

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

▲
ST. LOUIS
APRIL
1931
▼



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A Section of the Skyline at
Little Rock, Where
Arkansas Bankers Will Meet
April 29-30

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• • A Helpful Order of Banking • •



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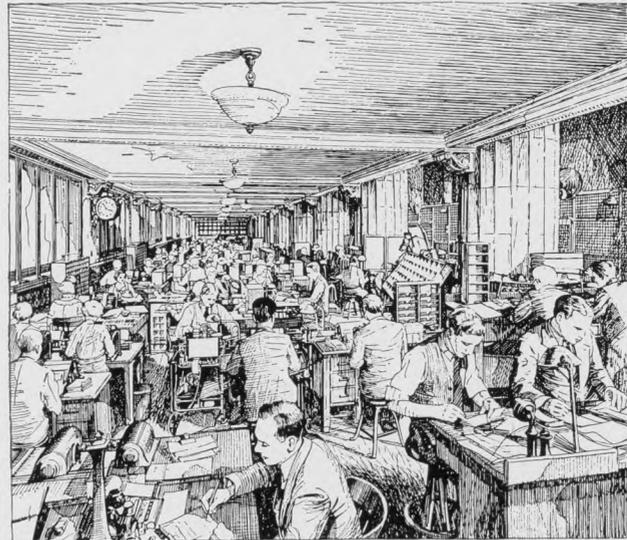
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 FOR INSTITUTIONAL
 LOANS”

Why Banks Fail—

A RECENT bulletin issued by Ernst & Ernst, accountants and auditors with offices in principal cities throughout the country, calls attention to the enormous number of bank failures during the year 1930, and outlines the reasons as follows:

“ . . . faulty management by men with limited training, scant attention paid by directors to the bank's affairs, local prejudices and favoritisms, excessive personnel and overhead expenses not justified by small resources. Yet bad management alone does not account for bank failures. Officers of suspended country banks have usually been honest and conscientious. They were products of their communities. In most instances they were capable, but not capable enough to keep their institutions healthy in the face of economic changes which came over the whole country. Good roads, for example, have taken to larger centers both the farmer's trade and the farmer's deposits.

“The other half of the banker's problem, to find profitable occupation for the community's funds, also has presented difficulties. If the chief local business is agriculture, the chief loans and investments of the bank must be in agriculture, including farm mortgages. The land inflation of ten years ago, followed by deflation and a long period of relatively depressed agriculture, has brought about a condition of frozen loans which are primarily responsible for the failure of hundreds of small country banks . . . failures in regions where opportunity for use of bank funds are more diversified have not been numerous. It appears, therefore, that **lack of diversification of loans and investments is a more fundamental cause of failures than the personal or human element.**”

Another interesting sidelight of the causes of bank failures is furnished by C. A. Wisdom, cashier of the Farmers and Merchants Bank of Green Ridge, Missouri, and chairman of the committee on analysis and service charge of the Missouri Bankers Association. Mr. Wisdom points out the fact that out of 151 banks and trust companies closed in Missouri in 1930, not counting bona fide mergers and consolidations, there were **only 5 service charge banks that failed.**

It would be interesting, too, to find out what rate of interest failed banks paid on savings and time deposits.

J. J. W.

Mid-Continent Banker

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Vol. 27 No. 4

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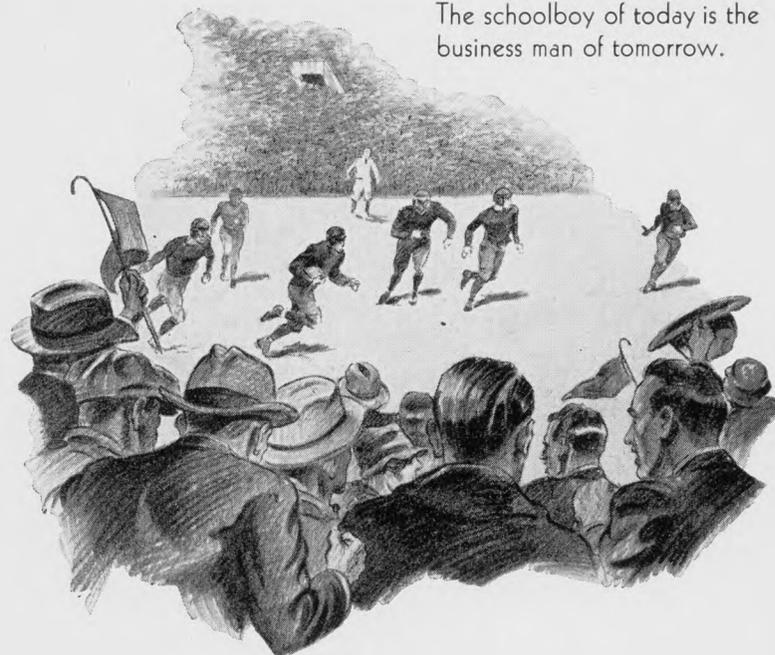
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A Good
ST. LOUIS
Correspondent

The schoolboy of today is the
business man of tomorