. Co.
Springfield, Illinois.

Gentlemen:
I am interested. Kindly send me information regarding your Bankers' Agency contract:

☐ Illinois
☐ Indiana
☐ Iowa (Name)
☐ Michigan
☐ Missouri
☐ Ohio (Address)

M.C.B.
Nominating Committee
Reports Selections
The following is a list of candidates whose names will appear on the ballots to be voted on Friday, April 27:

**President**
R. N. Arthur
Mississippi Valley Trust Co.

**First Vice-President**
A. Lawton Gordon
Federal Reserve Bank

**National Bank of Commerce**
A. C. Riedell

**Second Vice-President**
A. S. Brooks
Liberty Central Trust Co.

**Treasurer**
Lawrence B. Blesch
West St. Louis Trust Co.

**Grant State Bank**
George C. Doering

**For Board of Governors**
From Clearing House Banks
Six to be elected—for two year term
Claude A. Eaton
United States Bank

Harry Gnaau
Liberty Central Trust Company

H. G. Grahl
Mercantile Trust Company

C. C. Hammond
American Trust Company

O. W. Knippenberg
Botshe'n National Bank

Walker McCormillan
First National Bank

Frank S. Parker
Federal Reserve Bank

Walter L. Reifeld
National Bank of Commerce

Jules F. Schneier
Merchants Laclede National Bank

William E. Schray
Lafayette South Side Bank

From Outlying Banks
One to be elected—for two year term
D. D. Goodell
First National, East St. Louis

H. C. Grosskop
Webster Groves Trust Company

W. M. H. Hellwege
Bank of Maplewood

R. H. Irwin
Security National Bank

H. D. Pyle
Serruggs, Vandervoort & Barney Bank

Women Candidates
One to be elected—for two year term
Marguerite Holzworth
North St. Louis Trust Co.

Hazel Hurst
Northwestern Trust Company

Candidates for Delegate to National Convention
From Banks Having Less Than Twenty-Five Members
Thirteen to be elected
Leona Backlund
Bank of University City

Charles W. Bauer
Fidelity Bank & Trust Co.

Edwin Branaahl
North St. Louis Trust

Louise Brueggemann
Serruggs, V. B. Bank

Thomas P. Connelly
American Trust Co.

August Dolejsi
Grant State Bank

P. J. Galbraith
North Side Bank

Thomas Guhman
Baden Bank

W. H. Grossmann
Merchants-Laclede Nat'l Bank

Blase Goelz
So. Ill. Nat'l Bank, E. St. Louis

Cyril Herb
gWest St. Louis Trust Co.

Kermit Klie
Lowell Bank

H. A. Kocher
First Nat'l Bank, E. St. Louis

Walter L. Kreh
St. Louis Nat'l Bank

Frank X. Overman
Northwestern Trust Co.

Emma Lehmann
Jefferson-Gravois Bank

F. A. Lembeck
Farmers & Merchants Trust

Annas Marbut
Telegraphers Nat'l Bank

Frank McLaughlin
South Side Trust Company

Ralph Meyer
People's Bank, St. Charles, Mo.

George Nemeth
Easton Taylor Trust Co.

Walter Nentwig
Security National Bank

Orville E. Ohl
American Exchange Nat'l

N. Truman Pate
Bank of Maplewood

D. L. Schaeffer
Farmers Bank, Trenton, Ill.

O. M. Streiff
State and Trust Bank, Highland, Ill.

Sanford C. Wise

Members in banks having more than twenty-five members deposit their ballot in a ballot box provided for that purpose. Members in banks having a membership of less than twenty-five, and those in other lines of business cast their ballots by mail. Nominations for delegate to the national convention of the Institute in the larger banks (those having more than twenty-five members), will be held on Friday, April 6. The general election will be held on Friday, April 27.

Candidates desiring lists of members for canvassing purposes can secure them by applying to the Secretary.

Don't Overlook the Annual Banquet! Thursday, April 12
If you have not already done so, place your order for tickets to the annual banquet and dance at once. Only a few more days remain. An outline of the program appeared in the last issue of this magazine, and since that time formal invitations and complete programs for the evening have been distributed to every member.

An excellent meal is promised to all; there will be interesting speakers; a
short business session of possibly five minutes duration, musical entertainment during the meal, and at the conclusion of the speaking, a debate between the St. Louis Chapter team and that of Kansas City Chapter will be held in Room 130. The subject to be debated will be “Resolved, That the United States should adopt the Income Tax as its sole method of taxation.” St. Louis has the affirmative side of the question, and a very formidable team to oppose; Kansas City having participated in the National finals last year at the Detroit convention.

At the conclusion of the debate the two teams will return to the ball room to take part in the dancing which will commence at nine, and continue until one o'clock. The decision of the judges will be announced during an intermission.

Herbie Grabl, of the Mercantile Trust Company, and his “Missouri Terrace Orchestra” will furnish the necessary music. Tickets will be $1.75 each. Persons desiring to attend the dance or debate only, and not the meal, will be charged the full rate of $1.75. Doorkeepers will be in attendance to furnish pass out checks to those who wish to go in or out of the room.

The A. I. B. Convention Philadelphia, 1928

By WILLIAM A. NICKERT, Chairman

Convention Publicity Committee

An event that should be of particular interest to all bank men and women is the annual convention of the American Institute of Banking. To those who have had the privilege of attending one or more conventions, they are a source of never ending inspiration and helpfulness.

Philadelphia Chapter for the first time in its long existence invited the Institute to hold its 1928 convention in that city, which invitation was unanimously accepted and the date set for the week of June 18, 1928.

In recent years the number of delegates attending conventions has steadily increased and the task of handling such a great gathering is by no means an easy one. Philadelphia Chapter, however, feels equal to the task and is anxious to demonstrate its hospitality. An active committee under the leadership of Norman T. Hayes, of the Philadelphia-Girard National Bank, is now working and plans are well under way at this time.

The City of Philadelphia is famous in many ways, historically, industrially, educationally and financially, not to overlook mention of its preeminence in Science, Art and Music. To those who have never visited this old city a brief description may be of interest.

Founded by William Penn, a Quaker from England, in 1682, as the Capital of his Colony of Pennsylvania, Philadelphia or the “City of Brotherly Love,” as its name signifies, was in 1699 a place of 4,000 souls. Today it is one of the great cities of the earth, being the eighth in the world and the third in America, with a population at present of upwards of two million inhabitants. It is known as the “Workshop of the World.” Its main industries lead the country in many ways, particularly in textiles. Other important industries are metals and metal products, ship and locomotive building, carpets, refined sugar, chemicals and drugs.

Philadelphia covers an area of 129 square miles and contains more than 400,000 dwellings in addition to many factories, office buildings, and other public and private buildings. It has a water front of 34 miles on two rivers, the Delaware and the Schuylkill, at the junction of which is League Island where is located the Navy Yard. Many bridges span the two rivers, among which should be mentioned the Delaware River bridge having the longest single span in the world and connecting with Camden, N. J., home of the Victor Talking Machine Company, Campbell’s Soups and Esterbrook Pens.

To recount the events that occurred in the city’s long career would be to write an early history of the United States. Here stands the nation’s shrine, Independence Hall, housing the priceless relic, the Liberty Bell. Here was written and adopted the Declaration of Independence and the Constitution of the United States, and here was the first capital of the nation. Philadelphia is famous as a city of “firsts,” among which may be mentioned the first United States Bank, the first Public Library, the first printing press, the first public school system and many others too numerous to mention here.

Two great universities, the University of Pennsylvania and the Temple University, together with numerous other schools of learning, testify to its educational preeminence, and its medical and dental schools are known the world over. Here is the home of the famous Philadelphia Orchestra and many schools of Art and Music. These all attest to its intellectual growth.

Atlantic City, N. J., the “Playground of America” is but one hour distant on the country’s fastest passenger train. Delegates to the convention will be entertained there as a part of the convention program.

Philadelphia will be “all set” for the convention next June and cordially invites you to be its guest during the week of June 18.

Dates of Final Examinations Set

Final examinations in the various subjects have been scheduled as follows:

- Banking Fundamentals........April 10
- Standard Banking............April 10
- Economics.....................April 18
- Commercial Law.............April 13
- Negotiable Instruments.......April 5
- Investments.................April 25
- Public Speaking (no examination) course completed........April 13
- Accounting I..................May 4
- Accounting II.................May 3
- Accounting III...............May 1
- Statement Analysis..........April 16

The same rules that have been in effect in previous years as to grading will be observed this year. Attendance will count twenty-five per cent, class work twenty-five per cent and the final examination fifty per cent toward the total grade for the year’s work.

Reaching the One-Man Audience

In recent years the American Institute of Banking has made notable progress in its sustained effort to educate the general public on the relationship of the bank to the plain everyday business of earning a living. It is a huge task, but it is being approached with a full realization of the difficulties to be overcome, and a well laid plan of action.

Russell G. Smith, chairman of the National Public Education Committee, has been uniting in his efforts in this phase of Institute work. Under his direction, carefully prepared lessons are offered for presentation by speakers in the various chapters. These talks are designed for use in the public schools, Rotary, Kiwanis and similar clubs, parent-teachers associations, and similar organizations.

In this way the public education program is brought to the attention of a
great number of the people each year, but there are many, of course, who are not included in any of these groups. With a great majority of the general public, we have not yet established actual contact.

It seems that here is an opportunity for every bank employee in the country to be of real service, not only to his bank, but to himself as well. If we would all determine to "talk shop" at times in our daily contacts, what a wonderful force for last good we could be! Within a very short time we could reach almost the entire population of our great country. In this way we could reach even the vague individual who mutters bitterly, if uncertainly, about the "money power," and the comparatively harmless fellow who will admit that he knows nothing about it. We might even establish personal contact with the wild-eyed demagogue who arises in our legislative halls to spout a baseless denunciation of the "interests" in the hope that the thunderous echo of his mighty voice will bring something that will redound to his advantage.

A program of this kind may let us in for a lot of conversation but, after all, there are few of us who do not like to talk.

**Public Affairs Committee**

By FRANK RYAN, Chairman

The April offering of the Public Affairs Committee will probably be a visit to the soap-making plant of the Proctor & Gamble Co., which recently acquired the St. Louis properties of Wm. Waltke and Co. If arrangements can be completed the trip will probably be on Saturday afternoon, April 28th. Watch for bulletin giving details.

Two trips are in process for the month of May, one local and one holiday out-of-town trip. The Best Clymer Food Products Company has invited us to visit them during their preserving season. The out-of-town trip will probably be made to Hannibal, Mo., on Decoration Day, May 30th. Keep that date in mind and watch for further news.

**Trends**

By HAROLD J. STONIER

Educational Director A. I. B.

Within recent years a new vocation has come into existence. People working in this vocation try to discover the trend of the times in a business way and relay that information to business organizations interested in this particular service. We have services studying the trend of the cotton market, the trend of the wool market, the trend of the real estate market.

As members of the American Institute of Banking, we are interested in the trends of banking policies, of banking technique and practice. Business failures are never happy things to contemplate. Governor Young, of the Federal Reserve Board, however, in speaking at the annual banquet of New York Chapter of the Institute on February 25, said that American banking had learned much from bank failures of recent years. These failures have resulted in certain trends being established in banking as a profession.

The first trend is the noticeable tendency everywhere among bankers to give more thought and time to the theory of credit and to the technique of credit granting, as well as to the operation of credit departments in general. The action of the Federal Reserve boards in different districts has intensified the interest of bankers in this subject until, today, more care and attention is being given to the whole field of credit than ever before. In the next ten years, we will emphasize the importance of this function in American banking much more than we have in the last ten. In other words, this general policy may be regarded as a trend in banking.

There is a second trend in banking which is most important to those interested in the development of better banking practice in the United States. This trend embraces the desire of bankers everywhere to give more attention to various fields of bank operation and to banking as a business activity. The whole subject of accounting systems in banks, the matter of loans and discounts—how to diversify them, how to handle the overdue paper—the question of installment financing, the investment policy of a bank, how its records and statistics can be most effectively kept, are some of the questions agitating bankers everywhere.

In addition, we find a new interest in the question of banking personnel, how it should be selected, the question of the division of executive work, the importance of bank equipment, the question of analyzing costs in the various departments, securing new business, advertising. In short, all the problems involved in handling the internal and external affairs of a bank now challenge the interest of bankers, and the trend toward better bank administration becomes a well-defined policy.

These trends mean much to us in the Institute. We represent the educational phase of the banking profession. It is our business to amass the information on banking subjects and to devise ways and means of teaching them. In the course of a few years, all that we can teach in the way of credit and bank administration must be in the possession of every holder of an Institute Standard Certificate. Banking is not a static thing. It must evolve and adjust itself to the varying forces in the world of business and finance. Banking education, therefore, must be in the process of evolution and improvement. As banking increases in power and prestige in the world of business, the banker must consequently become a better informed individual, both as to the operation of his own business and as to the way it interplays with other business enterprises. He must keep abreast of the times and if he is really a good banker, he should be able to see a little ahead of the times so that he may be alert to the trend and thus profit by the course of action which that trend might imply.

The Executive Council of the American Institute of Banking discussed such subjects for two days at their meeting in Chattanooga.

**Expense of Convention Trip to Be Approximately $130**

For the benefit of those who contemplate making the trip to the annual convention of the Institute in Philadelphia, during the week of June 18, the following statement of expenses will be of interest:

- Railroad fare (round trip) ........ $52.23
- Pullman (lower) $10.13 each way 20.26
- Upper $8,10
- Delegate's registration fee 5.00
- Guest's fee $10.00
- Meals on train (both ways) .... 6.90
- Hotel 5 days at $5.00 each 25.00 (Double room $6.00 or $7.00)
- Meals 5 days (average of $3.00) 15.00
- Incidents 10.00

$134.39

An outline of interesting side trips and circle tours will be given in next month's issue.
Two Large Philadelphia Banks Vote to Merge

Subject to the approval of the stockholders of the respective banks, The Philadelphia-Girard National Bank and The Franklin Fourth Street National Bank of Philadelphia, the two largest national banks in the City of Philadelphia, by action of their respective boards of directors have agreed to consolidate as The Philadelphia National Bank.

After the consolidation, the capital, surplus and undivided profits will exceed $53,320,000.

The combined resources of the consolidated bank will be in excess of $350,000,000, making it rank among the largest and most influential in the country.

F. G. McLean has been elected cashier of the Farmers Bank, Hardy, Ark., to fill the vacancy caused by the death of S. A. Turner. Mr. McLean has been assistant cashier for 11 years.

J. W. Hawkins, vice-president of the First National Bank, of Clarksville, Ark., was elected chairman of Group Four of the Arkansas Bankers Association at the annual meeting held in Fort Smith recently. R. F. Diekens, assistant cashier of the Merchants National Bank, of Fort Smith, was elected secretary.

Drug Profits

Druggist: “Here, sir, is your package. Seventy-five cents, please.”

Deaf Old Gentleman (placing nickel on counter): “Thank you. There is your nickel.”

Druggist: “But I said seventy-five!”

Deaf Old Gentleman (going out the door): “Well there’s your five cents!”

Druggist: “Well go on, you old fool, I made three cents anyway.”

Announcing the removal of

The National City Bank of St. Louis

(to the)

National City Bank Building

716 LOCUST STREET

St. Louis

April the Sixteenth

Nineteen Twenty-Eight
Use Little Rock’s Oldest and Largest Bank

Fifty-three years ago this month this institution was organized to supply the banking needs of the city and state. The bank has had an important part in the progress of the entire community and has extended its services to meet present-day needs of a rapidly growing city.

Through its thirteen departments it furnishes a complete financial service to banks, business houses and individuals. Its capital is twice as large as that of any other bank in the state.

Let us take care of your banking needs in Little Rock.

AMERICAN SOUTHERN TRUST COMPANY
THIRD AND MAIN LITTLE ROCK, ARK.
RESOURCES OVER $17,000,000.00

ARKANSAS NOTES

New Bank
At Okolona.

The Peoples Bank of Okolona, Ark., has been organized to replace the Bank of Okolona. The new institution will take over the assets of the defunct bank, advancing a dividend of 20 per cent to depositors. The Peoples Bank is capitalized at $10,000 with a surplus of $1,000. Officers are: J. J. Hardin, president; S. T. Covington, cashier and Daniel Ethridge, assistant cashier.

J. R. Smith Heads Ouachita County Bankers.

J. R. Smith, cashier of the Bank of Stephens, was chosen chairman of the Ouachita County Bankers Association at the organization meeting held recently at Camden, Ark. Jeff Gatling, of the Farmers & Merchants Bank, Bearden, was named vice-chairman. Joseph Coan, assistant cashier of the Merchants & Planters Bank, Camden, was named secretary.

Alfred G. Kahn Elected President.

Alfred G. Kahn, well known Little Rock business man and president and manager of the Rose City Cotton Oil Company, has been elected president of the Union Trust Company, Little Rock. He succeeds Morhead Wright, who was elected chairman of the board and will continue as chief executive officer of the bank. Mr. Kahn, who has been a vice-president and member of the Executive Committee, will devote his entire time to the business of the bank. He first entered the institution as a clerk in 1907, immediately following his graduation from Harvard University, and advanced through every department during the seven years he was actively connected with the institution.

Bob Ed Covey is filling the place of assistant cashier of the Crawford county bank, Fort Smith, Ark., made vacant by the death of Johnson L. Moore, former assistant cashier. A permanent successor to Mr. Moore has not been named.

C. L. Tarleton, cashier of the Warren Bank, Warren, Ark., has been elected a director of that institution. Mr. Tarleton was named to fill the vacancy on the directorate created by the recent death of J. M. Bailey.

Lawrence Matthews has been elected cashier of the Bank of Portia, Ark., to succeed J. M. Hatfield, who has become associated with the Portia Mercantile Company.
Little Rock Welcomes Visiting Bankers to Arkansas Convention—May 3 and 4

By MINNIE A. BUZBEE
Manager, Business Extension Dep't, American Southern Trust Co., Little Rock

When the editor asked for an article on Little Rock, he probably had in mind facts and figures such as were brought out in the recent "Know Your City Week" contest conducted by the Little Rock Real Estate Board. But even if those three hundred questions were answered here they would not give a complete picture of the city. There are other less tangible things that attract one's attention and which play a large part in making Little Rock an attractive city. This is particularly true if you are seeing the city for the first time, or have been away for awhile and look at it from a new viewpoint.

In Little Rock there are so many things that we take for granted, just as we take for granted pure air and water and the love of a mother. When we go elsewhere and do not find these special advantages we begin to appreciate them more. For instance, it is probable that the majority of Little Rock citizens have given no thought to the fact that they have not had any snow to shovel this winter, nor any storm windows to put up and pay for (we never heard of one ever being used here) and did not have to keep a furnace going from October until April or May without daring to let it go out. These things are best appreciated by people who live in other parts of the country and who have been undergoing the disadvantages of a long hard winter.

In Little Rock when it is cold enough for a fire we simply strike a match and have a fire from natural gas—no filling of a coal cellar early in the fall with the accompanying noise and dust, no carrying out of ashes or paying to have them hauled away. When we do not want a fire we simply turn it off and forget about it until we feel the need of striking another match.

Little Rock is a clean city—how clean we hardly realize until we have come from another city where the air is filled with smoke and soot and coal dust. Visitors comment upon this frequently.

Golf was played all winter. Motorting continued all through the winter, not merely for business but long pleasure trips as well, the same as are taken any other time of the year. There were flowers in the yards until after Thanksgiving. As we write this the spring flowers and the fruit trees are in bloom and the sun is pouring through the bank windows while the papers are carrying stories of heavy snow storms in other parts of the country.

These are some of the things that make Little Rock an attractive place in which to live and a very satisfactory place in which to conduct a business.

Little Rock has many beautiful...
An aerial view of the business district at Little Rock, Arkansas, where Arkansas Bankers will hold their annual convention, May 3-4.

LITTLE ROCK has many miles of paved streets and good paved roads radiating in every direction. The motorist has a choice of several kinds of scenery. Starting in one direction he drives over rolling ground and into the foot hills of the Ozarks. He can have trees and shaded roads or if he prefers the wide open spaces and prairies he can drive into the rice fields. Other roads lead into the rich cotton plantations.

We can serve you with timely investment information.

We are always glad to confer with other customers on their investment problems, and offer the expert counsel which our associations, location and seventy-two years of experience qualify us to advance.

You, perhaps, have an individual problem, peculiar to your own locality. Our intimate knowledge of local conditions and their relationship to national affairs may provide you with valuable information.

THE NATIONAL PARK BANK
OF NEW YORK

ESTABLISHED 1856
214 BROADWAY

UPTOWN OFFICES
Park Avenue & 46th Street
Seventh Avenue & 32nd Street

To be opened in 1928
Madison Avenue & 26th Street
Broadway & 74th Street

CAPITAL, SURPLUS & UNDIVIDED PROFITS, $35,000,000

We extend our good wishes to members of the Arkansas Bankers Association in convention assembled at Little Rock, May 3 and 4.

Opened for business July 18, 1925
Resources Now Over $760,000.00

Community Bank & Trust Co.
Hot Springs National Park
Arkansas

GIVE YOUR CUSTOMERS A LETTER TO US WHEN THEY COME TO HOT SPRINGS

Hamp Williams . . . . . . . President
J. N. Coppock . . . . . . . Vice-President
J. O. Langley . . . . . . . Cashier
Herman Gillham . . . . . . Asst. Cashier

Little Rock has many miles of paved streets and good paved roads radiating in every direction. The motorist has a choice of several kinds of scenery. Starting in one direction he drives over rolling ground and into the foot hills of the Ozarks. He can have trees and shaded roads or if he prefers the wide open spaces and prairies he can drive into the rice fields. Other roads lead into the rich cotton plantations.
During the past ten or twelve years Little Rock has shown a remarkable growth both in its business houses and homes, a steady growth without any booms. Several of the new residential districts are on high ground commanding a beautiful outlook over the Arkansas River and the valley below, the bridges and the skyline of the business district including a number of tall buildings.

Little Rock is beginning to be known as the city from which New York draws some of its best bankers, business and professional men. It has had the honor of supplying a large and well-known group of outstanding men who are filling important places in the big city.

Now for the few facts and figures. Little Rock is the capital and the largest city in Arkansas, with a population of practically 130,000, including North Little Rock. Situated in almost the exact geographical center, it has a trade territory of about 500,000 people. Three railroad trunk lines, with eight separate and complete right-of-ways, with 5,500 miles of track within the state, converge at Little Rock and radiate in all directions into territory richly endowed with productive soil, countless natural resources and ideal climate.

Arkansas has the third lowest death rate of all the 48 states. Little Rock being in the center of the state and its largest city, shares in that record. The average total residential death rate has been reduced to 11 per 1,000. There are only seven cities in our population class that have as low a death rate. No Southern city,
regardless of size has as low an infant death rate. Little Rock has a $1,000,000.00 airport which makes it a gateway for aerial travel. It is the home of the Arkansas State Fair, with permanent grounds and buildings representing an investment of more than $1,500,000.00.

There are eleven banks in Little Rock and North Little Rock and a branch Federal Reserve Bank. Bank deposits at the December 31, 1927 call were more than $57,000,000.00. Bank clearings for 1927 were $741,000,000.00. The railroad shops for the Rock Island and Missouri Pacific lines are located in Little Rock and North Little Rock and have an annual payroll of about $10,000,000.00.

The bauxite mines, from which more than 90 per cent of the aluminum in the United States is made, are located 22 miles from Little Rock. Retail sales in Little Rock exceed annually $130,000,000.00 with a wholesale business reaching approximately the same figure.

Little Rock extends a cordial welcome to those who will attend the annual convention of the Arkansas Bankers Association, on May 3-4, and hopes the visitors will make it a point to see not only the down-town district but the residential district and surrounding country as well.

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ARKANSAS NOTES

Community Bank
Has Splendid Growth.
The recent statement of condition of the Community Bank & Trust Company of Hot Springs, Arkansas, shows total resources of $760,000 with deposits of more than $653,000. The bank, which was opened for business on July 18, 1925, has recently increased its capital from $50,000 to $75,000 and its surplus from $10,000 to $25,000. Undivided profits now amount to more than $7,000. Deposits of the bank have increased more than $125,000 during the past year. Hamp Williams is president and J. O. Langley, cashier.

American Southern
Resources Over $18,200,000.
The recent statement of condition of the American Southern Trust Company of Little Rock, Arkansas, shows total resources of more than $18,220,000 and deposits of more than $16,770,000. Capital is $1,000,000 and surplus and profits amount to more than $324,000.

Security Bank
Resources Over $1,400,000.
Resources of the Security Bank of Hot Springs, Arkansas, have gained more than $300,000 during the past few months and are now more than $1,400,000. Deposits are more than $1,200,000. The bank is an "Honor Roll" bank with capital of $100,000 and surplus and profits of more than $102,200. John B. Foote is president and A. S. Goodwin, cashier.

Deposits Show Good Gain.
Deposits of the Arkansas Trust Company, Hot Springs, Arkansas, have increased more than $300,000 during the past few months and the bank now enjoys the distinction of being one of the sixteen banks in Arkansas with deposits of more than $2,000,000. Total resources of the bank are now more than $2,400,000. The bank is an "Honor Roll" bank with surplus and profits of more than two and a half times its capital. Capital is $100,000 and surplus and profits are more than $292,000. The bank has paid continuous twenty per cent dividends since it was founded in 1919. M. J. Henderson is president and D. Burgauer is vice-president and cashier.

J. E. Hicks, president and founder of the Citizens Bank and Trust Company, of England, Ark., died recently.

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Continuous Contact
At Your Disposal

It is just as easy to have an item handled anywhere in the Tri-State Region as it is to enter your office and switch on the electric lights.

The U & P has the necessary banking contact, ready and waiting.

Union & Planters
Bank & Trust Company

Forward with Memphis—Since '69
MEmPHIS, TENN.
A. B. Cody, Chairman Chicago Trust Company, Is Dead

Arthur B. Cody, first president, then chairman of the Cody Trust Company, and for forty years active in the mortgage business of Chicago, died at his residence, 5830 Stony Island Avenue, Thursday, March 22, at 7:30 p.m.

He is survived by his widow, Mrs. Clara Cochrane Cody, his sons, Hiram S. Cody and Arthur C. Cody, and two daughters, Mrs. Helen Cody Baker, of Lake Bluff, Illinois, and Mrs. Caryl Cody Planstiehl, of Highland Park, Illinois.

Mr. Cody was born at Naperville, DuPage County, Illinois, September 26, 1860, son of Judge Hiram H. Cody and Philomela Sedgwick Cody. His father, a prominent member of the Illinois bar, was a law partner of Judge Elbert H. Gary, for many years chairman of the United States Steel Corporation, in the law firm of Gary, Cody Gary, and was circuit judge of the Twelfth Judicial Circuit of Illinois.

Arthur B. Cody graduated from Northwestern College of Naperville, with the degree of Master of Arts in 1879. He was admitted to the Illinois bar and licensed as an attorney-at-law in 1883.

With his brother, Hope Reed Cody, former president of the Hamilton Club and president of the Cook County Board of Election Commissioners, Mr. Cody was a member of the law firm of Hiram H. Cody & Sons from 1886 to 1899, and after the death of his father, Judge Hiram H. Cody, he was a partner in the firm of Cody and Eaton.

In 1919, nine years after organizing the mortgage firm of Arthur B. Cody & Son, Mr. Cody became vice-president and director of Chicago Trust Company in charge of its Real Estate Loan Department. On the termination of this contract, January 1, 1927, he continued in the mortgage business in association with Lewis W. Riddle, Thomas T. Roberts, Hiram S. Cody and Arthur C. Cody, as the Cody Trust Company, acting as mortgage correspondents for the State Mutual Life Assurance Company of Worcester, Mass., with which the Cody family has been connected in a legal or financial capacity since 1879; and also acting as mortgage correspondents for the Aetna Life Insurance Company, Aetna Casualty and Insurance Company, Automobile Insurance Company and Standard Fire Insurance Company, of Hartford, Conn., the Home Life Insurance Company of New York and the Life Insurance Co. of Virginia.

California
—and its balmy, summer weather in midwinter.
Internationally Famous
HOTEL
ALEXANDRIA

Los Angeles
will win your hearty approval, with Eppley service, central location and famous cuisine.
Rates per day—Single, European
75 rooms, private toilet, $2 to $3
380 rooms with bath, $3 to $4
245 rooms with bath, $5 to $8
For two persons, $3 up
Special Rates for Families and Parties
Convenient parking and garage accommodations.
Reservations can be made through Hotel Fontenelle or Hotel Rome, Omaha
Alexandria Hotel Co.
E. C. Eppley, President
Charles B. Hamilton, Managing Director

INTEREST
AND
RESPONSIBILITY

The personal interest of our directors, the responsibility placed in our officers, are factors which make Bankers Trust Service outstanding.

BANKERS TRUST COMPANY
Main at Second Long Distance 126
LITTLE ROCK, ARKANSAS
Willard Now With Calcasieu National.

E. C. Willard, manager of the Calcasieu National Bank, of Southwest Louisiana, has been transferred to the Calcasieu National Bank in Lake Charles, La. Mr. Willard has been connected with the bank for over twenty-four years. E. F. Harcastle, who has been assistant manager for the past fifteen years, was appointed manager to succeed Mr. Willard.

Jay Knox Speaks At Houston Meeting.

Jay Knox, trust officer of the Interstate Trust and Banking Company, New Orleans, was the guest speaker at the annual dinner of the Corporate Fiduciary Association of Houston, Texas. Mr. Knox spoke on the subject of personal trust business and trust advertising. The Interstate Trust and Banking Company is the pioneer trust company in Louisiana.

New Orleans Rail Traffic in 1927.

Figures compiled by the research department of the New Orleans Association of Commerce show that 316,266 carloads of freight were received and 247,777 carloads were shipped at the port of New Orleans during the calendar year 1927—a total of 564,043 carloads in and out during the year. Freight billed through by rail is not included in the figures.

Homer Banks to Remodel Buildings.

F. C. McClanahan, Homer contractor, has been awarded the contract for the remodeling and beautifying of the Homer National Bank and Homer Trust and Savings Bank buildings, Homer, La.

The Homer Trust and Savings Bank edifice will undergo a general and complete change in architectural structure. The contract provides for a brick and marble front, casement windows, and plate glass doors. The vestibule will have tile floors and to the right of the entrance will be located the ladies' rest room, modern in every detail and attractively furnished. The walls will be completely replastered and the ceiling will be of metal. A partition at the vault line will separate the banking room from the rear of the building. The banking room floor will have a covering of battleship linoleum and all new equipment and furnishing will harmonize with the present fixtures.

Whitney Central ‘Observer’ Contains Interesting Articles.

The recent issue of the ‘Whitney Central Observer,’ the house organ published by the Whitney Central Banks of New Orleans, contains a number of very instructive articles. Among them is an article by Harvey S. Firestone, explaining his stock-ownership plan; an interview with David W. Pipes on the Sugar Industry; an article on the Salt Industry by E. V. Benjamin, president of the Myles Salt Company, Ltd.; an article by James Gilly, Jr., vice-president of the Whitney Central National Bank, telling what happens to mutilated money; and articles on cement and furniture production in New Orleans.

The ‘Observer’ serves as a medium through which the Whitney-Central personnel, its friends and the public may become better acquainted, and is edited by M. L. Bouden.

Where You Can Confidently Expect to find the Service You Want

Both In—and Out of—New Orleans

INTERSTATE TRUST AND BANKING CO.

MAIN OFFICE: CANAL AT CAMP
Freret Street Branch: 4716 Freret St.
April, 1928

**Louisiana Bankers Association**

**Annual Convention**

*April 26-27*

Edgewater Gulf Hotel

Edgewater Gulf, Mississippi

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R. T. Moore Presented as Candidate for Re-election.

The Shreveport Chamber of Commerce has presented R. T. Moore, chairman of the board of the Commercial National Bank of Shreveport, Louisiana, as a candidate for re-election for a second term as director of the United States Chamber of Commerce from the fourth district, consisting of the states of Alabama, Mississippi, Louisiana and Texas.

Mr. Moore is an officer or director of numerous financial and business institutions throughout the South and Southwest and his candidacy has been endorsed by a large number of prominent men, including: Yandell Boatner, president Shreveport Chamber of Commerce; Chas. H. Hamilton, president New Orleans Association of Commerce; A. J. Peavy, president Southern Pine Association; Richard Foster, president National Tent & Awning Mfrs. Assn.; Edgar B. Stern, president New Orleans Cotton Exchange; Fred W. Kunz, president New Orleans Board of Trade, Ltd.; Henry L. Cohn, president Baton Rouge Chamber of Commerce; W. E. Lee, president Lake Charles Association of Commerce; Harold Kaffie, president Natchitoches Chamber of Commerce; E. L. Estorge, president New Iberia Chamber of Commerce; E. R. Brown, president Dallas Chamber of Commerce; E. P. McKenna, president Tyler Chamber of Commerce; Geo. A. Petrie, president Alexandria Chamber of Commerce; R. E. Ridmou, president Hammond Chamber of Commerce; Sam L. Barksdale, president Ruston Chamber of Commerce; W. B. Gladney, president Bastrop Chamber of Commerce; W. N. Thilmony, president Lafayette Chamber of Commerce; J. L. Toom, president Crowley Association of Commerce and W. L. Etheridge, president Monroe Chamber of Commerce.

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Whether you travel to Riga or Shanghai, Paris or London, one thing at least you can be sure of—the Travel Cheques of the American Bankers Association have been there before you. They are safer than gold—and just about as well known.

Bankers Trust Company, N. Y.
Agents for the Issuing Banks

Remember these points about A·B·A Cheques

1. They are the Travel Cheques of the American Bankers Association.
2. They are bankers' cheques, drawn by a bank on a bank.
3. They are certified, and hence legally acceptable in payment of U. S. Customs duties.
4. As two-name paper they are often accorded preferential treatment in foreign exchange.
5. They provide, at reasonable cost, complete insurance against the loss of travel funds.

BUY THEM FROM YOUR OWN BANK

**AMERICAN BANKERS ASSOCIATION**

**A·B·A Certified TRAVEL CHEQUES**

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She: "Is my nose shiny, dear?"
He: "No, but your right knee is dusty."
Changes in Cotton Supply Important Factor in Price Fluctuations

Changes in cotton production and prospective supplies have been found by Department of Agriculture economists to exert the most important influence on cotton prices. Were these changes less violent, says the department, it is certain that less violent price fluctuations would result.

These conclusions are the result of a statistical and economic study of factors affecting the price of cotton. The study is regarded as especially timely because of the 1926-27 season, characterized by a record cotton crop and depressed prices, and the present season with a smaller crop with a price recovery.

These situations raised such questions as these: What effect has the size of the crop had upon prices? Upon the value of the crop? What effect have low or high prices had upon the next year’s acreage? What effect have changes in business conditions had upon the price of cotton?

The effort to answer these questions involved a study of factors influencing the yearly and monthly price variations over a period of 20 years, including many years of record and low production and respectively depressed and high prices.

This study, just completed, indicates to the economists that the two factors of supply (actual and potential) and the four factors representing demand (changes in domestic consumption, exports, business conditions, and the annual and seasonal demand for cotton), when taken together over a period of 20 years, explain about 90 per cent of all of the monthly fluctuations in the price of cotton.

The department says that variations in the factors of supply exert greater influence on price than changes in the factors of demand, inasmuch as changes in the basic demand for cotton, arising from the growth of population, and changes in the needs and buying power of consumers vary comparatively little from month to month and from year to year, whereas extreme variations in supply are frequent. Furthermore, says the department, despite much adverse criticism of crop reports, but chiefly because of these reports, it is much easier for the market to gauge and measure changes in supply than changes in demand.

A detailed report of the study has been published in Technical Bulletin No. 50-T, entitled “Factors Affecting the Price of Cotton,” copies of which may be obtained from the Department of Agriculture, Washington, D. C.

Record Strength Reported by Southern Banks

The banking situation in the South, from a survey of 33 leading banks of the Sixth Federal Reserve District made by Caldwell & Co., investment bankers of Nashville, Tennessee, indicates that this section is relatively as strong as any district in the country and the financial position of general business institutions has shown increasing strength over the past year.

Commercial loans reported by these banks on March 7, the latest date for which detailed figures are available, totaled $359,562,000, the lowest point in more than a year, and a decrease of $58,725,000 compared with $418,287,000 reported on March 10, 1926. While this shrinkage in commercial loans has been partly offset by increased investments and by loans on stocks and bonds, total of all these investments is only $605,171,000 as compared with $618,947,000 of a year ago.

With increased financial strength of important business institutions in that section indicated in the reduction in commercial borrowing, surplus funds are piling up rapidly to the point where they are practically un lendable except in the New York market. This situation has brought about a reduction in borrowing rates which, while nominally maintained at 6 per cent, have been reduced in several instances recently to 5 per cent for large borrowers on prime security.

One day in school the teacher said: "Mickey, give me a definition of salt." "Shure," Mickey responded: "It's the stuff that makes potatoes taste bad when you boil 'em and don't put any in.'"
Mississippi Notes

Clarksdale Banks Are County Depositories.
At a meeting of the board of supervisors held at Clarksdale, Miss., recently, the Planters National Bank and the Bank of Clarksdale were selected as the county depositories.

Columbus National Adds Three Directors.
Herman M. Owen, Joe B. Street and George P. Waller, Jr., were added to the board of directors of the Columbus National Bank, Columbus, Miss., at the recent meeting of stockholders.

Two Eupora Banks Consolidate.
The Merchants and Farmers Bank of Eupora, Miss., capitalized at $20,000.00 has been consolidated with the Bank of Eupora, a branch of the Granada, Miss., Bank. The Bank of Eupora has assumed all assets, indebtedness and obligations of the Merchants and Farmers Bank.

New Building For Brookhaven Bank.
The Brookhaven, Miss., Bank has announced plans for the erection of a new bank building on the corner of West Cherokee Street and Whitworth Avenue. While the present building is being demolished the bank will occupy quarters in the Hartman Building. W. D. Davis is president and C. M. Higdon, cashier.

T. W. Yates, vice-president of the Commercial National Bank and Trust Company, Laurel, Miss., was selected as a member from Mississippi of the executive committee of the National Association of Owners of Railroads and Public Utilities Securities, an association for the protection of over sixty million investors in the United States.

Kelly Patterson has been elected a director of the First National Bank, Jackson, Miss. The deposits of the bank have increased more than $1,000,000.00 in the past year.

Big Gain in Life Insurance Written Last Year
Despite a decline in the average rate of industrial wages and the average earnings of industrial workers in this country, the total amount of life insurance written in 1927 increased $300,000,000 over 1926, according to a review to be published by Jackson Bros., Boesel & Company.

"Following upon much discussion of installment buying and the tendency to live beyond one's salary, this evidence of thrift is an encouraging indication of the fact that the nation's workers know how to save as well as how to spend," states the review.

"At the close of the last fiscal year it was reported that savings deposits had increased during the year by $1,368,000,000. It is a known fact that investment securities today are reaching far wider markets than ever before and that a foreign bond issue may have thousands of small buyers.

"Either in securities or in savings deposits or in life insurance, the American public is maintaining a large reserve of funds which constitute adequate denial to those who suggest that the nation's prosperity is a flimsy affair."

Whitney-Central
the Only NATIONAL Bank in New Orleans

Keeping Pace With the Expansion of Business in the South

We have been a constant and constructive factor in the sturdy and steady development of this great section of the South for 41 years.

Our services today are more extensive than ever before.

Commercial National Bank
Shreveport, La.

Largest Bank in North Louisiana
CAMP, THORNE & CO., INC.

INVESTMENT BONDS

29 South La Salle Street
CHICAGO

MINNEAPOLIS    ST. LOUIS    DES MOINES    DAVENPORT
LA SALLE       JANESVILLE    MILWAUKEE    SAN FRANCISCO
INVESTMENT SECTION

The Advantages of Serial Maturities

The Question of How Much Yield the Banker Should Receive Is One That Can Be Answered by Arithmetic

By EDWIN BOEHMER
Vice-President, Knight, Blanchard & Company, Chicago

To have cash available when needed and at the same time to run the bank at a profit is the banker's problem. In attempting to solve this problem through the medium of marketable securities, the banker runs up against the inevitable triangle consisting of the three factors Marketability—Yield—Safety. All three factors are variable quantities and a betterment of one factor is gained at the expense of one or both of the others. Furthermore, the extent to which any of the factors may be sacrificed is limited by the banker's need to keep his funds liquid and to derive enough income from his investments to pay interest to depositors, operating expenses and a profit. It may even be said that profit is an element of safety, for no liquid and to derive enough income to depositors, operating expenses and a profit is an element of safety, for no

How much yield the banker ought to get out of his investments is a question that can be answered by simple arithmetic. How much yield it is possible to get depends upon how great a sacrifice he is willing to make of safety and marketability. Opinions as to what constitutes a safe bond are as various as are the personalities of the bankers who hold them. Equally various are opinions on marketability. And yet there is a degree of uniformity of opinion covering safety and marketability together expressed in terms of yield. An inspection of current offerings of public utility and industrial bonds leads to the conclusion that the yields obtainable range between 4.85 per cent and 5.55 per cent. The higher yields are obtained at the expense of safety and marketability. And if a relatively poor degree of marketability means a wide spread between bid and asked prices, liquidation may be effected at a loss which defeats the attempt to get a high yield from the investment.

To most of us, safety means certainty to receive interest and principal in full and when due. That is, absolute safety and is not to be found anywhere except in United States government bonds. Marketability in its ideal signification means salability at a moment's notice and without loss. Here two elements are involved—price and time. Quick salability attaches to issues actively traded in on the New York Stock Exchange and other exchanges and to issues which have an active "street market" or market between dealers. Active issues, as a rule, are also salable with little difference between asked and offerings prices. But, active issues are usually very high-grade and therefore show an extremely low yield or have speculative features which are the principal cause of their activity. Furthermore, a bond's marketability does not run evenly through its life. Many very good bonds are much desired by institutions, estates and large investors and therefore enjoy an active market for a period. Eventually, a large proportion of such issues becomes locked up in strong boxes and the market for that particular issue becomes inactive through lack of offerings to supply the market.

Liquidation of investment securities is accomplished in two ways, by sale before maturity and by payment at maturity. Payment at maturity liquidates the investment without loss and at a definite date known in advance. From the banker's standpoint it has

SCHEDULE OF PURCHASES, SALES AND REPURCHASES FROM CLIENTS TO BUILD UP A HOLDING OF $60,000 OF ONE YEAR Maturities

<table>
<thead>
<tr>
<th>Maturities Purchased</th>
<th>Held by Bank, shown in Brackets</th>
<th>Sold to Clients, Unbracketed.</th>
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<td>1946 30000</td>
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</tbody>
</table>

The Maturities purchased in these years are not carried out because of lack of space. They continue at $10,000 per year.
**EAST COAST UTILITIES COMPANY**

7 Per Cent Cumulative Preferred Stock

EAST COAST UTILITIES COMPANY is serving a large number of communities in Virginia, Maryland and North Carolina, with electric light and power, water service, ice plants and cold storage systems. It is growing rapidly—having shown an increase in net earnings for year ending February 1, 1928—over previous calendar year—in excess of 31%.

We believe the Preferred Stock is in a very attractive investor position at this time. Full details will be supplied on request.

Price on application.

Elliott R. Couden Syndicate

1602-03 Landreth Bldg. Phone, Garfield 3993

ST. LOUIS, MO.

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**BROKAW AND COMPANY**

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and Pacific Coast Securities.

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ILLINOIS REPRESENTATIVE:
Eugene T. Hastings

Manager of Trading Service Department:
Thomas F. Ford

---

THE question naturally arises, “Where can a supply of short serial maturity bonds be found—safe bonds carrying a fair rate of interest?” One large source of supply of such bonds is to be found in local improvement bonds which are issued in a number of midwestern states. For example: In the state of Illinois, bonds maturing serially in two to ten years are issued each year by municipalities for local improvements. They pay as much as six per cent interest, and because they are municipal instrumentalities, this interest is exempt from Federal Income Tax. Six per cent free from Federal Income Tax would seem to be a satisfactory answer to the banker’s problem of how to invest his funds so as to make possible a profit to the bank. Exemption from Federal Income Tax makes six per cent derived from exempt securities equivalent to more than 6.85 per cent if held by a bank. Serial maturities, the shortest of which is two years, are not a complete solution of the liquidity problem. But, after having been held one year, a bond with a two-year maturity becomes a bond which will mature within the current year. The plan suggested here contemplates the building up of a revolving fund of maturities ranging from one year upward and will permit the bank to leave the greater part of its funds invested in marketable bonds while the plan is being put in operation. In fact, the plan does not recommend that a bank depend entirely upon serial maturities but rather that Illinois local improvement bonds with their serial maturities and higher yield be used to introduce a different kind of liquidity into the bank’s investment structure and also to make up for the deficiencies in yield of a fund invested entirely in marketable bonds. Up to this point, the question of safety has not been discussed. That will be taken up as the final point. There are two ways to acquire a
holding of serial short maturities. One, the most obvious way, is to buy nothing but short maturities. The disadvantage of this method is that it is hand-to-mouth buying. Only two-ninths of the bonds issued are two and three maturities. The most advantageous plan is to purchase nine maturities—hold the two and three year bonds and sell the other seven maturities to clients of the bank. This can easily be done whether or not the bank has a bond department. Six per cent interest is attractive and the great majority of investors, particularly outside of the big cities, like to see their money coming back within ten years or less.

The purpose of selling the longer maturities to depositors and other clients of the bank is three-fold: 1. To put into their hands bonds of relatively short maturity which the bank can take back into its own investment account at a later date when the maturities have become short enough for the bank’s purposes. The fact that the particular type of bond under discussion does not fluctuate in price and is sold to investors at par, makes it peculiarly adapted to this purpose; 2. To cement its depositors to the bank as investment buyers with a type of bond which presents few trade-out opportunities to anyone other than the bank itself; 3. To give the bank a profit on its sales to investors and to lower the cost of the short maturities bought as part of a series. The bank buying short maturities only can get only a small bank discount. Buying all maturities, two to ten years, the bank can get a discount as a dealer bank. As will be seen from the accompanying schedule, the bank will arrive at a point where it does not need to include any short maturities in its original purchases. There will be a supply of short maturities sufficient for the needs of the bank in the hands of its clients.

The plan used as a basis for the schedule starts out with $60,000 to be purchased in 1928, maturing $15,000 in 1930, $10,000 in 1931 and $5,000 in each succeeding year to and including 1938. The 1930 and 1931 maturities are to be held by the bank, the others to be sold to investors. It is not supposed that the bank would buy $60,000 of bonds all at one time. Its first purchase could be one-tenth of that amount, subsequent purchases to be governed by its success in putting bonds into the hands of its clients. Purchases in succeeding years as laid out in the schedule progress to $90,000 in 1934, divided $15,000 of the 1936 maturity, $10,000 in each year 1937 to

73% OF THE BANKS WILL BUY MORE BONDS

The best banks buy bonds, and they are buying more of them from year to year. The survey recently conducted by the Mid-Continent Banker indicates that 73 per cent of the banks in the Illinois-Missouri territory will buy more bonds in 1928 than in 1927. These same banks reported that they had bought more bonds in 1927 than in 1926.

Many of these banks buy bonds from us. For fifty-two years we have been both investment bankers and commercial bankers. We have experienced the problems of the smaller bank; we know the types of securities that a bank should buy for its reserve funds. We sell only those bonds in which we have first invested our own funds.

Our investment advice, and our complete service, are available for your bank.

Union Trust Company
Of East St. Louis
1943, inclusive, and \$5,000 in 1944. This arrangement of maturities is arbitrary and was arrived at by gradually increasing the amounts of the later maturities. Assuming that the bank would never require more than \$60,000 of the one-year maturity and that it would be able to repurchase bonds from its clients at will, the bank's purchases in 1933 could be reduced to \$85,000; including only \$5,000 to mature in 1937 and \$10,000 in each of the other maturities. As a matter of experience, most banks would find their ability to sell bonds to clients much greater than is shown by the schedule and would arrive more rapidly at the point when they would cease to buy short maturities for their own use, depending entirely upon repurchase from clients.

One outstanding advantage of repurchasing from clients needs to be emphasized. It increases the client's confidence in the bonds recommended by his banker, makes him more ready to follow future recommendations. There should be no objection on the part of a client to accepting a five-year bond in place of a one-year bond. The banker can afford to allow a quarter or half point discount on the new bond and the client gets an extended enjoyment of six per cent, free from Federal Income Tax from a bond similar to the one he is giving up.

The foregoing has been written as if it were to be assumed that all Illinois Local Improvement Bonds will be paid promptly when due. That, of course, is not a safe assumption with respect to local improvement bonds any more than it would be with regard to municipal bonds as a class, or public utility bonds. Before embarking on a program to use Illinois Local Improvement Bonds in the manner outlined above, the banker will want to know to what extent they can be judged as other classes of bonds are judged, and what special rules apply to this class only.

As in the case of municipal bonds, that is to say, direct obligation bonds, the attorney's opinion is very important. Local improvement bonds in Illinois are issued to provide funds for water mains, sewers, paved streets, sidewalks and street lights and are paid out of the collection of taxes specially assessed against the property benefited by the improvements. The lien of special assessments is co-equal with the lien of the general taxes against the same property and is, of course, prior to any mortgage lien. Nevertheless, as these taxes are levied against particular properties and not against all the real property in the municipality, the present value of the property and the conditions which surround it are of much more importance than the population of the town. The attorney's opinion should cover the final court confirmation after the completion of the work and should be issued by attorneys who have an established reputation in this particular field.

Next in importance to the attorney's opinion is the house offering the bonds. It is the function of the bond house handling local improvement bonds to investigate the property improved, and to supply itself with complete information as to all conditions affecting the present and future value of the property. These are the things that lead to a judgment as to whether the owners of the property will pay the special assessments rather than to forfeit their property for non-payment. The bond dealer should also make certain that there is an adequate surplus of assessments in excess of the amount of bonds to be paid. This fact cannot be ascertained until after the work has been completed and accepted by the municipality and a final hearing has been held in court for, at this time, assessments might be rebated to an extent which would destroy the

Is Your Bank One of Limited Service?

"The day for the bank of limited service is passing," said W. R. Morehouse, president of the Savings Bank Division of the A. B. A., at the Houston convention.

"Departmental banking, with its wide variety of services, is rapidly gaining in popularity. With a greater variety of services to offer the public, banks will discontinue the practice of sending their customers to other financial institutions for a service which the banks themselves should render."

How much profit is your bank losing by not selling securities to your clients—and how many contacts is it losing because its customers are going outside to make their investments?

Caldwell & Company are able to supply banks with a diversified list of investment bonds for sale to their customers as needed. As for current list with bank concessions.

Caldwell & Company
Southern Securities
117 North Fourth Street, St. Louis, Mo.
Office in Principal Cities
proper balance between assessments available and bonds issued. Here again, we see the importance of the attorney's opinion covering this final court confirmation. Illinois local improvement bonds are issued as the work progresses and are customarily offered for sale at the time when they are issued. Because of the wider selection available, it is advantageous to buy bonds of issues which have not been finally confirmed. This necessitates an assurance that the issues will show the proper "set-up" when finally confirmed. For this assurance the banker or other intending purchaser must rely upon the bond house. For this reason, the qualifications of the bond house in this particular field should be checked thoroughly.

THE tests for safety might be put in the form of questions and sources from which the answers may be obtained.

1. Have the legal proceedings been in proper form and according to law?—Attorney's opinion.

2. (a) Has the work been completed and acceptance thereof approved in court? Is there a statement of the bonds issued, showing the serial numbers and amounts and is the total amount of bonds less, by an adequate margin, than the assessments out of which they are made payable? Have questionable assessments been eliminated from the computation?—Attorney's final opinion and dealer's exhibit.

(b) If the work is not completed, is there satisfactory evidence that the above situation will be realized when it is completed?—Attorney's preliminary opinion and dealer's exhibit.

3. Is the property assessed such as to warrant the improvement, as to (a) present value; (b) evidence of growth; (c) location and transportation; (d) social conditions and character of population; (e) efficiency of local authorities?—Personal investigation; dealer's exhibit.

4. What are the dealer's experience, special qualifications and methods? His statement, his references and the statements of other bond dealers and of bankers.

The purpose of this article has been to present to bankers the advantage of having bonds fall due at intervals in addition to depending upon liquidating bonds by sales on the open market and to show how such a plan can be combined with sales to bank's clients at a profit. Illinois local improvement bonds are suggested as a type of security which lend themselves to the working out of the plan. They mature serially, pay six per cent interest, free from Federal Income Tax and the safety of the particular issues under consideration can be ascertained to a reasonable degree of certainty.

Illinois Local Improvement bonds are essentially a self-liquidating security. The obvious purpose of the prospective purchaser's investigation is to establish the fact as to whether proceeds of collection of assessments will be in hand in sufficient amount to pay principal and interest of the bonds and at the times when payment is due. An important element inherent in Illinois Local Improvement Bonds is the fact that assessments are payable by property owners who have scheduled the payments among the obligations which they must meet and who look upon the improvements as essential to the comfort, health and convenience of themselves or whoever occupies or is to occupy the property, and who are confident that the installation of local improvements adds value to the property in excess of the cost thereof. In the district around Chicago particularly, these assessment-payers derive their incomes from many different lines of business and industry which gives a diversity factor which is one of the strongest features of local improvement bonds originating in this particular district.—Copyright 1928 by Edwin Boehmer.

More than three billion dollars

... the plant investment of

the Bell System

To provide a service which handles more than $5,000,000,000 daily telephone conversations, the Bell System has a plant investment of more than $3,000,000,000, representing an enormous variety of materials.

Basic facts about A. T. & T. as an investment:
It and its predecessors have paid dividends regularly for forty-seven years. Its earnings assure an ample margin of safety above dividend requirements. Its stock is held by more than 420,000 investors. It is constantly seeking to bring the nation's telephone service nearer to perfection. It owns more than 93% of the combined common stocks of the operating companies of the Bell System, which furnishes an indispensable service to the country.

Write for booklet "Some Financial Facts"

BELL TELEPHONE SECURITIES CO. Inc.

195 Broadway New York City
ALONG LA SALLE STREET
By Wm. H. Maas, Chicago, Vice-President, The Mid-Continent Banker

William McKinley Edens, 25-year-old son of Col. William Grant Edens, vice-president, Central Trust Company, of Illinois, has been appointed to a fellowship in the graduate school of business administration at Harvard University, it was announced a few days ago. The fellowship was recently created by the American Bankers Association for the purpose of research in bank failures.

Harry Herb, formerly with A. B. Leach & Company, has been appointed sales manager for the John R. Thompson Securities Corporation. R. King Kauffman, formerly vice-president of the Mercantile Trust Company, of St. Louis, is vice-president of the organization.

The Chase Securities Corporation of New York, have opened a western office at 137 South La Salle Street, Chicago.

April, 1928

Three initials reversed—R. M. P. by P. M. Reed—which hundreds of bankers throughout the country know stand for Reed's Mass Plan by P. M. Reed, have recently taken on a new meaning. Petite Marbeth Reed is the name of the little Miss who came to their home last month. Mother and baby doing nicely and we extend congratulations.

Leon C. Murdock & Co. is the name of a new firm in the Bankers Building, originators of securities and specializing in consolidations and mergers. L. C. is a former St. Louisan, but has been in the bond business on La Salle Street for the past several years.

Another St. Louisan "on the street" is Harley A. Watson, of Eldredge & Company, an Eastern house, with Chicago offices in the Borland Building. He was formerly affiliated with the First National Company, of St. Louis, as bond officer.

Earle H. Reynolds, president of the Peoples Trust & Savings Bank, accompanied by Mrs. Reynolds, have left for a trip to Europe.

H. L. Stuart of Halsey-Stuart & Co., has been awarded the Order of Pius IX in recognition of his services as financial adviser to Cardinal Mundelein of Chicago.

M. E. Greenebaum, chairman of the board, Bank of America, Chicago, was the recipient of a testimonial banquet in celebration of his 70th birthday given by Chicago business men a few days ago at the Standard Club. A playlet depicting incidents in the Chicago pioneer's career was included in the entertainment.

Clifford De Puy of the De Puy Banking Publications will be the principal speaker at a dinner to be given by the Bank Cashiers Club, of Chicago, the night of April 5 at the Sisson Hotel. Some people contend the country is becoming "over-organized" with clubs. Jerome I. Cook, president of the National Advertising Corporation, St. Louis, a recent visitor in Chicago, agrees with these people except when the subject of a "savings club" is mentioned.

Arthur B. Cody, chairman of the board of the Cody Trust Company and for forty years active in the mortgage business in Chicago, died last month. He was 68 years old. Mr. Cody was the son of Judge Hiram H. Cody, one time law partner of the late Judge Elbert H. Gary.

Two new downtown clubs, each having a large La Salle Street membership,
are The Midland Club, 168 Adams Street erected at a cost of $7,000,000, and the Bankers Lounge Club in the Bankers Building.

Peter J. Angsten, president of the new Midland organization, is well known in Chicago banking and insurance circles. John Rubecamp, assistant cashier of the Illinois-Merchants Trust Company, known throughout the Middle West to hundreds of bankers, has started the new organization off with some splendid entertainment and visiting bankers may expect a fine treat at this handsome edifice on their Chicago trips.

Davis Joins Sales Staff of Lorenzo E. Anderson & Co.

Lorenzo E. Anderson & Co., investment security dealers, St. Louis, have announced that Ford H. Davis has become associated with the sales organization of the company as representative in Missouri and Illinois. Mr. Davis will have charge of out of town accounts, calling on banks and general-

the previous twelve months, which is an increase of $5,333,253 or 20%.

Net earnings were equal to more than 12.5 times interest and discount on debentures as compared with 10.1 times for the corresponding period a year ago. Net to Stock and Reserves was 4.30 times Preferred Stock dividends compared with 3.74 times.

Net to Common Stock and Reserves for the 12 months ended February 29, 1928 amounted to $22,480,795, which is equivalent to 26.92% on the average amount of Common Stock outstanding or $5.38 per share of $20 par value Common Stock. This compares with $17,489,637 for the previous twelve months, which was 22.22% or $4.44 per share of Common Stock outstanding a year ago.

Coincident with the publication of its earnings statement, Cities Service Company declared regular monthly dividends of 1/4 of 1% in cash and 1/2 of 1% in stock on the Common Stock and 50c on the Preferred and Preference BB Stock and 5c on the Preference B Stock, all payable May 1 to stockholders of record April 13.

Tom Ford, who has been affiliated with La Salle Street financial institutions for the past twenty years, has joined the staff of Brokaw & Company. Congratulations.

| FORD H. DAVIS |

Cities Service Earnings Show Large Increase

Net earnings of Cities Service Company for the twelve months ended February 29, 1928, amounted to $31,840,794 as compared with $26,507,121 for...
American Banks Install "Sky Sign" on Roof of Building

COL. CHARLES A. LINDBERGH, who had one of the many narrow escapes that have characterized his meteoric career when he was "lost" over Nashville, Tennessee, in 1924 because he could not find the landing field, will not be placed in that predicament if he visits Nashville in the future.

Nashville is now "sky-marked" with a "sky sign" that proclaims to all who tour the skyways that it is "Nashville," and points the way to the city's new airdrome, McConnell field, in letters that can be seen for well more than half a mile straight up.

The new sign, hailed by aviators and business interests as an important civic and business asset to the city in this era of aviation has been erected by the American banks on the 15-story American Trust building, the city's tallest office structure.

In white letters 10 feet high, framed by the black roof, the sign proclaims the name of the city to all who travel by air, and with a huge arrow, stretching "catty-cornered" across the roof, points the way to McConnell field. Through the arrow are the figures, "3 Miles," giving the distance to the landing field from the center of the city.

The sign is the first one to be placed on a Tennessee city.

Even with a slight haze over the city, the letters of the sign are easily distinguished at 3,000 feet, Captain Herbert Fox, senior flight commander of the 105th Observation squadron and assistant vice-president of the American National Bank, found in flying over the city to observe the new civic marker.

"The letters stand out sharply against the black roof," Captain Fox said. "No pilot need get lost over the city now as 'Lindy' did in 1924 with results that might have proved fatal to a less skillful flier."

He never complained about the past, never uttered a vain regret. He considered those words idle and profitless which men employ in pleading against irremediable evils.—Hamerton.
The Outlook for Foreign Dollar Bonds

Available Statistics Show that the Percentage of Default in Foreign Bonds Is Surprisingly Small

The year 1927 was a generally satisfactory one for transportation, industry, agriculture, finance, and perhaps labor. Undoubtedly the most conspicuous trend of the year was shown by the gains made by the large and ably managed organizations, as contrasted with the records of smaller concerns. We read that our country is the richest in the world, the most prosperous in all its history, producing more than half of the world's most essential goods. Our business outlook has unquestionably improved, and at the time this is written security markets seem the better for the pressure applied by the raising of the Federal Reserve re-discount rates. Industry is apparently unconcerned over the coming presidential campaign, and there seems to be no good reason to be dubious over agricultural prospects. The abundance of money available in 1927 with the resultant lowest interest rates that have obtained in the last few years created not only an exceptionally active bond market, but made possible the largest distribution of securities, both domestic and foreign, on record. The previous 5-year average was exceeded by almost 50 per cent, according to some authorities.

If the past year was the best in point of volume of new issues, 1928 so far promises to be even better. The prompt over-subscription of nearly every new foreign offering reflects increased confidence in these securities on the part of the American investor, as well as the constant effort to increase his income. With the trend of bond borrowing pointing to no great acceleration in volume for the near future and with the supply of surplus capital increasing somewhat faster than new issues are made available, it is difficult to conclude other than that the trend of interest rates will continue downward through the current year, with a corresponding rise in bond prices. These have reached the highest level since before the War and there seem to be no signs that the advance is over.

More than $6,000,000,000 of foreign dollar bonds have been placed in this country, exclusive of those of Canada, Mexico and China, which includes securities of 40 countries and over 350 issues, 58 per cent of which are European. In this connection, it must be borne in mind that American capital has been borrowed in large quantities to finance practically every type of governmental, industrial and commercial enterprise, from currency stabilization to construction. Available statistics show that over a long period of years the percentage of defaults in foreign bonds listed on the London Exchange is surprisingly small, and there are very few recorded in the history of dollar bonds outstanding in this country.

The progress made in some foreign countries which were financed by the American investor since the War has in many instances been remarkable. The prejudiced bond buyer might well bear in mind the gradually diminishing yield on domestic securities as compared to that considered adequate on similar obligations.

By JOHN G. GALLAHER
Branch Office Manager,
Blair & Co., Inc., Chicago.

"The investor who is not yet convinced of the attractiveness of foreign securities should remember that the United States is not only the world's most important creditor, but that we have no quarrel with any nation, nor is it likely that any foreign government is seeking our enmity. On the contrary, we are being drawn closer to all foreign peoples by the very richness of our destiny. Distance has been shortened, communication has been widened and made instantaneous, and our prosperity has driven us to seek more opportunities for investment outside our own country."

For many years we have been successfully serving banks and institutions in:

Building up liquid secondary reserves, consisting of sound bonds.

Maintenance of bond accounts at the peak of efficiency.

The partners will be pleased to give the benefit of their long experience in this field to your investment problems.

Chas. W. Moore Wm. H. Burg W. C. Morehead R. B. Smith N. R. Dutson

509 Olive Street

Smith, Moore & Co.

St. Louis, Mo.
of foreign corporations. The traffic lanes of our railroads are more or less permanently established, and no further important mortgage financing for our transportation systems, other than refunding issues, is expected for some years at least. During the past year a tremendous amount of public utility obligations were refunded by new issues carrying lower coupons, usually 4½% per cent. Obviously the next step will be the further financing of similar industries abroad and many bankers predict that junior securities of foreign corporations will become a popular outlet for American funds within the next few years.

The investor who is not yet convinced of the attractiveness of foreign securities should remember that the United States is not only the world’s most important creditor, but that we have no quarrel with any nation, nor is it likely that any foreign government is seeking our enmity. On the contrary, we are being drawn closer to all foreign peoples by the very richness of our destiny. Distance has been shortened, communication has been widened and made instantaneous, and our prosperity has driven us to seek more opportunities for investment outside our own country. These conditions will doubtless continue and relations will become even more intimate. More investors will send their money to Europe, as in the past Europeans sent their savings here to build our railroads and public utilities.

It cannot be denied that greater opportunity for new business and investment possibilities are opening daily throughout Europe and South America. The ban against French loans has now been lifted, and the foundation laid for the return of France to the gold basis as soon as such a step is considered politically advisable. The financial strength of the French republic continues to grow and to be more widely recognized. The Bank of France has reduced its rediscount rate for the second time within 3 weeks, the latest reduction at this writing being from 4 to 3½ per cent.

Many encouraging changes have taken place during recent weeks to account for the increased attention which has been directed toward foreign bonds by the shrewd buyer. Following favorable reports of the Pan-American Conference, South American issues have been particularly active, and new loans from that section are eagerly taken. This Conference has shown that we have more friends than antagonists, and our friends have doubtless increased in number since the visit of our President to Cuba.

Many of the foreign bonds that were difficult to distribute only a few years ago have recently been refunded with lower coupon issues which operations reflect the trend of the foreign bond market. Recent announcements of such operations of France, Chile, Rio de Janeiro, Czecho-Slovakia, Westphalia Electric Corporation (Germany), Paris-Orleans Railway, and others, have all had a stimulating effect upon the market. The economic recovery in Germany undoubtedly would not have been possible in so short a time were it not for the loans made to that government by American and other investors. Furthermore, it is doubtful if Czecho-Slovakia could have successfully floated an internal 5 per

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**Advantages of Investment Trusts**

The purpose of the Investment Trust is to offer to the individual investor by association with many others, and the application of the sound investment principles of diversification and constant supervision under competent management, the advantages of

- Its ability and experience in the science of investment, qualities not often found in the average investor.
- Its facilities for obtaining and acting on information of world markets.
- More favorable markets for the purchase and sale of securities than are available to the average investor.
- Larger possible return on investment.
- We are in a position to furnish additional information on request.

**BAKER, KELLOGG & CO., Inc.**

111 W. MONROE STREET

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BUENOS AIRES
cent loan for the purpose of redeeming its outstanding 7½ per cent bonds had that country not received financial assistance in her time of need. When these facts become generally appreciated, a more favorable attitude than that which now prevails toward foreign bonds will probably be assumed by many of the Middle Western State Departments.

During the past few years, remarkable growth has been shown on the part of eastern banking houses by the expansion of their distributing organizations in the territory served by the Mid-Continent Banker. Most of these houses have representation abroad and consequently have a foreign perspective. Such expansion programs demonstrate confidence in the possibilities of increasing distribution of this type of security in the Middle West. The increase in the holdings of certain Middle Western banks during the past twelve months as proven by the Bond Survey recently conducted by the De Puy Publications, shows an average increase of 92 per cent of such holdings, of which the writer is confident a fair proportion is foreign bonds.

Looking to the future, underlying conditions seem sound, and a substantial tightening of money rates or a really drastic reaction in the stock market can hardly be expected even during an election year. As time goes on the return on foreign securities will doubtless continue to decline until the point is reached where prices are more nearly in line with those of domestic securities of equal merit.

F. A. A. Selects Utica As 1928 Convention City

The board of directors of the Financial Advertisers Association met in Chicago recently and voted to hold the next annual convention of the association in Utica, New York.

Following the meeting it was announced that Carl A. Gode, of the Illinois Merchants Trust Company, Chicago, had been elected as a representative on the National Commission and that I. I. Sperling, of the Cleveland Trust Company, had been made a director, filling the vacancy caused by C. H. Handerson's resignation.

The Financial ad men will hold a full-day session in connection with the annual convention of the International Advertising Association at Detroit, July 8 to 12. The Financial Advertisers Association will also equip a booth at this conference so that the rest of the advertising world may know what the financial group has accomplished and the magnitude of its work.
Looking Ahead With the Public Utilities

In December of 1926 a new production peak was reached by the Public Utility companies of the country, while during last year investors increased their Utility holdings by nearly one billion dollars.

Six factors pointing toward a continuation of the advances made in the prosperity of Public Utility companies are: Increased industrial business, greater industrial diversification, wider adoption by country districts, increased urban use, advance of electro-chemical processes and extended railroad electrification.

Utility bonds can be counted upon to display marked firmness in the face of adverse market conditions.

As specialists in public service corporations with a broad experience of many years we would be pleased to offer information and suggestions regarding present and future investment possibilities. Especially attractive Utility securities are described in our circular G-70.

HOWE, SNOW & COMPANY
Incorporated
NEW YORK CHICAGO GRAND RAPIDS DETROIT
SAN FRANCISCO MINNEAPOLIS

Northwestern National Life Elects New Board Member

Fred C. Van Dusen, of the Van Dusen-Harrington Company—one of the oldest and largest grain firms in the United States—and president of the Minneapolis Fire & Marine Insurance Company, was elected to membership on the board of trustees of the Northwestern National Life Insurance Company at a recent meeting of the board February 17 to fill the vacancy caused by the death of B. F. Nelson, according to an announcement made by O. J. Arnold, president of the company.

Cities Service Company to Issue Stock Rights

The 64,000 holders of Cities Service Company Common Stock will shortly receive Rights to buy additional shares in the ratio of one (1) new share for each ten (10) shares held at a price of $45 per share, according to an announcement made by the Company following a special meeting of the directors. Cities Service common stock is now selling on the market at about $57 per share.

The Rights will be issued to registered holders of record at the close of business on March 28, 1928 and must be exercised on or before April 17, 1928. The shares may be purchased in full or under a partial payment plan.

Aside from any benefits that accrue to common stockholders from the Rights, which cover approximately 431,000 shares, the issuance will provide funds for further expansion, including new construction and additions to the subsidiary properties and for other corporate purposes.

The 72,000 holders of the Preferred and Preference Stock of record on March 28 will be invited to subscribe at the same price of $45 per share, subject to allotment under such regulations as the Board of Directors may adopt, for any or such Common shares as may not be purchased by Common stockholders.

The Rights for Common stockholders as well as blank forms for subscriptions by holders of Preferred and Preference shares are to be in the mails on or about April 1. Cities Service Company has had record earnings in recent years; in 1927, net earnings reached a high mark of $31,952,000. The organization is nation-wide in scope and has more than 100 subsidiary companies which operate extensively in the public utility, petroleum and natural gas industries. It has over 300,000 security-holders and more than 20% of this number own Cities Service Common Stock.
Expansion of the Natural Gas Industry

By HENRY T. DUNN
Manager St. Louis Office, G. L. Ohrstrom & Company

growth and increasing usefulness as a public utility. The steady, and in recent years, rapid increase in consumption of natural gas, in the value of the product used, and in the number of consumers is strikingly shown in the tabulation at the top of the next page.

CONSUMPTION of natural gas in 1926 was over 3.3 times greater than in 1906; in other words, it exceeded that of 1906 by more than 924 billion cubic feet. Sales in 1926 were nearly 3 times larger than sales of manufactured (artificial) gas, and in the four-year period, 1922-1926, consumption almost doubled. During the twenty years covered by the table, the value of natural gas actually consumed showed a corresponding increase, the total for 1926 being more than $250,000,000 above that of 1906. In the same period there was an increase of over 2,800,000 in the number of consumers. These brief but impressive facts may give some idea of the exceptionally record of the natural gas industry which now represents a total estimated investment of over $1,600,000,000.

The primary reason for the remarkable growth indicated by the foregoing statistics is the fact that natural gas is considered the ideal fuel. Wherever obtainable in commercial quantities for domestic and industrial purposes it is the universal choice, for consumers and distributors unanimously agree that natural gas has many advantages over other gaseous, liquid and solid fuels. Among the more important advantages may be mentioned the following:

At current prices, natural gas is the most economical of all known fuels. As compared with manufactured gas, it contains nearly twice the number of heating units per cubic foot; it is therefore approximately twice as efficient, and costs about half as much. It is far easier to handle than liquid or solid fuels, and its use eliminates smoke and ash refuse. In marked contrast with oil and coal, natural gas requires no storage, space, no tying up of indi-
Telephone Securities

The telephone industry supplies an essential public utility service. So urgent has been the demand for this service that telephone companies have had to increase their equipment year after year. In 1876, there were only about 2,500 telephones in operation. Each decade thereafter, this number increased until in 1926 it totaled over 17,000,000 telephones with a consequent steady increase in the earnings of these companies. Well managed and soundly financed telephone companies along with other well established public utilities have the advantage of consistent earnings because of the constant demand for this service.

We will be pleased to send full information regarding several Individual issues of telephone securities.

P.W. CHAPMAN & CO., INC.
115 W. Adams Street
CHICAGO

42 Cedar Street
NEW YORK

ST. LOUIS OFFICE
1103 Boatmen's Bank Building
Telephone, GA rfield 3480

Other factors have contributed largely to the rapid increase in production and consumption. These include the discovery of new gas fields which have greatly increased available supplies; intensive development of the industry, notably in the Southwest, and additional marketing facilities as the result of new pipe line construction, consolidation of properties and interconnection of transmission systems.

While domestic household consumption of natural gas has steadily increased, industrial consumption has taken the larger part of the production. In 1926, approximately 78% of all natural gas used in the United States was consumed by industries. Among the large industrial users are power plants, cotton gins, oil refineries, cement, brick and tile plants, smelters, glass factories, metallurgical plants, etc. Many plants representing various types of industries are consuming from 5 to 10 million cubic feet per day.

Numerous important cities near large sources of supply have been using natural gas for many years. In this connection, it is noteworthy that transportation of gas for distances up to 400 miles has recently been established on a commercial basis. This will undoubtedly result in giving many other cities, now obliged to pay the higher costs of manufactured gas, an opportunity to enjoy the benefits of this “wonder fuel.”

During the past year an outstanding feature in the development of this industry has been the consolidation and interconnection of important natural gas properties, notably in Oklahoma, Kansas and Texas. The American Natural Gas Corporation, for instance, through its acquisition of the Oklahoma Natural Gas Corporation and other gas properties in Oklahoma, Kansas and Texas, became the parent, or holding, company for one of the largest natural gas systems in this country. In fact, the combined properties of American Natural Gas Corporation’s operating subsidiaries constitute one of the largest gas gathering, transmitting and distributing systems in the world. The transmission and distribution lines comprise over 3,400 miles of mains, with 19 modern compressor stations. The properties include gas leaseholds on upwards of 215,000 acres and gas purchase contracts covering more than 125,000 acres of additional reserves. Gas is obtained from more than 1,250 producing wells. In addition, the properties have a call on the Phillips Petroleum Company’s gas reserves in the Amarillo field of Texas, one of the largest gas fields in the world. Such considerations give to this system a factor of safety, with respect to gas supply, that is perhaps un-

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<th>Year</th>
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<th>Value in Dollars at 46,573,932</th>
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<td>1906</td>
<td>388,842,562</td>
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<td>94,155,524</td>
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<td>299,125,000</td>
<td>3,731,000</td>
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</table>
April, 1928

Mid-Continent Banker

53

equalled by any other natural gas system.

Among the fundamental factors which should always be considered in selecting investments are safety of principal and stability of income. The financial history of natural gas furnishes a most impressive record of reliable and profitable return on capital invested in this industry. Furthermore, a recent survey of natural gas securities shows that out of a total of over $225,000,000 of bonds, approximately $100,000,000 have been retired within four to ten years following their issuance, and about 35% of these bond requirements have been effected at premiums ranging from 2% to 10% above par. These results have been accomplished largely through sinking fund (rather than refunding) operations which have created favorable secondary markets. This splendid record shows that the natural gas industry fully deserves the confidence of investors.

Natural gas securities issued during 1926 and 1927 totaled approximately $125,000,000, consisting principally of bonds and debentures and preferred stocks with conversion privileges or stock purchase warrants. Such debentures and preferred stocks have become increasingly popular in the past year or two. This was strikingly indicated by the success of the American Natural Gas Corporation financing which consisted of an issue of 6 1/2% sinking fund gold debentures carrying stock purchase privilege entitling holders, subject to previous redemption, to purchase common stock of the corporation at stated periods and prices. These debentures, which were priced to yield over 6.55%, afforded purchasers an attractive return, and in addition, through the stock purchase privilege, an opportunity to share in the corporation’s profits. The $7 cumulative preferred stock issued by this corporation is convertible at specified terms into the corporation’s common stock, and was offered to investors at a price to yield over 7%. Convertible securities of this kind are steadily growing in favor, since they give investors an opportunity to profit by the increase in value of junior securities while maintaining at the same time a preferred position assuring protection of the principal invested.

Recent natural gas financing included one of the largest bond issues in the history of the industry. It consisted of $14,000,000 Oklahoma Natural Gas Corporation first mortgage 5% gold bonds, Series B, which were offered by G. L. Ohrstrom & Co., Inc., in conjunction with other nationally-known investment houses. This offering was followed by an issue of $7,500,000 Okla-

Mortgage & Securities Co.

Makes Three Promotions

The Mortgage & Securities Company of New Orleans and St. Louis has announced the promotion of three officials. B. M. Jackson has been elected vice-president; Milton M. Egan, vice-president and secretary; and Arnold F. Shuey, assistant secretary.

Mr. Egan has spent a large part of his time during the past five months in the St. Louis office, supervising the establishment of a loan department to operate throughout the St. Louis territory. After receiving his education in New Orleans institutions, he became

Mortgage & Securities Co.

New Orleans - Saint Louis

Speaking with Authority on Safe Mortgage Bonds

Only those with a proven record are qualified to speak ‘with authority.’ When we approve a bond, we speak with authority backed by twenty-three years’ sound experience in handling safe bonds—without loss to any client.

A jury of ten active bankers and business men pass on every issue. This is but one of the exclusive safeguards that make our investments among the most attractive of the day.

You may, without obligation, learn the scope of our service by writing us to send full particulars. Address Dept. F4.
Bonds for Secondary Reserve

State of New York
General Improvement 4s . . . . 1933-53 3.60-3.65%
Orleans Parish, Louisiana
School Board 4 3/8s . . . . 1943-67 4.20%
Interstate Public Service Co.
1st & 2nd Ref. Mtge. 4 3/8s . . . . 1958 4.85%
Standard Oil Co. of New York
Serial Debenture 4 3/8s . . . . 1932-45 4.30-4.60%
McGraw Electric Company
6 3/4% Secured Notes . . . . 1929 5.88%

Descriptive Circulars on Request

A. B. Leach & Co., Inc.
Security Building, St. Louis

Offerings are subject to prior sale and change in price.

Great Western Utilities Corporation

First Lien & Collateral Trust
6% Gold Bonds, Series “A”

The Corporation, through operating subsidiaries, will furnish various public utility services to a group of rapidly growing communities in Southern California adjacent to Los Angeles, and telephone service to 22 cities in Minnesota and Iowa. Total population to be served is estimated in excess of 100,000.

Earnings for 1927 reported at over 2.30 times annual interest requirements.

Independent appraisals of the properties show a sound depreciated value in excess of $1,400,000, or more than 2.30 times funded debt.

PRICE: 100 and Interest to Yield 6%.

E. H. OTTMAN & COMPANY, INC.
Investment Securities
Bankers Building - - CHICAGO

affiliated with the Mortgage & Securities Company as assistant to James L. Hiers, now president of the institution. In 1924 he was placed in charge of the loan department, dealing with financing in the South, with the title of assistant secretary.

His work in St. Louis during the past five months has resulted in the appointment of Victor Cullin, formerly with the Real Estate Mortgage Trust Company of St. Louis, as manager of the loan department for the St. Louis territory. Now as vice-president and secretary of the company, Mr. Egan will maintain his offices in New Orleans and will be in charge of all loans made through the New Orleans office as well as having supervision of all loans made through the newly established loan department of the St. Louis office.

Mr. Egan is a member of the New Orleans Country Club, the Pickwick Club of New Orleans, and the Metarie Golf Club of New Orleans.

Mr. Jackson, who is now vice-president, became connected with the Mortgage & Securities Company in 1920 as farm loan appraiser with headquarters at Monroe, Louisiana. In this capacity he handled the farm loan business of the company with the New York Life Insurance Company and the Penn Mutual Life Insurance Company. He later spent some time in the St. Louis office, returning to New Orleans in July last year.

Mr. Shuey, who has been elected assistant secretary, has for the past four years been in charge of equipment financing for the Mortgage & Securities Company. He holds an A.B. degree from Miami University and a B.S. Degree from Harvard.
Why Railroad Securities Are Becoming Popular With Banks and Insurance Companies

Because of the continual great accumulation of capital in this country banks are compelled to invest in securities about half as much as they loan in the ordinary course of business.

Last June 30, the 27,061 banks of all description, with $68,132,558,000 combined resources, had $37,270,378,000 loans and discounts and $17,255,093,000 investments. Among the investments were $1,659,232,000 railroad bonds. This amount approximates 14% of all railroad funded debt.

Over 19% additional beginning 1927 was owned by 52 leading life insurance companies. Thus some 33% at least of outstanding railroad bonds is held by financial institutions. In five years banks and insurance companies had increased holdings of railroad bonds by an amount nearly 40% of the aggregate issue for new capital.

Consequently, the demand is tending to exceed the supply. Since the primary development of the railroads ended years ago, and since the capital requirements of the immediate future are likely to be met by stock financing where possible, there should gradually appear a more pronounced shortage. Railroads still have a considerably greater investment in property than public utilities but in the last five years $2,476,000 new capital has been raised by the former against $7,388,000,000 by the latter. Of all new funds taken by security issues the railroads had only 8% in this period. The existing bonds become choicer as a result.

Inadequate though the supply may be, there is dealt in weekly on the New York Stock Exchange $20,000,000 par amount of railroad obligations exclusive of equipment trust notes, and this constitutes a third of all bond transactions. With such an active market it is possible to buy or sell most issues constantly at a minimum premium or concession.

A generation ago the vast bulk of publicly owned securities were of railroads. Financial pyramiding and worse abuses, now impossible under the system of regulation, did not destroy faith in essential values. Some of the inherent investment qualifications were considered to be: The necessity feature of the product, transportation; the permanency due to strategic position held by most companies;
Our short term obligations have been purchased by more than 6,000 banks in the United States.

**General Motors Acceptance Corporation**

Executive Office • BROADWAY at 57TH ST • New York City

Capital, Surplus & Undivided Profits • $52,156,000

The Corporate Name of Dawes, Maynard & Company has been changed to Dawes & Company, Inc.

MARCH 19, 1928

39 SOUTH LA SALLE STREET

Chicago

Investment Securities

The conduct of the business on a cash basis without inventory or credit loss dangers; the relatively consistent records of earnings with resulting long uninterrupted payment of dividends; also the physical distribution of the plant over a wide territory diminishing the hazard from local accident or depression. A recognition of these attributes is in the laws made to govern the investments of savings bank and trust funds.

In general, a bond to be legal for saving bank or trust fund investment must be a mortgage and the issuing railroad must operate at least 500 miles, have paid 4% dividends upon its stock for five years, and the total stock outstanding must be at least one-third of total funded indebtedness. Owing to such restrictions, there is a demand for bonds of negligibly better value. For example, the Atchison, Topeka & Santa Fe Ry. general mortgage 4s, which are "legal," are yielding 4.10% while the adjustment mortgage 4% bonds maturing at the same date, but which are not "legal" since interest payments although cumulative are dependent on earnings, are available on a 4.30%-yield basis. Likewise, the Atlantic Coast Line R. R. first 4s due in 1952 sell as "legals" to yield 4.15%, while the issue of 4% bonds due in 1952 having Louisville and Nashville R. R. stock as collateral afford 4.35% yield for the same reason that a collateral trust issue does not meet the legal requirement. The differences in yield are represented by $30 to $40 per $1,000 bond differences in price. In each case the bond is strong enough for any human purpose. Individuals and institutions able to do so avoid so-called "savings bank bonds" inasmuch as the special demand for them results in relatively higher prices.

To consider one bond sound, because it is a first mortgage, and another of lower quality, because it is a debenture, or simply a promise to pay, is a mistake. The name given to a bond has little meaning. The issue of first lien 3½% bonds of the Chicago & Alton R.R. has gone into default, while the outstanding refunding mortgage 3% bonds continue to receive interest. Despite the name, the former bond is a first mortgage on only 85 miles, while the latter covers 593 miles. In the reorganization of the Chicago, Milwaukee and St. Paul Ry. an issue of first mortgage bonds on the Puget Sound extension were forced to take 80% of par value in new bonds not entitled to fixed interest and only 20% bonds on which payment is compulsory. The title of "first mortgage" is without any special magic. After all, the
determinant of bond value is earning power.

Far more than any other investment group, there is available bearing upon railroad securities a great mass of authoritative and standardized statistical data. Reports covering practically every phase of railroad operation have to be filed monthly or annually with the Interstate Commerce Commission in Washington. The larger financial institutions have experts at work continually to digest the voluminous figures relating to car miles, ton miles, loadings, train speed, revenues per ton, fuel consumption, weight of rail, condition of roadway, freight classification, etc. It is possible for an investor to know almost as much about a railroad as the management itself does. Unless these statistics are properly assimilated, however, they are bewildering. A study of income accounts and balance sheets goes far toward ascertaining the relative values of securities.

First, the capital structure of a given railroad should be examined. Today the average capitalization is 57% funded debt and 43% stock. For individual roads, however, some proportions of stock to aggregate capitalization follow: Norfolk & Western 56%, Atchison 56%, Northern Pacific 44%, Illinois Central 30%, St. Louis-San Francisco 16%, and Michigan Central 13%. If other things are equal, a small stock ratio means a large percentage earned on its stock and this is 150% of rents, taxes and interest payments. On the contrary, St. Louis-San Francisco shows a balance of earnings about 35% of similar fixed charges. Where a substantial part of the whole investment in the railroad or any other industry belongs to the owners or stockholders there is greater assurance for the creditors or bondholders.

SECOND, the earning power of the given road is to be considered. Results for a series of years are necessary to bring out the tendencies properly. These accounts of the companies are all kept uniformly and itemize maintenance of way and structures, maintenance of equipment, traffic, transportation, and miscellaneous and general expenses. The last three are out-of-pocket costs, mostly for wages and fuel, and so are to a degree beyond the control of the management. Consequently, they are scarcely less of a fixed charge than

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**Private Wire Connections**

We can give fast and efficient service on all listed and unlisted securities in any market of the United States or Canada. * * The area covered is shown by the following partial list of our private wire connections.

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**TRADING DEPARTMENT**

Lorenzo E. Anderson & Co.

Central 3000 - ST. LOUIS - 711 S. Charles St.

MEMBERS: New York Stock Exchange, New York Cotton Exchange, New York Carb Association, Chicago Board of Trade, St. Louis Stock Exchange

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**Lawrence Stern and Company**

231 South La Salle Street • Chicago

**BOARD OF DIRECTORS**

WILLIAM WRIGLEY JR., Chairman of the Board of William Wrigley Jr. Company

ALBERT D. LASKER, Chairman of the Board of Lord & Thomas and Logan

CHARLES A. MCCULLOCH, President of The Parmelee Company

JOHN HERTZ, Chairman of the Board, The Rambler Corporation and Yellow Cab Company

HERBERT L. STEIN, President of Baldwin & Katz Corporation

CHARLES S. PEARCE, President of The Palmolive-Peet Company

H. HANSELL HILLYER, Vice President

ALFRED ETTINGER, Vice President

JOSEPH J. RICE, Vice President

LAWRENCE STEIN, President

This company conducts a general securities business, originating and participating in high-grade investment issues.
interest, rentals and taxes. If altogether 50% of operating revenues plus so-called “other income” is taken by these fixed or semi-fixed charges, there remains 50% to apportion for maintenance, dividends and surplus. Proper maintenance is usually found to require 30% to 35% of total income. Perhaps, however, 15% of income expended to maintain a roadway in one case may be more actually than 20% in another; $2,000 per mile may mean better upkeep than $3,000 in another instance; doubling the density of traffic does not call for doubling the maintenance necessarily. Usually the maintenance of equipment is related to the service performed in miles run per car and per locomotive, but the condition of shop facilities and the types of rolling stock make for differences. The integrity of net earnings depends upon the adequacy of maintenance. Soundness both in earning power and capitalization is indicated when over a period of years a railroad shows 20% or less of total income absorbed by interest, rentals, and taxes, and 10% or more remaining for dividends and surplus. This is not the same proposition as earning 50% over charges, for in a given instance the operating expenses might consume 85% of income, and charges 10%, leaving 5% surplus, which a moderate reduction of earnings might quickly wipe out.

Signs at present point to materially higher price levels for good railroad bonds. Little more than twenty years ago the best 4% issues sold around 110 and the 5% issues at 120 level. The investing official of the Metropolitan Life Insurance Company recently stated that his company owned $910,000,000 of city mortgages yielding 5.73% average, and $849,000,000 of various bonds yielding 4.98% average. From its bonds the company averaged 4.49% yield in 1909 and it recognizes the possibility of a similar yield situation to come. Fifteen high grade railroad bonds in 1902 averaged 3.86% yield. The average in 1920 was 5.79% for the year and as high as 6.11% in one month. By the end of 1927 this yield had declined to 4.17%. The days of “5% and safety” are too recent to be forgotten easily but the old fashioned 4% seems to be coming into its own again and ideas must be revised.

Two Employees Promoted by International Life

Miss Minnie Ernst, cashier of the International Life Insurance Company, recently was promoted to assistant comptroller, having charge of the general and income sections of the comptroller’s office, according to an announcement made by W. F. Grantges, first vice-president and general manager.

Miss Ernst, upon leaving the public schools in St. Louis eleven years ago, started in the cashier’s department writing checks. Since that time she has risen to the position of cashier of the company and has a large force of clerks under her jurisdiction.

Mr. Grantges also promoted Joseph Jacques as an assistant comptroller, having charge of the disbursements and bookkeeping sections of this department. On March 23, 1923, Jacques joined the bookkeeping department of the International. Later he was placed in charge of disbursements and has maintained a high degree of efficiency in this work.

Jaeger Elected Director of Bankers Life Company

William W. Jaeger, vice-president and director of agencies of the Bankers Life Company, has been elected as a member of the board of directors to fill the vacancy created by the death of the late Judge William S. Ayres.

Mr. Jaeger will soon complete his twenty-fourth year of service with the Bankers Life Company. He started as a salesman in July, 1904. Success with the rate book brought him promotion to the post of agency manager in 1909, and six years later he was named special field representative. He became a regional sales manager in 1918, and in 1922 came to the home office in Des Moines as general sales manager. Two years ago he was elected vice-president and director of agencies.
Victor Cullin Is Now With Mortgage & Securities Co.

Victor Cullin, who recently resigned as assistant to the president of the Real Estate Mortgage Trust Company, has been appointed by the Mortgage & Securities Company, of New Orleans, to represent their mortgage loan department in St. Louis and surrounding territory.

Mr. Cullin is widely known through his activity in making large loans for the Real Estate Mortgage Trust Company. His new connection will embrace not only the making of business loans in towns of 5,000 or more population in the central states but also the making of residential loans in St. Louis. Insurance and trust accounts as well as wide distribution facilities assure a substantial supply of funds at all times.

The Mortgage & Securities Company was organized in New Orleans in 1904. A steady growth based on conservative investment principles has made them one of the leading mortgage banking houses of the South and, they having been confronted with a demand for investments in excess of their ability to get enough suitable loans in the South, have therefore selected St. Louis as the first step in their expansion program.

Mr. Cullin will have offices with the sales staff, now located at 503 Boatmen's Bank Building. The Mortgage & Securities Company established a sales representative in St. Louis some three years ago and, from a modest beginning this staff grew to such an extent that it was found necessary to give up the original offices on the ground floor of the Security Building to secure greater space in the Boatmen's Bank Building. The present offices were opened February 28, 1928.

Fred Krone, former president of the Shaw Bank and with the firm of Friedman D'Oench & Duhme, Investment Bankers, both of St. Louis, is manager of the St. Louis office. His staff consists of Albin P. Crowe, H. L. Morehead, A. W. Hoffman, H. J. Karraker, E. E. Peugnet, F. B. DeCamp, Jr., and R. E. Powers.

The new offices have been attractively furnished. Complete equipment has been installed to render borrowers, as well as investors, every service and advice based on twenty-four years of operation in the investment banking field.

Wish I Had

Father: “Well, do you think you can make my daughter really happy?”

Sui: “Say, you should have seen her last night?”

I. I. Sperling Elected Director of Financial Advertisers

I. I. Sperling, assistant vice-president of The Cleveland Trust Company, was elected a director of the National Financial Advertisers Association at the annual mid-winter conference of directors held in Chicago.

Utica, New York has been selected as the site of the 1928 convention of the association, the dates being September 17-20.

Carl Gode, of the Illinois Merchants Bank, Chicago, was elected a member of the National Advertising Commission.

The next meeting of the Board will be held in Detroit in July at the annual convention of the International Advertising Association.

MORE than 2,000 banks of the United States purchase these notes for prime, short-term investment.

Checkings available in any financial center and complete credit data on request.

Industrial Acceptance Corporation

Collateral Trust Gold Notes

(THF NATIONAL city bank OF NEW YORK, TRUSTEE)

Executive Offices

GRAYBAR BUILDING, NEW YORK

[Lexington Avenue at 43rd Street]

Commercial Paper Offices

NEW Y ORK  DALLAS  MINNEAPOLIS  SAN FRANCISCO

CHICAGO  105 South La Salle Street

ST. LOUIS  Boatmen's Bank Building
We are prepared to furnish accurate quotations, and prompt executions of buying or selling orders for listed bonds.

The experience acquired during our fifty years in the investment field is also at the disposal of our clients.

Listed Bonds

St. Louis Stock Exchange

OFFICIAL QUOTATIONS

<table>
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| Fourth & Olive Streets Kennedy Building TULSA

Francis, Bro. & Co.

Investment Securities

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Mailing Lists

Advertise in the MID-CENTINENT BANKER
Wm. Edens Gets Travelling Fellowship of A. B. A.

The American Bankers Association has established a travelling fellowship in the Graduate School of Business Administration of Harvard University for the purpose of further investigations into causes and remedies for bank failures and an appropriation has been made to defray the expenses of the work. On recommendation of O. M. W. Sprague, Acting Dean of the school, William McKinley Edens has been ap-

 pointed to the fellowship and will begin the work of the investigation in June.

The first part of the investigation will cover the Chicago Federal Reserve district, which comprises the states of Illinois, Wisconsin, Iowa, Michigan and Indiana. It will be directed toward conditions particularly relating to areas where there have been numerous country bank failures and will seek to develop results especially helpful to them. Mr. Edens will be advised in the prosecution of his work by Acting Dean Sprague, who last year conducted an extensive investigation on national lines into the problem of bank failures under the direction of the Economic Policy Commission of the association. The commission’s recommendations as based on Mr. Sprague’s findings were presented to the national convention of the association last fall at Houston, Texas, and were unanimously endorsed in its general resolutions.

Mr. Edens is a graduate of the University of Illinois and a former bank examiner in Iowa, where he made an exceptional record for efficiency and acquired extensive first-hand understanding of the territory and conditions he will investigate. He has made an out-

Mid-Continent Banker

April, 1928

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Twenty-Year 5½% Sinking Fund Gold Debentures
Series A due March 1, 1948
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*First Mortgage Real Estate Bonds*

---

**Municipal Financing for February Shows Decline**

New state and municipal bond issues reported approved during the month of February totalled $8,204,600, as compared with $15,326,500 during the same month in 1927 and $5,506,000 in February, 1928. This total embraces the financing operations of seventy-six municipalities located in twenty-three states, according to The Daily Bond Buyer, of New York.

During the same period, bonding propositions calling for loans aggregating $6,951,500 were defeated by the taxpayers of forty-three municipalities located in twenty-three states. The total of bonds defeated during February last year was $4,963,500, and the total for February, 1928, was $945,000.

In addition to a large number of issues of small amounts the following important loans were approved: $1,000,000, Peoria, Ill.; $995,000, Watertown, N. Y.; $600,000, Malone, N. Y., Sch. Dist.; $400,000, Union Co., Miss., and $400,000, Muskogee, Okla.

The larger issues defeated were: $790,000, St. Petersburg, Fla.; $700,000, St. Clair Shores, Mich., Sch. Dist.; $431,000, West Babylon, N. Y., Sch. Dist., and $300,000, Oconto Co., Wis.

A tabulation of the total amount of bonds approved by months for the past two years is given below:

<table>
<thead>
<tr>
<th>Month</th>
<th>1928</th>
<th>1927</th>
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<tbody>
<tr>
<td>January</td>
<td>$14,140,000</td>
<td>$11,909,900</td>
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<tr>
<td>February</td>
<td>8,204,600</td>
<td>15,326,500</td>
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<tr>
<td>March</td>
<td>23,615,072</td>
<td>75,775,049</td>
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<td>April</td>
<td>79,033,200</td>
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<td>May</td>
<td>73,185,000</td>
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<td>June</td>
<td>33,545,000</td>
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<td>July</td>
<td>21,985,000</td>
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<td>August</td>
<td>13,372,948</td>
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<td>September</td>
<td>12,017,500</td>
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<tr>
<td>October</td>
<td>127,623,950</td>
<td>127,623,950</td>
</tr>
</tbody>
</table>

**Totals** | **$22,344,600** | **$560,714,514**

---

**General Motors Sales Show Continued Increase**

Retail sales by General Motors dealers to consumers in February were 132,029 cars. This compares with 102,025 for February, 1927, a gain of 30,004 cars, or 29.4%. Gains by practically all car divisions have contributed to this result. In February sales by General Motors Divisions to General Motors dealers totalled 169,232 cars. This compares with 124,426 for the corresponding month a year ago; a gain of 44,806 units, or 36.0%.

Whatever I may possess, I will neither hoard it greedily nor squander it recklessly.—Seneca.
Financial Stock Investment Trusts

Problem of Administering Trusts Based on Stocks of Financial Institutions Is Somewhat Complicated

By JOHN F. FOWLER, JR.
Throckmorton & Company, New York

The article on this page is the fourth of a series on American Investment Trusts written especially for the Mid-Continent Banker by Mr. Fowler. The title of the first article was "The Investment Trust in America." The title of the second article was "The Common Stock Investment Trust." The title of the third article was "Which Is the Better Type of Investment Trust—Fixed or Discretionary?" The fifth and last article will outline a typical Americanized investment trust and discuss the various factors of safety provided therein.—Editor's Note.

W e have discussed, in previous articles, the fundamental distinctions between the British type of investment trust and the so-called Americanized trust, wherein the investments are deposited with a trust company as trustee or custodian. Within this major classification, however, there are almost as many subdivisions as there are investment trusts themselves.

One important distinction relates to whether the sponsors have discretion in changing the securities in the fund; and, if such discretion is given, the degree to which the powers of management are restricted. Another distinction, of no less importance, concerns the nature of the securities in the portfolio.

Most of the contractual trusts, as we have pointed out, confine themselves to the purchase of common stocks in railroad, public utility and industrial corporations. Others, however, specialize in bank stocks or insurance stocks.

N ow, the idea of creating an investment trust based on stocks of financial institutions is recent and, to say the least, ingenious. For example, it is pointed out that banks in themselves are in the nature of investment trusts, since their funds are invested in bonds of wide geographical and industrial diversification. To the income which banks receive on their investments, there is added the profit from loans and discounts and other commercial banking transactions. The large modern bank, too, has its trust department and its securities department, and each of these is profitable.

Statistics have been prepared to demonstrate the tremendous growth in value of bank stocks over the past few decades. Bank stocks, however, involve double liability on the part of shareholders, and this is a problem which the investment trusts have not overcome.

Insurance companies, particularly those engaged in fire and accident insurance, comprise another group which of late has been popular among investment trusts. Like the bank, the insurance company invests its assets in a highly diversified group of enterprises; and, in the case of fire and accident companies,
the investments are largely in common stocks.

Most people are not aware that the underwriting business of these companies is generally unprofitable and frequently represents a loss from year to year. Yet their shares have increased in value beyond all bounds of expectation. The reason is that it pays the insurance company to solicit premiums, even at a small loss to itself, since by the investment of this money it can make for itself a substantial profit.

BANK and insurance company stocks are not generally listed but are traded “over-the-counter.” Hence, the problem of administering an investment trust based on stocks of financial institutions is somewhat complicated. It is always difficult to determine the exact market price of a bank or insurance stock; in fact, there may be as many separate markets as there are over-the-counter houses trading in that stock. Moreover, the price of such stocks is invariably high; sometimes over $1,000 per share. Unavoidably, there is a wide spread between the bid and asked prices.

Let us take some recent published quotation of bank and insurance company stocks by way of illustration:

A Finger on the Pulse of the Nation’s Business

Economists seem somewhat puzzled by the strange cross currents running through business at present. Though money rates were tighter in February, and in spite of much talk of unemployment, business in many lines increased.

Again, banks of the East are warned that interest on savings must be reduced if deposits are to be re-invested at even a slight profit, because low interest rates on bonds are here to stay.

The forward-looking banker, who must be posted on all phases of finance and who must keep his funds working at the best possible rate, will find this organization well equipped to furnish full information on all types of securities and timely reports on market conditions.

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ST. LOUIS

CHICAGO NEW YORK BOSTON PHILADELPHIA DETROIT MILWAUKEE MINNEAPOLIS SAN FRANCISCO

April, 1928

Banks and Trust Companies

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<thead>
<tr>
<th>Bank</th>
<th>Bid</th>
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<td>Chase National</td>
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<td>Farmers Loan &amp; Trust</td>
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Insurance Companies

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<th>Spread</th>
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<td>Aetna Life</td>
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<td>Connecticut General Life</td>
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<td>Fidelity &amp; Casualty</td>
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<td>Franklin</td>
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<td>Hanover</td>
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<td>Hartford Fire</td>
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<td>815</td>
<td>10</td>
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<tr>
<td>Home</td>
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<td>580</td>
<td>10</td>
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<td>Maryland Casualty</td>
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<td>National Casualty</td>
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<td>Phoenix</td>
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<td>Rossia</td>
<td>175</td>
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<td>Sun Life</td>
<td>1900</td>
<td>1950</td>
<td>50</td>
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<td>Travelers</td>
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<tr>
<td>United States Casualty</td>
<td>390</td>
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<tr>
<td>United States Fidelity &amp; Guarantee</td>
<td>350</td>
<td>360</td>
<td>10</td>
</tr>
</tbody>
</table>
Do Christmas Club Savers Spend All of Their Money Foolishly?

As an answer to those who contend that the theory of the Christmas Savings Club is all wrong, that there is no use in urging people to save for a year and then have them spend it all in an orgy of Christmas buying, Minnie A. Buzbee, manager of the business extension department of the American Southern Trust Company of Little Rock, Arkansas, wrote an article which appeared in the March issue of the "Burroughs Clearing House" in which she proved that in Little Rock, at least, people do not spend all of their Christmas savings.

According to Miss Buzbee, a large part of the money saved through Christmas Savings Clubs goes into permanent savings. In her articles she points out a number of interesting cases. One person uses the Christmas Savings Club money to pay interest on a mortgage. Several use their money by depositing it in permanent savings accounts. Other interesting uses are quoted from her article in the "Burroughs Clearing House."

"Each year sees an increasing number of substantial business and professional men enrolled in our club. There are a number who take out as many as four $5 or $10 a week accounts. One of these is intended—in the beginning and not as an afterthought—for an insurance premium, one for taxes and one for the family Christmas expenses."

"A woman told us recently that she and her husband had combined their checks and made the first payment on a home. Ever so many save for taxes and insurance and open a club account each year for charity. A saleswoman has three nieces in a small town who need what help she can give them. In telling us about it she said: 'I can't spare a large sum from my salary at any one time, and if I sent small sums each month, the money might be wasted, and they need it too badly for that. So I put that sum into three Christmas savings accounts. At Christmas I send each her own check, the largest check going to the oldest girl. It is doubly appreciated coming at Christmas time, and it is usually enough to buy most of their school clothing with a little left over for Christmas. I don't see how I could help them so well any other way.'"

In her article Miss Buzbee tells how the bank does its part in keeping the Christmas Club money from being spent foolishly: "We feel that the bank is partly responsible for the amount of Christmas savings that stays with it. During the summer we sent out two letters to Christmas savers—one to those whose accounts were up to date, congratulating them and calling attention to the advantages of the club; another to past due savers urging that they catch up before the end of the year. Just before the checks were ready we sent a letter to all members of the club, announcing the date of payment and suggesting that they be as good to themselves as to others, and save a part of their funds, and at that time we invited them to join the 1928 club.

"Club members are asked to call at the bank for their checks. We think this a better plan than mailing the checks. If cashed away from the bank more of it is apt to be spent. When Club members come into the bank for the check, it is easy for them to leave a part or all in the bank. The tellers suggest permanent savings and entry in the club for the new year. Our present members are always the first to join the new club."

C. H. Sanders, who has been president and the active head of the Park National Bank, Sulphur, Okla., for several years past, has resigned.

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BONDS - SHORT TERM NOTES - ACCEPTANCES
Phillips Is Now With First National of Louisville

S. Albert Phillips, of Frankfort, Kentucky, for the last four years deputy banking commissioner of that state, has resigned to join the staff of the First National of Louisville as vice-president in charge of the Bank Relations Department, according to Embry L. Swearingen, president of the First National group of financial institutions, which includes the Kentucky Title Trust Company, Kentucky Title Company, First Kentucky Company, and others.

Prior to becoming connected with the Kentucky banking department, Mr. Phillips was for five years assistant cashier of the First National Bank at Corbin, Kentucky. He entered the Corbin bank after returning from seventeen months' service in France during the World War. He began his banking career at Stanford, later going to the Phoenix-Third National Bank of Lexington, from which bank he resigned to volunteer for military service.

Mr. Phillips is a native of Laurel County. He was educated in the public schools and the Sue Bennett College and Cumberland College, Williamsburg, both Kentucky institutions. He made an enviable record as deputy banking commissioner, according to his superiors, as he was instrumental in placing State Banks on a sounder basis by eliminating unethical and sharp practices. He is a Mason, Knight Templar, Shriner, and a member of the American Legion Post at Frankfort.

H. H. Sluiks, examiner in the Banking Department, succeeded to Mr. Phillips' position as deputy commissioner.

Mr. Phillips won many friends among Kentucky bankers in the course of his work in the Banking Department and they rejoice in his progress in his chosen field. His selection as head of the First National's Bank Relations activities indicates that this institution, the oldest National Bank in the South, is making a strong effort to increase its business with the bankers of Kentucky and adjoining states.

This is one of the steps following logically on the completion of the Banks' new home last November. Their progress in the past few years is the subject of comment among bankers, its stock being quoted at 850 on the Louisville market, an increase of 150 points in less than a year.

The combined deposits of the First National and Kentucky Title Trust have increased 385% in ten years; their total resources are now above the $38,000,000.00 mark.

San Diego Company Shows Gain in Customers in 1927

Forty-six hundred and five electric customers and 2362 gas customers were gained by the San Diego Consolidated Gas and Electric Company during the year 1927, according to A. E. Holoway, superintendent commercial department. A total increase of 8205 kilowatts in connected load resulted.

Six electric appliance stores were opened by the company in 1927, at Oceanside, Escondido, Coronado, Chula Vista, La Mesa and La Jolla.
<table>
<thead>
<tr>
<th>Security</th>
<th>Bid</th>
<th>Asked</th>
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<tr>
<td>Alabama Pr. Co., 5s, 1951</td>
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<td>103 1/4</td>
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<tr>
<td>Albert, (Canada), 4% s, 1952</td>
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<td>104 1/2</td>
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<td>Amer. Chain Co., 6s, 1951</td>
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<tr>
<td>American Ruland, 4% s, 1954</td>
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<td>Amer. Roll Mills Co., 3s, 1958</td>
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<td>Amer. Smelt &amp; Ref Co., 6s, 1955</td>
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<td>Amer. Tel. &amp; Tel., 4%, 1929</td>
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<td>Amer. Tobacco Co., 4s, 1951</td>
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<td>Argentina, 4%, 1952</td>
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<td>Associated Oil Co., 6s, 1951</td>
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<td>Austin, 5s, 1943</td>
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<td>Bald Loco, Wks, 5s, 1940</td>
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<td>Bexar County, 5s, 1951</td>
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<td>Berlin E. &amp; U. N. R., 5%, 1956</td>
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John Sherwin, chairman of the board of the Union Trust Company of Cleveland, is not a believer in volume for volume’s sake, in the operation of a business, unless the securing of that volume also shows a profit. He says that one of the greatest difficulties with business during 1927 was the over-straining after volume at a loss. This is good philosophy to apply to those banks that have endeavored to secure a large volume of deposits without any thought to the cost of obtaining the business.

Deposits which can be secured and handled at a profit are the only kind of deposits worth having.

Oscar S. Meredith, vice-president of the Bank of America of New York, has made a very interesting analysis of the financing of installment sales.

In illustrating what he had to say in a recent article, Mr. Meredith told the story which took place on the sixty-sixth wedding anniversary when the husband said, “Mary, see that engagement ring I gave you sixty-six years ago; well, I paid the last installment on it yesterday, and you may now, for the first time, say you really own it.”

A recent analysis of the 50 largest banks in the United States, indicated that 21 of the 50 banks are located in New York. Four of the 50 are located in Chicago, 4 in Boston, 3 each in Cleveland, Detroit and San Francisco, and 2 each in Philadelphia, Buffalo and Pittsburgh, and 1 each in St. Louis, Providence and Newark.

The bank having the largest amount of deposits in this group of 50 is the National City Bank, with over a billion dollars in deposits, and the bank with the smallest amount of deposits in the list of 50 is the Wayne County and Home Savings Bank of Detroit, with $111,000,000.00 in deposits.

While New York still maintains its supremacy as the financial center of the United States, it is interesting to observe that the 50 largest banks in the United States are scattered from coast to coast.

In the United States we annually spend $87 on each student for his education. Norway spends $83; Holland $70 and New Zealand $58. Consequently, there are other countries that spend more money for school systems than we do. In Turkey and Russia and other backward nations, they spend from 25c to $5.00.

There is no better investment than an investment in education and the United States, which is the richest nation in the world, should not object to preparing its citizens of tomorrow with every possible educational advantage.

The business of farming is still the biggest business in the United States, as indicated by the fact that for the last fiscal year the products of the farm amounted to twelve billion dollars. More than a billion dollars was paid to labor on the farms of this country. The rent and interest items were more than the four largest corporations paid on their bonds.
J. M. Appel, president of the Illinois Bankers Association, is working strenuously to carry out the association’s platform for a comprehensive credit bureau in every county federation, and clearing house supervision and examination for every bank.

Such a platform could well be adopted by every state bankers’ association which has not already taken up the credit bureau idea, to say nothing of better and more frequent examinations of every bank.

The public has a right to demand that its financial institutions shall be operated on a sound and safe basis. It is up to the bankers of the nation to take the necessary steps to bring this about, rather than to have unsatisfactory legislation forced upon the banks from the outside.

October 1, 2, 3 and 4 are the dates of the annual convention of the American Bankers Association, which this year will be held in Philadelphia. The convention, as usual, starts on Monday.

The Bellevue-Stratford hotel is to be convention headquarters.

Guy E. Bowerman, vice-president of the Hibernia Securities Company of New Orleans, believes that there must be some changes in the present banking methods if our unit banks are to continue indefinitely. “We must understand,” says Mr. Bowerman, “and appreciate that there should be more bankers in the banking business; that there should be fewer and stronger banks; that the general adoption of better banking methods is imperative; that greater care should be exercised in investing the applications and fitness of those applying for bank charters.

“There should be non-politician banking boards in every state and there should be sufficient compensation and longer terms in office for bank superintendents.”

These are excellent suggestions, and the sooner we learn that special training should be required for those entering the banking business, the same as for those entering the practice of medicine or law, the sooner will we be on the right road in this country towards improving the management of our financial institutions, and also be taking one more step that will insure the maintenance and continuance of the independent banking system of this country, which has helped to make this the greatest nation on earth.

R. G. Dun and Company, in analyzing bank failures in 1926 and 1927, bring out the very encouraging fact that banking institutions which suspended operations during 1927 numbered 393, with indebtedness of $143,449,246, compared with 608 bank failures in 1926, when the amount involved was $212,074,999.

The report also indicates that the Central West showed the greatest improvement where there were 146 fewer suspensions than in 1926. Increased bank failures, however, were shown in the Central East and on the Pacific coast, according to this report.

C. W. Sills, vice-president of Halsey, Stuart and Company, believes that bond financing in 1928 will exceed the new high record of 1927 which was over $7,750,000,000.

We are the greatest nation of bond-buyers on earth, and great care and caution should be exercised by every banker to see that he buys only those bonds which will stand the test of time.

If you think Germany is having a hard time of it since the war, you will perhaps be interested to know that there are 1,820 millionaires in Germany, and that 525 of these millionaires live in Berlin. This was recently made public by the German statistical bu...
rean. There is no need to worry about Germany. She is coming back and coming back fast.

R. E. Chambers, vice-president of the National Shawmut Bank of Boston, in a recent communication, tells of the very wonderful service which his institution rendered to the citizens of Fall River, Mass., after the devastating fire which wiped out the main business district of that thriving city.

The bank not only sent money but sent bank fixtures and equipment by truck.

Of course the money and equipment was available for any of the banks in Fall River to use, whether correspondents of the Shawmut or not, and the many favorable comments Mr. Chambers and fellow officers have received, is proof that their efforts were highly appreciated.

Lewis Gawtry, President of the Bank of Savings, and Frederick P. Small, President of the American Express Company, have been elected directors of the National Bank of Commerce of New York.

George E. Roberts, Vice-President of the National City Bank of New York, in giving his prophecy for the 1928 business outlook says, "The situation in agriculture is better now than a year ago. The northwestern states have harvested the best crops in five years and for the first time since 1919 the entire livestock industry is on a profitable basis. The dairy interests have enjoyed stable prosperity throughout all the vicissitudes of recent years. On the whole, agriculture is more nearly in a balanced and normal position than it has been since 1920."

The political demagogues will now have to yell and rave and orate on some other subject than farming with the present prosperous conditions which now prevail.

Robert E. Gamble is now the Western Representative of the Shawmut Corporation of Boston, in charge of their Chicago office at 209 South LaSalle Street. Mr. Gamble is well and favorably known to the bankers of the Middle West where he has been interested in the bond and investment business for many years.

Charles M. Ashton, Norman T. Hayes, and Francis J. Rue have been elected vice-presidents of the Philadelphia Girard National Bank. They formerly were assistant vice-presidents.

Dr. Harry Emerson Fosdick to Address Bankers

Rev. Harry Emerson Fosdick, pastor of Park Avenue Baptist Church, New York, will be the speaker at the family dinner of the Executive Council meeting, American Bankers Association, it is announced by President T. R. Preston, of the association. The council meeting will be held April 16-19 at the Bon Air-Vanderbilt Hotel, Augusta, Georgia, and the dinner is set for the evening of April 18.

Dr. Fosdick in addition to occupying a position as a distinguished clergyman is professor of practical theology at the Union Theological Seminary in New York and is also the author of many religious works.

The Executive Council meeting of the American Bankers Association is one of the most important national gatherings for bankers. Bank representatives attend from all parts of the country in proportion to banking membership in the Association in each state and a large part of the administrative business of the organization is transacted, reports being received from all the divisions, sections, commissions and committees of the general body.

Faint Hope

"John, I hope I didn't see you smiling at that creature who just passed."

"I hope you didn't, m'dear."

---

Stock Yards of National Importance

Metropolitan St. Louis handles somewhere from seven to eight million head of livestock annually. The National Stock Yards alone—15 minutes from the financial center of St. Louis—do a business valued at more than Two Hundred Million Dollars a year.

LIBERTY CENTRAL TRUST COMPANY

A Large Modern Bank with every Financial Service

Broadway and Olive ~ St. Louis
Southern Trust Conference
Chattanooga, April 20-21

The First Southern Trust Conference, under the auspices of the Trust Company Division, American Bankers Association, will be held in Chattanooga, Tennessee, April 20 and 21. Trust companies and banks in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee will be invited to participate in the sessions.

Equitable Trust Appoints Chicago Manager

The Equitable Trust Company, of New York, announces the appointment of Ralph B. Wells as manager of its Chicago office. Heretofore Mr. Wells has been special representative of the company's investment service to banks and institutions in the Chicago territory.

Ralph B. Wells

Mr. Wells, a native of Michigan, has spent his entire business career in the field of banking. Gaining his early experience in the Middle West with Blair & Company, he later assumed charge of the bond department of the Fidelity Trust Company, of Knoxville, Tenn., and subsequently became connected with the Atlanta office of the Bankers Trust Company of New York.

Citizens and Southern Votes Capital Stock Increase

An increase in the capital stock of The Citizens and Southern National Bank and the Citizens and Southern Company of Georgia, and the forming of a new holding company is the purpose of a $2,000,000 new stock issue recently recommended by the directors of The Citizens and Southern National Bank. The new stock will be an issue of 10,000 shares at par $100 and will be sold to present stockholders at $200 per share—each of the present shareholders being entitled to buy one new share for every three shares now held.

According to an announcement made recently by Mills B. Lane, president of the bank, $400,000 of the new issue will be used in organizing a holding company to be owned and controlled by the stockholders of the bank. The stock in this company will be placed with trustees to be held in trust for the stockholders of the bank. A hundred thousand dollars will also be added to the capital of the Citizens and Southern Company. The rest of the issue is to increase the capital of The Citizens and Southern National Bank from $3,000,000 to $4,000,000 and its surplus from $2,500,000 to $3,000,000. These increases, together with undivided profits, will give the bank total capital, surplus and undivided profits of $7,700,000.

The Citizens and Southern National Bank is the largest bank south of Philadelphia and east of the Mississippi, ranking 86th among the 100 largest banks of the United States.

The recent statement of condition of the Guaranty Trust Company of New York shows total resources of $793,991,023.23. Deposits are more than $633,700,000. Capital is $30,000,000 and surplus and profits amount to more than $37,468,000.

Attention to Details

This bank has innumerable facilities you probably would never require but they are here in case you do. Thousands of credit files, prompt collection service, complete investment information, are only a few of the ways in which we are able to serve you.

We are equipped to give you prompt intelligent service even in the smallest detail.

The Foreman National Bank
The Foreman Trust And Savings Bank

La Salle and Washington Streets, Chicago

Resources Exceed 100 Million Dollars
Interchange of Credit Information

By WILBUR W. POPE
Assistant Cashier, Hibernia Bank & Trust Company
New Orleans, La.

THERE are many things to be taken into consideration in answering credit inquiries. In the first place, when an individual or concern establishes a relationship with a bank there is a certain amount of confidence or trust implied. In other words, a bank is not at liberty to promiscuously disseminate information about its clients' affairs. On the other hand, there exists a perfect right on the part of the client to refer others with whom transactions are contemplated to the bank for information about himself—what we ordinarily term giving the bank's name as reference. Under these circumstances, it therefore becomes more or less the bank's duty to its client to answer inquiries correctly so far as the bank's information goes. I do not mean to infer that the bank is called upon to recommend a client—this would be purely a matter of judgment or policy—because recommending a client for credit or giving information that might influence the judgment of someone else are two entirely different things.

Suppose a man should present himself to you and apply for a loan, indicating at the time that he was formerly a customer of a certain bank perhaps well known to you. You would of course communicate with the bank of reference for information, but would not be satisfied with an expression from the bank merely to the effect that the party in question was considered good for the amount involved. An opinion is all right in its place but its place is after the facts.

It is unfortunately a fact that credit inquiries are regarded by some banks more or less in the light of a nuisance. Some apparently take the position that they owe nothing to an inquirer, and actually I have in instances observed a resentful attitude on the part of some banks to whom I have addressed inquiries that could not possibly have been construed as anything other than entirely legitimate inquiries. But this sort of thing is unquestionably getting to be a thing of the past.

The trouble heretofore has been largely due to a lack of a feeling of absolute confidence in answering inquiries. This has had two main angles, one being fear as to whether information, particularly of an unfavorable or derogatory character, would be used with proper discretion, and the other doubt as to the reason behind or prompting the inquiry. No one can be blamed for not fully answering an inquiry in either event. So the fault has been to a large extent with those making inquiries rather than with those who have failed to properly answer them.

This fact has been recognized by the Robert Morris Association, an association of bank credit men, and they have accordingly embodied in their code of ethics the absolute rule that: "Every letter of inquiry should indicate in some definite and conspicuous manner the object and scope of the inquiry."

In other words, it is a flagrant breach of the ethics of that organization, which comprises some six hundred odd banks of the country, to write a letter of inquiry without giving the reason that prompted it.

It is enough for a bank in making an inquiry for its own account to indi-
cate what has prompted its interest in a subject of inquiry, but we in the larger banks are called upon to make so many inquiries for clients, that it is wholly impracticable always to get the details of a transaction contemplated.

So it is ordinarily considered enough from an ethical standpoint to merely indicate that information is desired for a client. It has been easy to observe, however, that much better reports are forthcoming in instances where reasonably full reasons for the inquiry are stated—that is to say, where the exact nature of the contemplated transaction is outlined.

My view is that the whole question of cooperation in the interchange of credit information largely resolves itself into a proper understanding of the reason for the inquiry and the assurance that the information will be properly used.

Large Block of French Line Shares to Be Offered in American Market

Interesting news comes from Paris that a group of American and French bankers have been formed to introduce in the American market a large block of shares of the French Line—Compagnie Generale Transatlantique—in the form of American certificates. The group will be headed by The Equitable Trust Company of New York, J. A. Sisto & Company and the Banque Transatlantique.

The French Line was organized in 1855 and is one of the oldest and most important lines operating between the United States and Europe. It owns a fleet of about 100 ships with a tonnage of well over half a million tons and owns and controls shipping aggregating over 700,000 tons. Its newest ship, the very popular Ile de France, is now on its way to America. Its lines connect France with many ports in Europe and on the east and west coasts of the North and the South American continents.

The Company's earnings for the year 1926, after liberal depreciation and maintenance charges, were over 21% on its Common shares; the accounts for 1927 are expected to show earnings of over 28%, or about 10% on the current market price on the Paris Bourse.

The American certificates will be offered at current market prices, which include full 1927 dividend.

Perfectly Square

“Look heah, you's cheatin' on me.”

“Lord, black man, ah ain't cheatin' no one.”

“Yes you is—Ah never dealt you that see.”

“FROM IOWA AT LYTTON”

What Rochester means to surgery, what East Aurora means to the printer's art, Lytton seems destined to mean to bank publicity.

Six years ago D. R. Wessling founded the unique publicity service which was to win the appreciation of bankers from the Atlantic to the Pacific and from Canada to the Gulf. From the village of Lytton, Iowa, Wessling Services reach out over the entire United States, now serving some of the large metropolitan cities as well as an ever-growing number of country banks.

In a typical town like Lytton, one lives closer to average American nature—to "folks"—than in the more excited, superficial bustle of a city. This suggests one of the secrets of the success of Wessling Services even in the large city banks.

A member of our staff must have more than technical skill in art or writing. He must like "folks." The intimate contacts with human nature in our Iowa village are of priceless value.

A New Job

"What is your occupation?" asked the judge sternly.

"I haven't any," replied the man, "I just circulate around."

"Please note," said the judge, turning to the court clerk, "that this gentleman is retired from circulation for thirty days."

Grantges Now Manager of International Life

The promotion of W. F. Grantges, first vice-president of the International Life Insurance Company, of St. Louis, to first vice-president and general manager of the entire company, makes Mr. Grantges probably the youngest directing head of any insurance company in the United States.

Born and reared in Macon, Mo., in 1889, Mr. Grantges engaged in the banking business there until 1908, when he came to St. Louis and joined the International Life Insurance Company as cashier and assistant secretary. In 1922 he assumed charge of the agency force, and in 1924 he was chosen as vice-president.

Discussing the promotion, President Toombs said, "Despite several changes

They are honored all over the world

E. T. C. Letters of Credit will be issued in the name of your bank.

They will be as distinctly a part of your bank service as any other division which you have spent time and money to establish.

And you can give your customers this valuable service without increasing your overhead.

Write to our Travelers' Letter of Credit Department today for full details.

THE EQUITABLE TRUST COMPANY OF NEW YORK 11 BROAD STREET CHICAGO: 105 South La Salle Street Telephone State 8121

DISTRICT REPRESENTATIVES: BOSTON • PHILADELPHIA • SAN FRANCISCO • ATLANTA FOREIGN OFFICES: LONDON • PARIS • MEXICO CITY HOME OFFICE: 11 Broad St., New York, connected by direct private wire with Chicago office

Total resources more than $500,000,000

Statement Envelopes HECO—CHICAGO NEED ENVELOPES? Write HECO—CHICAGO

© E. T. C. of N. Y., 1928
Equitable Moves Vault Treasure Through "Hole in Wall"

For the first time in the history of Wall Street, a great banking institution moved its cash and securities into new quarters without the necessity of going outside or employing armored trucks when The Equitable Trust Company of New York entered its new skyscraper home at 11 Broad Street. The actual removal of bullion and securities from the historic old quarters at 37 Wall Street required five hours and twenty minutes, and was effected during the late morning and early afternoon of Lincoln's Birthday without a hitch and in record-breaking time by the simple expedient of passing cash and securities, running into billions of dollars, through openings cut in walls of the old 37 Wall Street address and the new Equitable Trust Building.

The buildings adjoin, but preparations for the event were elaborate and lest there be endangered the large fortune in deposits of cash and securities barricades were erected to form the passageways along which some 150 officers, department heads, clerks and other employees of the Trust Company carried or rolled the treasure into the giant vaults awaiting it in the new building. The barricades were built of heavy timbers and planking, so that not even a peep could be had from the outside of what was taking place. W. J. Eck, secretary of the Trust Company, who directed the removal of the money and securities, said yesterday that approximately 150 trips were made between the buildings in the removal without Wall Street being aware of it. Lincoln's Birthday provided the ideal time, since all the banking houses, exchanges, etc., were closed for the holiday. Nor was any outside help employed in the task, beyond the fact that several score of armed guards and police from the First Precinct Station were stationed every few feet completely around the block bounded by Wall, Broadway and William Streets and Exchange Place to prevent anyone entering the building during this part of the removal.

All elevators were stopped and service discontinued pending the transfer of the treasure. Through the opening as large as an ordinary apartment door which led from the basement of the old building to the ground floor of the new structure was passed the money and securities for storage in the Equitable's new vaults. Another opening led from the 11th floor of the old building to the 10th floor of the new and through this the general moving took place over the holiday week-end. The maximum distance over which the money and securities were transported to their new home was about 300 feet, or practically the length of a city block. Cellars doors and windows which might have given possible access to the old or new building were securely sealed, and following the work of removal the openings made for that purpose were promptly closed up by workmen, and the barricades removed.

Not Telling

Clergyman: "Do you know where little boys go who fish on Sundays?"
Little Boy: "Yes."
Clergyman: "Well, where?"
Little Boy: "You must find out for yourself, like I had to. I'm not letting you in on a good thing."

Guaranty Trust Company of New York
140 Broadway
LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP
Condensed Statement, March 2, 1928

RESOURCES

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<td>U. S. Government Bonds and Certificates</td>
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<td>Other Securities</td>
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<td>Loans and Bills Purchased</td>
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<tr>
<td>Real Estate Bonds and Mortgages</td>
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<tr>
<td>Items in Transit with Foreign Branches</td>
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<tr>
<td>Credits Granted on Acceptances</td>
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<td>Real Estate</td>
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<tr>
<td>Accrued Interest and Accounts Receivable</td>
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<td>$793,991,023.23</td>
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LIABILITIES

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<tr>
<th>Description</th>
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<tr>
<td>Capital</td>
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<tr>
<td>Surplus</td>
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<td>Undivided Profits</td>
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<tr>
<td></td>
<td>$ 67,468,274.61</td>
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<tr>
<td>Accrued Dividend</td>
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<tr>
<td>Outstanding Bills—Foreign Branches</td>
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<tr>
<td>Accrued Interest, Reserve for Taxes, etc.</td>
<td>5,169,196.57</td>
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<tr>
<td>Acceptances</td>
<td>1,382,670.00</td>
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<tr>
<td>Deposits</td>
<td>657,046,408.88</td>
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<td>Outstanding Checks</td>
<td>23,273,862.96</td>
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<tr>
<td></td>
<td>$793,991,023.23</td>
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</table>
Missouri Bank News

OFFICERS MISSOURI BANKERS’ ASSOCIATION: President, Edward Buder, vice-president-treasurer Mercantile Trust Company, St. Louis; Vice-President, E. E. Speer, president First National Bank, Jefferson City; Secretary, W. F. Keyser, Sedalia; Assistant Secretary, E. P. Neel, Sedalia; Treasurer, F. B. Brady, vice-president Commerce Trust Company, Kansas City.


Edgar M. Queeny Elected Director.

Edgar M. Queeny has been elected a director of the Mercantile Trust Company of St. Louis. He is Vice-President and Sales Manager of the Monsanto Chemical Works, of St. Louis, large manufacturers of medicinal, flavoring and technical chemicals. The company was founded in 1901 by John F. Queeny.

New Home for National City Bank.

On April 16, the National City Bank, of St. Louis, will move into its new home at 716 Locust Street, St. Louis. The quarters to be occupied are those of the old Republic National Bank. The building has been remodeled and redecorated under the supervision of Preston J. Bradshaw, St. Louis architect.

Smith and Dutson Admitted to Partnership.

Smith, Moore & Company, investment security dealers, St. Louis, have announced that Robert B. Smith and Norman R. Dutson have been admitted to partnership in the firm. There are now five partners. The others are Chas. W. Moore, Wm. H. Burg and W. C. Morehead.

St. Louis County Bankers Meet.

St. Louis County Bankers Association met Thursday, March 22, 1928 at 6 p.m. at the Forest Park Hotel in St. Louis. After dinner, Richard S. Hawes of the First National Bank in St. Louis, C. H. Lakebrink, president Associated Banks of St. Louis and J. W. Augenendt, president, Outlying Bankers Association of St. Louis each addressed the association on subjects of vital interest to general banking.

Two Consolidations At Trenton, Missouri.

The Farmers’ Exchange Bank and the Bank of Trenton, Mo., have consolidated into the new Farmers’ Bank of Trenton. The officers are: W. O. Garvin, president; Frank Veneill, vice-president; R. J. Green, cashier; Jay Webster, assistant cashier, and Carl Morris, assistant cashier.

The Citizens’ State Bank has consolidated with the Trenton National Bank. G. M. Wolz, who has been cashier of the Citizens State since 1919, combining the office with that of president in 1924, goes to the Trenton National as vice-president. B. C. Niehols, president of the Trenton National Bank, now becomes chairman of the board of directors. Joseph N. Martin has been elected president. W. H. Shanklin remains as cashier and Willbur E. Austin, assistant cashier.

H. F. Childers Elected President.

At a meeting of the Board of Directors of the Farmers & Mechanics Savings Bank, Troy, Mo., H. F. Childers was elected president to fill the vacancy caused by the death of D. M. Ellis on February 1st.

Mr. Childers has been a member of the board of directors for a number of years, and is widely known through this section of Missouri, he is editor of the Missouri Bank News.
and owner of the Troy Free Press, a weekly newspaper published in Troy, and has been editor for more than fifty years.

J. T. Garrett was elected a director to fill the vacancy on the board. Mr. Garrett was formerly vice-president of the East Missouri Power Co., whose main office is at Troy and is at present vice-president of the Columbia Ice & Storage Co., of Columbia, Mo., but resides in Troy.

This is the oldest bank in the county having been organized in 1873, the total resources of the bank are now $750,000.00.

A. K. Wilson
Goes to Troy.

A. K. Wilson has resigned his position as assistant cashier of the People’s Savings Bank of Bowling Green, Mo., to accept a similar position with the People’s Bank of Troy. R. B. Maddox has accepted the position made vacant in the People’s Savings Bank through the resignation of Mr. Wilson.

T. W. Benson
Resigns as Cashier.

T. W. Benson, who has been cashier of the First National Bank, Campbell, Mo., for several years, has resigned his position in order that he may devote his entire time to the active management of the Moark Oil Company, of which he is secretary and treasurer and principal owner.

Fred Norden
Elected Cashier.

At a meeting of the board of directors of the State Bank of Neelyville, Mo., the resignation of Miss Daisy Hudson as cashier of the institution, to take effect March 1, was accepted. Fred Norden, for many years cashier of the Bank of Broseley, was elected to succeed Miss Hudson.

Two Coffey Banks Consolidate.

The Bank of Coffey, Mo., has purchased the Coffey Farmers Bank. The consolidation will give the Bank of Coffey deposits of about $200,000. W. T. Siple, who has directed the Bank of Coffey for many years, will continue as the cashier and active officer of the Bank of Coffey.

Work Starts on
New Lindell Trust Building.

Construction has begun on the new building for the Lindell Trust Company, St. Louis, Mo., which will cost about $300,000. The bank offices will be located at 2849 North Grand Boulevard until the completion of the new building.

T. Byron Hunt
Elected Cashier.

Lawrence J. Powers, cashier of the

Worthy of Your Confidence

Back in ’47 when St. Louis was little more than a trading post on the river, the Boatmen’s National was founded to serve the needs of a few hundred river people.

By faithful observance of the high principles upon which it was founded, the Boatmen’s National has grown step by step until it now serves the needs of a great city and a great trade territory.

The bank’s thoroughness and integrity in assisting industrial and commercial enterprise have been dominant factors in the growth of St. Louis and its trade territory.

OFFICERS

JULIUS W. REINHOLDT, President
LE ROY C. BRYAN, Vice-President and Cashier
AARON WALDHEIM, Vice-President
J. HUGO GRIMM, Vice-President and Counsel
ALBERT WAGENFUEHR, C. C. HAMMERSTEIN, Assistant Cashier
H. ALFRED BRIDGES, Assistant Cashier
OLIVER W. KNIPPENBERG, Assistant Cashier

RESOURCES

Over $30,000,000.00
Jefferson City

When you have business to be attended to in your capital city, send it to us. When you visit Jefferson City, be sure and visit us and look our new home over.

Capital, Surplus and Profits over $350,000.00

Resources $5,000,000.00

Largest Bank in Missouri in a City of Less Than 32,000 Population

Mechanics State Bank, St. Joseph, Mo., has resigned to become associated with the McGhee Insurance Agency in St. Joseph. His place will be taken at the bank by T. Byron Hunt, who has been bank teller.

Robert Bentley
Elected Cashier.

At a meeting of the directors of the Farmers Bank of Forest Green, Mo., Robert Bentley, of New Mexico, was elected cashier.

Two Parma Banks Consolidate.

The People's Bank of Parma, Mo., has been taken over by the Bank of Parma. Total resources for the consolidated institution will be about $250,000.

Lexington Bank
Promotes Two Officers.

W. J. Bandon, cashier of the Commercial Bank, Lexington, Mo., for the past 23 years, has been made an active vice-president by the board of directors. Robert K. Jackson, formerly of Sarcoxie, Mo., will succeed Mr. Bandon as cashier.

Chas. Liles, Jr.
Goes to New York.

Chas. Liles, Jr., who has been assistant cashier of the First National Bank, Chaffee, Mo., for the past two years, has been appointed assistant national bank examiner with headquarters in New York City.

The Bank of Monticello, Mo., has taken over the Monticello Trust Company. Total resources for the new institution will be about $350,000.

Frederick C. Hahn, vice-president of the Tower Grove Bank, St. Louis, Mo., died recently.

W. N. Seelinger of Butler, Mo., has been elected assistant cashier of the Missouri State Bank, Butler.

Announcement has been made of the death of P. A. Shaw, for the past 24 years president of the Farmers Bank of Farmington.

R. E. Lauck has been elected an assistant cashier of the State Exchange Bank, Macon, Mo.

U. S. Keran has been elected president of the Farmers State Bank, Lockwood, Mo.

At the Farmers & Merchants bank, Chillicothe, Mo., Ceymour Wigely, who had been a member of the board of directors for years, retired and F. A. Meinershagen was elected to fill his place.

Where Service Is Paramount

A five hundred room hotel located in the down-town section—only three blocks from the "circle"

Excellent parking and garage facilities

SPINK ARMS HOTEL
INDIANAPOLIS
Wm. A. Holt, Proprietor
Schalk Elected Chairman of St. Louis Conference

At a meeting Tuesday, March 13, 1928, Oscar G. Schalk, comptroller of the Mercantile Trust Company, St. Louis, was chosen chairman of the St. Louis Conference of Bank Comptrollers and Auditors. Fielding Hollocher, of the First National Bank, was elected vice-chairman and Adolf H. Hanser, of the Mercantile Trust Company, was chosen secretary.

The St. Louis Conference is affiliated with the National Conference and operates as a branch of the Clearinghouse Division of the American Bankers Association. The St. Louis body comprises representation from a large number of local banks and trust companies which are members of the American Bankers Association. Meetings are held monthly.

OSCAR G. SCHALK
Division of the American Bankers Association. The St. Louis body comprises representation from a large number of local banks and trust companies which are members of the American Bankers Association. Meetings are held monthly.

Safety First

"See here," the Indian inspector declared, "it is a violation of the law now to have more than one wife and the law must be obeyed. When you get home you tell all your wives, except one, that they can no longer look upon you as their husband."

"You tell 'em," suggested the Indian after a moment's reflection.

Some Boy!

"That's our general superintendent — son of the president—he began at the bottom and worked up—started in as an oiler, right after he left college."

"When was that?"

"Oh, he graduated last June."—Wall Street Journal.

"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.

<table>
<thead>
<tr>
<th>City</th>
<th>Bank</th>
<th>Capital</th>
<th>Surplus and Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta</td>
<td>Bank of Augusta</td>
<td>20,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Buffalo</td>
<td>O'Bannon Banking Co.</td>
<td>25,000</td>
<td>31,667</td>
</tr>
<tr>
<td>Cameron</td>
<td>First National</td>
<td>50,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Columbia</td>
<td>Boone County Trust Co.</td>
<td>75,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Concordia</td>
<td>Concordia Savings</td>
<td>50,000</td>
<td>52,000</td>
</tr>
<tr>
<td>Dalton</td>
<td>Bank of Dalton</td>
<td>10,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Everton</td>
<td>Bank of Everton</td>
<td>25,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Farmington</td>
<td>Bank of Farmington</td>
<td>50,000</td>
<td>125,000</td>
</tr>
<tr>
<td>Gilman City</td>
<td>Gilman Bank</td>
<td>25,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Hardin</td>
<td>Bank of Hardin</td>
<td>75,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Ironton</td>
<td>Bank of Hayti</td>
<td>20,000</td>
<td>26,471</td>
</tr>
<tr>
<td>Hayti</td>
<td>Iron County Bank</td>
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<td>21,000</td>
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<tr>
<td>Joplin</td>
<td>Miners Bank</td>
<td>100,000</td>
<td>175,000</td>
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<tr>
<td>Kansas City</td>
<td>First National</td>
<td>1,000,000</td>
<td>3,470,000</td>
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<tr>
<td>Lebanon</td>
<td>State Bank</td>
<td>30,000</td>
<td>35,000</td>
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<tr>
<td>Maitland</td>
<td>Peoples Bank</td>
<td>20,000</td>
<td>35,000</td>
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<tr>
<td>Neosho</td>
<td>First National</td>
<td>50,000</td>
<td>85,000</td>
</tr>
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<td>Odessa</td>
<td>Bank of Odessa</td>
<td>50,000</td>
<td>75,000</td>
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<tr>
<td>Perry</td>
<td>Peoples Bank</td>
<td>25,000</td>
<td>50,000</td>
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<td>Raymore</td>
<td>Bank of Raymore</td>
<td>10,000</td>
<td>27,000</td>
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<td>St. Joseph</td>
<td>First Trust Co.</td>
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<td>St. Louis</td>
<td>Jefferson Bank</td>
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<td>3,000,000</td>
<td>8,583,523</td>
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<td>Sedalia</td>
<td>Citizens National</td>
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<td>South Gifford</td>
<td>Bank of Gifford</td>
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<td>Sullivan</td>
<td>Bank of Sullivan</td>
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<td>82,000</td>
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<td>First National</td>
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<td>30,000</td>
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<td>Stover Bank</td>
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<td>Farmers Bank</td>
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<td>32,000</td>
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<td>Troy</td>
<td>Peoples Bank</td>
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<td>115,000</td>
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<td>Union</td>
<td>Bank of Union</td>
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<td>55,000</td>
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<td>Warrensburg</td>
<td>Citizens Bank</td>
<td>100,000</td>
<td>114,592</td>
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<td>Wellston</td>
<td>First National</td>
<td>100,000</td>
<td>146,900</td>
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<tr>
<td>Windsor</td>
<td>Citizens Bank</td>
<td>40,000</td>
<td>60,000</td>
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A COMPLETE plan for group cooperation on the part of banks for the installation and operation of the service charge on unprofitable accounts is provided in a booklet just issued by the Clearinghouse Section of the American Bankers Association, O. Howard Wolfe, President of the Section, says in an introduction:

"The significant and distinctive feature of banking service in the United States is the universal use of the deposit-and-check system of making payments. The characteristic tendency of the banker, stimulated by keen and wholesome competition, to offer banking facilities without limitation has reached a critical point. Because of greatly increased overhead costs, it is no longer economically possible to ignore the distinction between the depositor who uses the check to avail himself of accumulated credits and the depositor who gives no thought to his obligation to the bank other than to keep a few dollars on deposit usually, but not always, sufficient to meet the checks he draws. It is this condition that has caused the rapidly growing development of the so-called service or stop-loss charge. The contents of this pamphlet are directed to the attention of all bankers who are concerned with the correction of an uneconomic situation."

A careful study of banking costs throughout the country, the book says, has demonstrated the necessity of service charges to protect banks against loss from unprofitable accounts and such charges may be installed without serious loss in accounts or any loss whatever in good will if care is taken to educate the depositors as to their justness and fairness. The book continues:

"The service charge on unprofitable accounts, although a comparatively new idea in banking practice, has been successfully adopted by banks in over two thousand cities, towns and communities during the past four years. It bids fair to become universal. This movement was given its chief initial impetus about four years ago by the preparation and publication by the Clearinghouse Section of the American Bankers Association, of a very simple plan for analyzing checking account costs, whereby any bank could easily and definitely determine the expense of handling its checking accounts. This analysis booklet proved very popular, and thousands of bankers who used it to analyze their checking accounts wrote us, expressing amazement at discovering that from 35 per cent to 60 per cent of their checking accounts were being carried at a loss; and this discovery resulted in their taking definite steps to stop these 'leaks and losses' through the installation of an equitable service charge, that would at least make these accounts pay their way."

THE book gives the following steps that have been found effective in the successful installation of the service charge in many communities:

1. First step—In installing the service charge, the first step is to determine the cost of handling checking accounts, the required minimum balance, and the charge to be made on unprofitable accounts. The general experience is that banks in country districts and small towns find it necessary to charge fifty cents a month on balances of less than $50 or $100; in the larger towns and smaller cities, $1 a month on balances of less than $100. The mini-
April, 1928

Minimum balance is higher than $100 in some metropolitan banks.

"Second step—In communities where more than one bank exists, the second step is to secure if possible the cooperation of all the banks, as concerted action strengthens the plan, divides the burden of educating the public, and increases the spirit of cooperation between the banks, furthermore relieving any one bank of the responsibility for introducing the charge.

"It has been demonstrated, however, that where cooperation of all the banks cannot be secured, either through a local clearinghouse or through agreement among the banks, a single bank can successfully institute the service charge, and in doing so almost invariably increases its total deposits.

"Ordinarily, the charge is not applied to the accounts of government, state, municipal, religious, educational, charitable or philanthropic organizations. Also, it is not applied to inactive accounts or savings accounts. Exemptions should be definitely decided upon, and no other exceptions should be made—to do so will not only defeat the purpose of the charge but lead to inevitable embarrassment and loss of good will.

"Third step—See that the officers and employees fully understand the nature of the charge, the economic facts and figures which justify it, and the exemptions and limits which have been determined. Then with a date decided upon for its inauguration, preferably at least two months away to give ample time for complete explanations, the bank is ready for a public announcement of its service charge."

Depositors may be educated as to the fairness and justness of the service charge, the book continues, through the use of personal letters; circular letters issued by the clearinghouse, by associated banks or by individual banks; by conversation of bank officers with customers, and through newspaper advertising, preferably in the form of cooperative campaigns by associated banks. The book then goes on to give extensive examples of form personal and circular letters, and a series of type advertisements which have proved successful in launching the service charge idea in various communities.

In conclusion there is included an article "The Service Charge Experiences of a Small Bank" by Dan V. Stephens, President of the Fremont State Bank, Fremont, Nebraska, giving a concrete instance in which the installation of the service charge brought about not only the elimination of undesirable accounts, but a substantial increase in deposits.

The booklets may be obtained at cost from the Clearinghouse Section of the American Bankers Association.

A. S. Winger has been elected president of the First National Bank, of McCune, Kansas, taking the place of Robert Baker. Geo. Thomas and Levi Larcom were elected directors.

Alex Hutchison has resigned as cashier of the Kaw Valley Bank, Wamego, Kansas.

The Farmers' National Bank, Topeka, Kansas, is making preparations to move to its new quarters in the Central National Bank building. The two lower floors of the building are being remodeled and redecorated.

The Bank of Wakefield, Kansas, has increased its capital stock from $10,000 to $25,000.

Lady Passenger: "Could I see the captain?"

First Mate: "He's forward, Miss."

Lady Passenger: "I'm not afraid. I've been out with traveling salesmen."

For Many Years, the Mississippi Valley Trust Co.

of Saint Louis

Has financed large projects of the Middle and Southwest. Its Mortgage Loan Department is always interested in underwriting on high grade properties.
KANSAS NOTES

Chanute Bank
To Remodel Building.

The Bank of Commerce, Chanute, Kansas, has announced that work will begin in the near future on the remodeling of the bank building at the corner of West Main and Grant avenue. The banking quarters will be extended the entire length of the building with additional windows and counter space to accommodate customers. A new and larger vault with additional safety deposit facilities will be installed.

Two Beloit Banks Consolidate.

At a joint meeting of the directors of the Guaranty State Bank and of the Farmers Union State Bank, Beloit, Kansas, it was decided to merge the Farmers Union State Bank with the Guaranty State Bank. The transfer of the deposits to the Guaranty State Bank has been effected and the business of the Farmers Union Bank is being conducted at the Guaranty State Bank.

Elk County Bankers Elect New Officers.

At a meeting of the Elk County Bankers Association in Longton, Kansas, G. H. Coffey, of Grenola, was elected president; F. L. Johnson, of Moline, vice-president, and Charles G. Hayward, of Longton, secretary-treasurer. Every bank in the county was represented at the meeting.

Two Pittsburg Banks Consolidate.

The National Bank, of Pittsburg, Kansas, and the American Exchange National Bank of Commerce have been merged. Business of the united banks will be transacted in the present quarters of the National Bank, of Pittsburg.

John M. Leeper, Topeka contractor, has been elected second vice-president of the Farmers' National Bank, Topeka, Kansas, a newly created position. He has also been made a director of the bank.

Don V. Ricketts has resigned as cashier of the Fontana, Kansas State Bank. S. S. Whitedford and his sons, Hugh and Charles, have bought a controlling interest in this concern and are now in charge.

Paul P. Hefner is the new assistant cashier of the Citizens State Bank, Horton, Kansas, succeeding Marcel Bloch, who left a month ago for Mitchell, Neb., to join his brother, Paul. They will engage in the mercantile business.
Movement for Credit Files on Unsecured Loans Is Spreading

Rapid spread among state banking departments of the requirement that banks under their jurisdictions maintain credit files on all borrowers with unsecured loans of $500 or more is revealed by an investigation just concluded by the Public Service Committee of the State Bank Division, American Bankers Association, as made public by Chairman M. Plin Beebe, President Bank of Ipswich, South Dakota.

Increase in this practice has been recorded especially during the last two years since the Division endorsed more stringent credit file policies as advocated by M. H. Malott, President Citizens Bank, Abilene, Kansas, now President of the Division, who in 1926 as chairman of its Executive Committee, launched a drive urging state bank commissioners to take action toward this end. Universal approval of the proposal was then expressed by state bank commissioners throughout the country, but it was revealed that in relatively few jurisdictions were credit files on small loans mandatory.

The present investigation, however, shows that nationwide results have been obtained, since at present no fewer than thirty state bank commissioners either require or urge the banks under their supervision to demand that borrowers attach personal property statements to all unsecured notes of $500 or over. The detailed situation is as follows:

Eighteen states make such statements requisite, as follows: Arizona, California in the case of small banks, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Montana, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Washington, Wisconsin in smaller banks, and Wyoming.

Twelve states have departmental policies urging such files, as follows: Colorado, Florida, Idaho, Louisiana, Maine, Michigan, Nevada, New Jersey, Rhode Island, Tennessee, Utah and Vermont.

In four states the rule applies to loans of $1,000 and over, as follows: Arkansas, Connecticut, Massachusetts and Nebraska. In New York the requirement is $2,500 or more in smaller communities and $5,000 in the larger cities, while in Pennsylvania statements are called for in the case of loans in excess of one per cent of the capital and surplus of the loaning bank. In the other twelve states no rule on the subject was reported.

The committee conducting the investigation found unanimous sentiment among state bank officials in favor of credit files on unsecured loans as being essential to sound banking. The members of the committee are as follows: Mr. Beebe, chairman, Henry S. Buziek, vice-president Sylvan State Bank, Sylvan Grove, Kansas; W. E. Henley, President Birmingham Trust and Savings Co., Birmingham, Alabama; S. T. Jones, President Bank of Sweetwater, Sweetwater, Tennessee; A. L. Schantz, President State Bank of Omaha, Omaha, Nebraska.
**OKLAHOMA NOTES**

**Rogers Now President Of Exchange National.**

Harry H. Rogers, of San Antonio, Texas, has been elected president of the Exchange National Bank of Tulsa, Okla., succeeding J. J. McGraw who died March 3rd. Mr. Rogers was president of Rotary International, a world-wide organization of business and professional men until he retired but a short while ago in Antwerp, Belgium. He has been president of the Exchange Trust Company, an affiliated organization of the Exchange National, for a number of years. His election puts him at the head of both these institutions, one the largest trust company and the other the largest bank in the state of Oklahoma.

**New Bank At Collinsville.**

The organization of the new bank for Collinsville, Okla., has been perfected. The stockholders chose a board of directors consisting of the following: T. A. Lee, C. T. McCarty, J. C. Farmer, E. D. Jones, G. L. Carpenter, O. L. Farmer and Fred Peigel. The directors elected as the officers: T. A. Lee, president; C. T. McCarty, active vice-president; O. L. Farmer, vice-president and W. J. Keller, cashier.

**Noble County Bankers Elect New Officers.**

Richard Schultz, of the Red Rock State Bank, was elected president of the Noble Bankers Association at the annual meeting and banquet of the organization held at Perry, Okla. Tom Chatburn, of the Billings National Bank, was named vice-president of the organization and Lloyd Campbell, of the First National Bank of Billings, was elected secretary-treasurer of the county organization.

**New Officers At Security National.**

Resignation of William Mee, president and founder of the Security National Bank, Oklahoma City, has been accepted by the bank's directors. Charles W. Gunter was elected to succeed him. Retirement of William Mee, Jr., as assistant cashier, also was announced. Two members of the board of directors elected were Wirt Franklin and J. Ben Russell.

**J. H. Asher Heads Grant County Bankers.**

J. H. Asher, president of the First National Bank of Pond Creek, Okla., has been elected president of the Grant County Bankers Association. Other officers of the organization are: George
Cowen, cashier of the Citizens Bank at Lamont, vice-president; Harold Reed of the Grant County Bank, of Medford, secretary.

**S. H. Bundy**
**Elected President.**
S. H. Bundy, postmaster of Bethany, Okla., has been elected president of the Farmers' State Bank. J. A. White has been chosen vice-president and John Stockton, who has been cashier for a year or more, will continue in that position. In addition to the above named officers, the board of directors includes Frank Stockton and W. L. Street.

**Mack Hall Is Now Vice-President.**
Mack Hall is now active vice-president of the State National Bank, Heavener, Okla., having purchased a block of stock in the bank. M. L. Courington, who had held the position of cashier for several years, resigned and E. J. Freeman, who had been assistant cashier, was promoted to the position.

Announcement of the promotion of J. W. Hockman, an employe for 18 years, to the position of trust officer of the First National Bank, Muskogee, Okla., was made recently by H. H. Ogden, president.

John Knox, former state bank examiner, has become connected with the Security National Bank, Oklahoma City, Okla., as representative in its department of banks and bankers.

The First State Bank of Centralia, Okla., has changed hands. Justin Needham, cashier, has resigned and sold out his interest in the bank to J. W. Spence.

The Bank of Cooperton, Cooperton, Okla., has been chartered with $10,000 capital stock by Mary Smelser and C. A. Smelser, both of Cooperton and Mary Irene Straw, of Cooperton.

A. B. Conley has purchased Geo. L. Bowman's stock in the Peoples National Bank, Kingfisher, Okla. Mr. Bowman resigned as a member of the board of directors and was succeeded by Mr. Conley.

The Farmers State Bank, Ripley, Okla., has been chartered with $10,000 capital by James E. Berry and Thomas H. Berry, of Stillwater, and E. J. Blank, of Cushing.

The Tillman County Bank, Grandfield, Okla., has been chartered with $80,000 capital stock by R. L. Winchell, George B. Hill and William Williams, all of Grandfield.

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**MIDLAND BANK LIMITED**

Chairman: **THE RIGHT HON. R. McKENNA**
Joint Managing Directors: **FREDERICK HYDE EDGAR W. WOOLLEY**

**Statement of Condition**
December 31st, 1927

**RESOURCES**

\[ \text{\$} = \text{\£} \]

- Cash in hand and Due from Banks: $342,025,233.56
- Money at Call and Short Notice: $137,545,385.25
- Investments: $177,177,650.44
- Bills Discounted: $246,573,891.31
- Advances: $1,032,439,551.29
- Liabilities of Customers for Acceptances, Confirmed Credits and Engagements: $184,987,972.37
- Bank Premises: $38,178,229.98
- Investments in Affiliations: $33,322,444.73

**LIABILITIES**

- Capital Paid up: $63,328,990.00
- Surplus: $63,328,990.00
- Deposits: $1,880,614,976.56
- Acceptances and Confirmed Credits: $100,802,473.52
- Engagements: $84,185,498.85

**Total: $2,192,260,358.93**

Together with its affiliations the Midland Bank operates 2410 branches in Great Britain and Northern Ireland, and has offices in the Atlantic Liners Aquitania, Berengaria and Mauretania. The Foreign Branch Office at 196 Piccadilly, London, is specially equipped for the use and convenience of American visitors in London.

**AMERICAN DEPARTMENT: POULTRY, LONDON, E.C. 2**

**HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2**
TENNESSEE NOTES

Two Knoxville Banks
Vote to Consolidate.

Articles of agreement for consolidation of the Holston and Union National banks into the Holston-Union National Bank, Knoxville, Tenn., were approved and signed in meetings of the directors of the two institutions on February 18.

The consolidation program contemplates a banking organization having combined capital, surplus and undivided profits of over $2,000,000 and total resources of more than $18,000,000.

The modern banking house of the Union National at Commerce and Gay street will continue to be used for a number of months, the various positions to be staffed, to a large extent, by those who have been handling the management and details of the institution in the past year.

Jesse A. Fisher
Elected President.

Jesse A. Fisher has been elected president of the First National Bank, Newport, Tenn., to succeed his brother, the late John W. Fisher. Mr. Fisher is a well known business man, and has been one of the directors of the local bank for a number of years.

Thos. P. Summers
Elected President.

Thos. P. Summers, who has been actong as president of the Citizens Bank, Rogersville, Tenn., since the death of President Hugh G. Kyle, was elected president at the January meeting. J. C. Stamps succeeds Mr. Summers as cashier, and Miss Grace Lyons was elected assistant cashier. Sturm Cape, assistant cashier, was also re-elected.

The consolidated statement of the Hamilton National Bank and the Hamilton Trust & Savings Bank, Chattanooga, Tenn., for February 28th, shows total resources of $241,106,389.91 and deposits of $197,422,019.79.

Carl W. Lindsay, assistant cashier of the Bank of Spring City, Tenn., has resigned to take a similar place with the Rockwood National Bank. He is being succeeded by Mrs. W. R. Ault.

At the annual meeting of the directors of the Barretville Bank and Trust Company, Barretville, Tenn., L. W. Hughes was elected chairman of the board of directors and A. T. Armour, president. E. M. Moore, Dr. J. P. Flippin and J. H. Barret are vice-presidents and Paul Barret, cashier.

At a meeting of the stockholders of the Cleveland Bank & Trust Company, Cleveland, Tenn., two new officers were added. James F. Johnston, vice-president of the American Trust and Banking Company, of Chattanooga, was elected second vice-president and Miss Sallie Hoskins was elected assistant cashier.

S. H. Rankin has been elected second vice-president of the First National Bank, Jefferson City, Tenn. M. L. Beeler was elected a director to fill the vacancy caused by the death of J. C. Thoms.

P. B. Nance, president of the Bank of Alamo, Tenn., died recently at the age of eighty-three years. Mr. Nance had been president of the bank since its organization.

W. L. Bell, director of the First National Bank, Hohenwald, Tenn., has been elected a vice-president of the institution.

A. R. Williams has been elected assistant cashier of the First National Bank, Savannah, Tenn., succeeding J. O. Copeland who resigned to devote his time to his interest in a motor company.

Fred P. Lawrence has succeeded B. M. Pitt as cashier of the Bank of White House, Tenn.

J. W. Newman has been elected cashier of the People's Bank, Sardis, Tenn., succeeding J. T. Hanna, resigned.

The Home Banking Company of Finger, Tenn., has increased its capital stock from $8,000.00 to $20,000.00.

The Merchant
Told the Banker

"YOU have a fine up-to-date store," this Wisconsin banker said one morning to his good customer, the hardware merchant. "Where do you get all these up-to-date ideas?"

"I go to market often," said the hardware man, "and I draw on the jobber and his salesmen for every new idea they can suggest. Isn't there someone in the banking field to whom you can go and who can keep your bank in touch with all the latest developments?"

Shortly afterwards the banker consulted the Union Trust Company. Here he found a large fund of information about the increasing competition in the banking field, and about profitable new types of service, such as investment and trust. At small expense a way was found to equip his bank for broader service and to add materially to its profits.

UNION TRUST COMPANY
CHICAGO

FREDERICK H. RAWSON
Chairman of the Board

HARRY A. WHEELER
President

CRAIG B. FAZELWOOD
Vice-President

1869—1928
Kentucky Bank News

Robert G. Stang
Goes to Louisville.

The Fletcher American Company of Indianapolis has announced that Robert G. Stang, of the home office of the company, has joined John R. Vogel as a representative of the Louisville office of the Fletcher American Company. Mr. Vogel has been connected with the Louisville office for the past two years. Louisville offices are located at 511 Inter-Southern Life Building.

Mrs. O. M. Ferguson
Recovers from Operation.

Mrs. Ora M. Ferguson is now completely recovered from the operation for appendicitis which she underwent a few weeks ago and is now back at her duties as manager of the Main and Fifth street office of Reynolds & Company, Louisville.

Two Danville
Banks Consolidate.

The boards of directors of the Farmers National Bank and the Citizens National Bank, of Danville, Ky., have unanimously approved the consolidation of these institutions, subject to ratification by the stockholders of each of the banks, and the Comptroller of the Currency of the United States. The bank will have total assets of over $2,500,000. The consolidation will result in the erection of a modern new bank building, it was announced. Jere Caldwell is president of the Farmers Bank and George W. Rue is cashier. J. A. Cheek president of the Citizens Bank and E. W. Cook is the cashier.

L. G. Davidson
Goes to Cynthiana.

L. G. Davidson has resigned as cashier of the Citizens National Bank, of Lancaster, and gone to Cynthiana to take the cashiership of the First National Bank of that city. Joe J. Walker, Jr., who has been with the Lancaster Bank 13 years, has succeeded him as cashier.

Arch Davis Plans
Annual Baseball Party.

Arch B. Davis, vice-president of the Citizens-Union National Bank of Louisville, has announced that the Paramount Blue Belles, consisting of twenty girls with orchestra, singers and dancers, will be the headliners at the entertainment and smoker to be given in the auditorium of the Seelbach Hotel, Louisville, Monday evening, April 9, preceding the annual Baseball Party on April 10.

L. Grey Davidson
Elected Cashier.

The directors of the National Bank of Cynthiana have elected L. Grey Davidson, of Lancaster, as cashier.

Mr. Davidson succeeds Harry P. VanDeren, popular president of the bank, who has been temporarily acting as cashier since the resignation of Alvah H. Stone.

Georgetown Bank
Announces Promotions.

At a meeting of the board of directors of the Georgetown National Bank, Georgetown, Ky., held recently, George T. Hambrock, who has been cashier was elected president to succeed the late J. W. Thacker. Lewis Bradley was promoted to cashier and Harold Jacoby was elected assistant cashier.

H. C. Ford and L. P. Bradley are the new directors elected.

Thomas A. Duke, capitalist, bought for $33,000 the property of the defunct Bank of Maysville, Ky. A banking organization will be effected, announcement was made, and the bank reopened with a new manager.

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, busses, all at the door
- Finest parking space in the city

Serving the Fourth Generation

A complete up-to-the-minute bank, offering every modern banking service.

LIBERTY INSURANCE BANK
LOUISVILLE
RESOURCES OVER $28,000,000
INDIANA NOTES

C. C. Finkhausen
Goes to Churubusco.

C. C. Finkhausen, of Fort Wayne, has been elected assistant cashier of the Churubusco, Ind., State Bank. Mr. Finkhausen will fill the vacancy made by Earl Grable, the former assistant cashier, who recently accepted a position with the First National Bank of Fort Wayne.

New Bank
At Wolcott.

Steps are being taken toward the organization of a new state bank at Wolcott, Ind., to take over the assets and business of the Citizen's State Bank there. The new institution will have a capital stock of $25,000 and a surplus of the same amount, money for which already has been subscribed.

O. J. Butler
Elected Cashier.

O. J. Butler has been elected cashier of the Third National Bank, Greensburg, Ind., and has also been elected to a place on the Board of Directors, succeeding the late Walter W. Bonner, who had served as cashier since the bank was organized in 1884.

Pioneer Columbus
Banker Is Dead.

Lewis K. Ong, 77, for more than 40 years in the banking business at Columbus, Ind., died March 7, after an illness of two years. Mr. Ong was vice-president and director of the newly organized Irwin-Union Trust Company of Columbus. He had held these positions since 1922 with the Union Trust Company which recently merged with the Irwin Bank. Prior to that time he had been with the People's Savings & Trust Company and with the First National Bank at Columbus.

Job Hamblen, 75 years old, wealthy grain dealer of Azalia and vice-president of the Jonesville State Bank at Jonesville, Ind., died recently of heart disease.

Ozro Butler, who for the past four years was assistant cashier of the Third National Bank of Greensburg, Ind., was recently elected as cashier of the institution.

Philip Matter, 86, one of the wealthiest men in northern Indiana and widely known in business circles, died at his home here today after a few days' illness, resulting from a fall at his home. He was president of the Marion State Bank, Marion, Ind.
Mrs. J. W. Stears, 82, president of the Alert State Bank, Alert, Ind., for the last five years, died recently.

Thomas Henry Clark, vice-president and a director in the Ridgerville, Ind., State Bank, died recently at his home in Winchester.

The February 28th statement of the American National Bank, Rushville, Ind., shows total resources of $1,153,920.21 and deposits of $926,074.19. Robert A. Innis is president of the bank; Glen E. Foster and Jasper D. Case, vice-presidents; Miles S. Cox, cashier and Donald G. Ruhlman, assistant cashier.

Charles Rose, insurance agent of Wabash, Ind., has accepted the management of the bond department of the Howard National Bank at Kokomo, Ind.

R. A. Booe, 60, president of the Kingman Bank, Covington, Ind., died at his home, March 4th.

John E. Amick, founder and president of the Amick's Bank at Scipio, Ind., was killed March 2 when the automobile in which he was riding was struck by a train.

Robert Giltner has accepted the offer of assistant cashier of the West Point State Bank, West Point, Ind., to succeed Lee DeFreese who has accepted a position with the Farmers & Traders Bank in Lafayette.

John M. Studebaker, III, has been elected a director of the St. Joseph Loan & Trust Company, South Bend, Ind., to fill the vacancy made by the resignation of Frederick S. Fish. Mr. Fish has been a director since the bank was established in May, 1900.

The interior of the Union Savings & Trust Company, Bluffton, Ind., has been remodeled, providing an extra bookkeeping room and an extra window.

Frazier & Co., investment securities dealers, with offices in New York, Chicago, Philadelphia and Washington, have announced consolidation with the First Illinois Company, and the continuation of business under the name of Frazier & Co., at 208 South LaSalle Street, Chicago, with Herbert P. Heiss as resident vice-president in Chicago.

S. M. Vance
Elected President.

S. M. Vance will succeed E. A. McSpadden as president of the Bank of New Market, Tenn. Mr. McSpadden will become an active executive by succeeding F. A. Lassiter as cashier. Mr. Lassiter will retain his interests in the bank but retires from active service.
Bankers Visit Plant of Northern Bank Note Company.

Over one hundred bankers of the Chicago District were the guests, on Washington’s Birthday, at the Annual Open House in the modern plant of the Northern Bank Note Company, Fullerton and Racine Avenues, followed by a luncheon at Nufer’s Grill.

These bankers expressed themselves as being impressed with the care and skill of the craftsmen creating with engraving tools and chemistry, bank checks, stock certificates and bonds.

“We enjoyed being hosts to the banking fraternity,” said S. Edwin Earle, president of the Northern Bank Note Company, “and were pleased that such a large crowd came on a bank holiday. These ‘get-togethers’ cement closer relationships between our organization of thirty-seven years standing and the banks.”

Ottawa, Ill., Banks Consolidate.

Following negotiations lasting for several weeks, the Peoples Trust and Savings Bank of Ottawa, Ill., has absorbed the Merchants and Farmers Bank. J. H. Edgecomb, for many years president of the former institution, continues in that capacity, while Albert F. Schoch, president of the latter, will serve as chairman of the board of directors.

Pontiac Bank Has New Building.

The handsome new bank building of the National Bank of Pontiac, Ill., and its auxiliary company, the Pontiac Loan & Trust Company, has been opened.

The new building is of beautiful exterior and interior design. All interior fixtures and bank appliances are of the most modern type of construc-
tion, combining beauty of design and color effects with utility.

The new vault is constructed of concrete reinforced steel with walls eighteen inches thick lined with steel, the vault being equipped with a modern burglarproof door of heavy design capable of withstanding not only high explosives but also the cutting oxy-acetylene flame, all equipped with safety and time lock devices of the latest pattern. Inside the vault are located about six hundred safety deposit boxes.

The building has been designed and built by the L. D. Lacy Company, contractors and builders of banks and office buildings, of St. Louis, Mo.

Two Effingham Banks Consolidate.

The first bank merger in Effingham’s history took place March 5, when the State Bank of Commerce and the Effingham State Bank merged. The forces of the former moved into the State Bank building where they will be temporarily located.

As the result of this consolidation the deposits of the Effingham State Bank are in excess of $1,000,000.00 and in resources it becomes one of the strongest banks in this section of the state.

New Officials at National Bank of Republic.

J. B. Christorson, secretary of The National Republic Company, the subsidiary bond company of the National Bank of the Republic, Chicago, has been elected vice-president and secretary of that company.

Melville S. Newcomb, formerly head of the foreign department of the Webster and Atlas National Bank of Boston, has become associated with the National Bank of the Republic as assistant cashier in the foreign department.

C. K. Shapiro Now Vice-President.

Only six years in the United States, and the vice-president of a $3,500,000 state bank on the Northwest Side, Chicago.

This is the accomplishment of Clemens K. Shapiro, who was recently appointed by the board of directors vice-president of the Division State Bank.

Mr. Clemens is only 27 years old. He was born in the village of Serock, near Warsaw, Poland.

At the age of 19 he entered the University of Warsaw, and studied political science and law. In 1920 he went to Paris for a short stay, and then came to the United States.

Upon his arrival at Chicago he became foreign correspondent for the

Clearing 29.7% Of Chicago’s Checks

Two new high records were set in 1927 when more than 35 billion dollars went through the Chicago Clearing House and this one bank cleared $10,688,297,420

CONTINENTAL NATIONAL BANK & TRUST COMPANY OF CHICAGO
We Invite both active and inactive accounts from banks and bankers and extend a service that meets the exacting requirements of up-to-date, competitive banking.

Resources
Over 42 Millions

CHICAGO TRUST COMPANY

LUCIUS TETER, President
JOHN W. O'LEARY, Vice-President

Northwestern Trust & Savings Bank. Two years later he took charge of the foreign department of the Division State Bank, of which Emil Jenisch is president. In January, 1926, he was elected assistant cashier, and last month he was unanimously appointed by the directors vice-president of the institution.

New Bank At Clayton.

Clayton, Ill., will have two banks after April 1st, a charter having been granted to the new institution to be known as The Clayton State Bank with capital stock at $30,000.

The new bank will be housed in the building formerly occupied by the Clayton Exchange Bank, which institution was absorbed by the Bartlett and Wallace Bank about a year ago.

The directors for the first year are James S. Wallace, Oscar Franks, Phil E. Gross, Chipman Ratcliff, William T. Roy, George Waner and Arthur R. Roy. Mr. Wallace has been selected as president; Oscar Franks, vice-president; Charles C. Dunham, secretary and Walter H. Craig, cashier.

Pioneer Harrisburg Banker Is Dead.

Thos. L. Ozment, Sr., sixty-two, pioneer merchant, Harrisburg, Ill., and president of the City National Bank, died recently following a second stroke of paralysis. Mr. Ozment was also president of the Citizens Bank at Carrier Mills.

Prominent Litchfield Banker Is Dead.

Michael M. Morrison, prominent business man of Litchfield, Ill., died recently following a brief illness of pneumonia.

Mr. Morrison was president of the Litchfield National Bank, had been associated for many years as an official of the building and loan association of that city and for forty years had been prominent in various activities for the upbuilding of the city.

Edwin Deicke Elected President.

Edwin Deicke, secretary and treasurer of the Suburban Insurance Company of Lombard, Illinois, was elected president of the First State Bank of Westmont, at the annual meeting of stockholders. The other officers elected were: First vice-president, John Heartt; manager, Lord Lumber Company, Westmont; second vice-president, William Werth, of Westmont; cashier, Oscar E. Dreusieko, Hinsdale; and assistant cashier, Lillian Borman, Downers Grove.
“Roll of Honor” Banks in Illinois

It is an honor to be listed among the Honor Roll Ranks 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 5,000,000  6,823,000
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  4,753,700
De Kalb      First National  100,000  160,000
Downers Gr. State Bank & Trust Co 100,000  122,000
Flora        First National  50,000  75,000
Freeport     First National  150,000  430,000
Grand Ridge  First National  25,000  33,000
Highland Park Highland Park State Bank 200,000  354,023
Joliet       First National  400,000  950,000
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
Officers elected at the bank were: J. W. Hughes, president; R. N. Ballou, vice-president; S. Curtiss, vice-president and cashier; E. C. Curtiss, assistant cashier; H. M. Kaut, assistant cashier.

Appoint Two New Assistant Cashiers.

Two new assistant cashiers of the Citizens State Bank, Melrose Park, Ill., making three in all, were appointed at a recent meeting of the board of directors of the bank.

The two new appointees are B. J. Janasky, who has been an employe of the bank for the last three or four years, and A. H. Hahn, who has been with the bank for about a year.

R. W. Meyn has been an assistant cashier of the bank for about one year.

Youngest Vice-President Of Chicago Loop Bank.

Kenneth K. DuVall, formerly of Decatur, Illinois, has been elected a vice-president of the Bank of America, in Chicago, and now holds the distinction of being the youngest vice-president of a loop bank in Chicago. He is twenty-seven years of age and has been with the Bank of America for a little more than three years.

Mr. DuVall specialized in banking at the University of Illinois and went to Chicago immediately following his graduation, in 1922, to take a position with a bank. He made several changes during his first year in Chicago, then went with the Bank of America, with which he has been connected since.

A year ago, he was made assistant cashier and now that promotion has been followed by election to a vice-presidency.

New Bank At Hillside.

The Hillside State Bank, the first banking institution in Hillside or Berke­ley, Ill., has been opened for business with $25,000 capital; $15,000 surplus, and $10,000 contingent fund.

E. B. Funk Goes to Forrest.

E. B. Funk, cashier of the State Bank, of Piper City, Ill., since its organization, has resigned to become cashier of the State Bank of Forrest, Ill.

Virginia Bank Elects New Officers.

Walter Ross was elected president of the Centennial National Bank, Virginia, Illinois, at the annual meeting of that institution, and Glen Petefish, vice-president. Mr. Ross succeeds W. M. Gord­ley and Mr. Petefish succeeds J. J. Ber­gen.

John W. Rapp Elected Cashier.

John Wesley Rapp, a former assistant cashier in the Nokomis National, and Nokomis State Banks, Nokomis, Illinois, and also a former cashier for the Nokomis Coal Company, has been employed by the Farmers’ National Bank of Nokomis as assistant cashier to fill the position formerly held by Enno T. Henkel, who recently made a confession as having appropriated $8,600, from the institution.

Winnetka Bank Increases Capital Stock.

At the recent annual meeting, the capital stock of the Winnetka Trust & Savings Bank, Winnetka, Illinois, was increased from $50,000 to $75,000 and the following officers reelected: Max K. Meyer, president; Alfred D. Herrmann, vice-president, and Allen T. Weinstock, cashier.

J. W. McNeil Resigns at Glencoe.

J. W. McNeil, who has been cashier of the Citizens State Bank of Glencoe, since its organization two years ago next May, has resigned. His successor has not as yet been appointed, and Mr. Mc­Neil has not announced his plans for the future.
15,000 People Attend Bank Opening.


Mrs. Harriet D. Snow, vice-president of the State Bank of Sheldon, Ill., which was founded by her husband, Colonel Snow, in 1875, died recently.

John L. Eldred, cashier of the Carrollton State Bank, Carrollton, Ill., for a long period of years, died recently.

The February 28th statement of the Elizabeth, Ill. State Bank shows total resources of $758,408.99 with deposits of $669,870.63. Jacob Bertsch is president; Bernh Dittmar, vice-president; Lois E. Nash, cashier and C. O. Daniel, assistant cashier.

A. Leonard Johnson Dies of Heart Attack

The death of A. Leonard Johnson, assistant secretary of the Illinois Merchants Trust Company and in charge of the personal trust division of the trust department, occurred suddenly on March 12th from a heart attack suffered while in the office of his physician where he had gone to receive attention. Although he had been under the physician’s care during the past two years, his death came as a distinct shock to his many friends and associates.

Mr. Johnson was born March 13, 1884. He came with The Merchants Loan and Trust Company February 4, 1901, and was elected assistant secretary in November, 1912, retaining that office when the merger in 1923 forming the Illinois Merchants Trust Company took place. A sister and two brothers survive him. He was never married. The burial was in Oakwoods cemetery, March 15th.

Alzo!

"Good morning, Mr. Levi, I hear you have decided to buy a machine. What make did you select?"

"Oh, I think I get myself a nice Ford. What kind have you got?"

"I have a Rolls-Royce."

"Well, that’s a nice car, too."

I. B. A. Plans State-Wide Clearing House Association

For the first time in the history of the United States a state-wide group of bankers under the direction of the Illinois Bankers Association has begun a cooperative plan to protect the public by mutual examination through the establishment of clearing house associations throughout the state.

F. Guy Hitt, chairman of Group 10 which comprises the counties in the extreme southern portion of Illinois, at the behest of the Executive Council of the Association appointed a committee composed of H. R. Aisthorpe, J. E. Mitchell, Earl B. Jackson, W. B. Crawford, and O. M. Karraker to perfect a clearing house organization in that district to foster secure banking.

Illinois has escaped a large proportion of bank failures that have been so disastrous in neighboring states in the last few years because of able manage-

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Banks interested in securities, either for the investment of their own funds, for offer to customers, or to meet some individual requirement, are invited to utilize our complete and up-to-the-minute data, and to consult with our investment specialists on any aspect of investment, specific or general.

THE BANK OF AMERICA

Founded 1855

CHICAGO, ILLINOIS

Resources Over 35 Million
ment, according to Mr. Hitt. Illinois bankers have determined to provide for mutual examination and supervision which would disclose any undesirable conditions in time to prevent banking losses. “The clearing house plan has demonstrated itself to be necessary to the highest type of banking,” said Mr. Hitt. “Our immediate action is in response to a desire to surround the deposits of our public with every safeguard that modern banking ethics have developed.”

Illinois was the birthplace of mutual examination and supervision of banks, which was established in Chicago more than 20 years ago, and since then no Chicago clearing house bank has ever lost a penny for its depositors. The idea later was adopted in New York.

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**Capital & Surplus 45 Million Dollars**

**CHICAGO**
What Do You Want?
—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 experienced banker now employed as assistant cashier and director of a bank in a small Illinois city. Prefer larger city. Has had normal training, and experience as a teacher in addition to eight years banking experience. Address RLG, The Mid-Continent Banker—6.


Would like to purchase controlling interest in a good bank in a town of 1,000 to 4,000 in Southwest Missouri or Northern Arkansas. Write Mid-Continent Banker. R-11.

Wanted: Position in bank or as bond salesman by married man, age 28, Protestant. Eight years assistant cashier of state bank in Colorado, for past six years cashier of National bank in Illinois town of 1,000. Have had experience in selling bonds. Best of references. Address W. A. W., care Mid-Continent Banker.

Wanted: Position in bank or as bond salesman by married man, age 38, Protestant. Five years experience as cashier of a country bank. Address A. C. T., care Mid-Continent Banker.

Wanted: Experience and well qualified banker wants to buy control or less in medium size bank by young man twenty-seven years old. Best of references. Address G. B., care Mid-Continent Banker.

For Sale: Burroughs No. 721860; 1 nest—25 safety deposit boxes—12" x 25" x 20". All roughs duplex Adder No. 9-144854, 9 bank, 1200— all checking except savings $120,000—all deposits $120,000—all checking except $25,000. Good reason for selling. Investment desires to engage a banker who has normal school and legal training and preference will be given to men with some experience selling bonds. Drawing account and commission basis of compensation. Address X-L, care Mid-Continent Banker.


New York Stock Exchange Firm doing a general investment business in St. Louis has an unusual opening for a Missouri or Illinois banker. Will constitute taking charge of out of town sales. Present residence may be maintained. Address X-1, The Mid-Continent Banker, 6-28.

Banker-Lawyer wants connection with bank, trust company, or loan company. Seven years a country banker as cashier, three years practicing law. Thirty-one years of age, married. Salary open. Now in small town. Available at once. Address X-2, The Mid-Continent Banker, 6-28.

Bond Salesman: An active underwriting house specializing in public utility bonds and stocks and participating in general market offerings. Is organizing a retail sales force for St. Louis and vicinity. Preference will be given to men with some experience selling bonds. Drawing account and commission basis of compensation. Address X-L will be treated in confidence and may be addressed to X-3, The Mid-Continent Banker, 6-28.

For Sale: 159 Safety Deposit Boxes in good condition, and split up in convenient lots so same may be stacked laterally or vertically. For particulars and terms write us. Fairbury Bank, Fairbury, Illinois—6.

Large St. Louis Bank which is increasing the sales personnel of its bond department desires to engage a banker who wants to get into the bond business, selling bonds to country bankers. Address J. J. W., care Mid-Continent Banker, 408 Olive Street, St. Louis, Mo.

Wanted: Position 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.

Wanted: Position with a farm department or farm problem to work out on good credits. Have studied farm situation and am qualified to meet farmers and help in solving their problems. Would consider right kind of insurance company or loan association. Address H. M. L., care Mid-Continent Banker, 6-28.

Wanted: Position as cashier in country bank or assistant cashier in medium-size bank. Thirty-five years of age. College graduate. Graduated from LaSalle Extension University in banking and finance. Enrolled as student of law in same school—two years completed. Thirty years' banking experience. Can furnish highest possible references. Write J. P. G., care Mid-Continent Banker.

Wanted: Position in bank as assistant cashier, teller or bookkeeper. Five years experience in country national bank, two years in a city national bank and two years mercantile experience. Married, twenty-seven years old. Best of references. Mason, Knight Templar and Elks. Any favors from Ilk brothers appreciated. Address P.S., care Mid-Continent Banker, 408 Olive Street, St. Louis.
State-Wide Campaign for $75,000,000 Bond Issue

The preliminary plans for an intensive state-wide campaign in behalf of the proposed $75,000,000 bond issue for the completion of the system of state highways and the construction of a system of supplementary state highways of farm-to-market roads, was launched at a meeting of the executive committee of the newly formed Citizens' Road Bond Committee of Missouri in St. Louis recently.

The meeting was called by Major Lloyd C. Stark, of Louisiana, Mo., who was selected to direct the campaign by the committee appointed by Governor Baker to work out the plan under which the road bond proposition will be submitted to the voters of Missouri at the November election through Initiative petitions.

With Major Stark as chairman, Anthony A. Buford, of Ellington, as general secretary, and Richard S. Hawes, of St. Louis, as treasurer, the other members of the Executive committee include Harold M. Bixby, president St. Louis Chamber of Commerce; Fred G. Wheeler, president Kansas City Automobile Club; T. H. Cutler, Chief Engineer State Highway Department, Jefferson City; Roy F. Britton, president Automobile Club of Missouri, St. Louis; George McIninch, director St. Joseph Automobile Club, St. Joseph; Stephen B. Hunter, Cape Girardeau; John Maling, Joplin; Eugene Ruth, St. Louis County Chamber of Commerce, University City; J. M. Richards, president Northeast Missouri Chamber of Commerce, Hannibal; H. B. McDaniel, Springfield Chamber of Commerce; Arch T. Hollembaek, director Ozark Chamber of Commerce, West Plains; Clifford Sernurgs, president Chamber of Commerce, Jefferson City; C. F. Adams, Chillicothe; George Perry, Moberly; and Andrew J. Murphy, Louisiana.

Liberty Bank Opens Fourth Avenue Office

The new Fourth Avenue office of the Liberty Insurance Bank, Louisville, Kentucky, has been opened to the public.

The new Fourth Avenue Office has been contemplated for more than a year, but construction was delayed owing to the fact that plans had to be laid for the future expansion of the bank, as the growth during the past few years would indicate that even the present commodious quarters would be outgrown in a short period of time. The new office is so built that it will eventually be possible to double the floor space.

In connection with the opening of the new office it was announced by J. E. Huhn, president of the bank, that the name of the Franklin Building in which this branch is located has been changed to Liberty Building.

The new bank is a departure from the stereotyped bank style of architecture. The exterior is Italian, constructed of Bowling Green stone, the texture and color of which gives a beautiful monumental affect.

The interior is carried out in the same style, with highly decorated terrazzo floor, Travertine marble wainscots, and rough case plaster, decorated in a subdued colorful art, glazed to produce an antique appearance. The solid bronze metal used throughout, including lighting fixtures, is in full harmony with the design. The patented bank fixtures are a decided modification of the open-counter fixture. The new Liberty counter is the idea of Mr. Huhn. It is constructed of a Travertine marble base, beautifully matched walnut counter and solid bronze metal rails, sand blasted to a texture and color blending with the surrounding style.

The vault is of exceptionally heavy concrete construction, reinforced throughout. In addition to the concrete construction, a solid steel lining is used. The door of the vault is of circular type, exceptionally heavy, and is operated by clock device.

Coupon booths are designed for the comfort and convenience of the patrons, of ample size and of sufficient number. The ventilation of the bank, having both front and rear exposure, will assure pure air at all times.

In the main lobby, there is located a ladies' alcove, beautifully furnished with its Italian desk and chairs, and an oriental rug. A large clock in bronze frame, electrically operated, is mounted at the entrance over the revolving door.

The officers' space is arranged for in the main lobby.
The Chase National Bank
of the City of New York
57 BROADWAY
Capital ............................................ $ 50,000,000.00
Surplus and Profits ................................ 57,462,411.15
Deposits (February 28, 1928) ...................... 857,757,013.97

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JOHN MCLUH
Chairman of the Executive Committee
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XXXI

Genuine Mahogany

Genuine mahogany is imported from Mexico, Central America, the West Indies and the North coast of South America.

Eighty percent of all the genuine mahogany imported into the United States comes through the Port of New Orleans, and sixty percent of all mahogany exports are handled through this port.

Hibernia Bank & Trust Co.
New Orleans, U.S.A.
One of the first financial houses of the country to make use of the air mail service, the National Bank of Commerce in St. Louis is continuing to increase its patronage of this speedy and most progressive method of handling suitable banking items. Every day except Saturday and Sunday the planes that leave the St. Louis airport made famous by Lindbergh, carry large items for clearance in such cities as New York, Philadelphia, Boston, Detroit, Cleveland, Denver, San Francisco or Los Angeles. Correspondents find it pays to be connected with a bank that uses the quickest and most up-to-date means of transacting business when time counts.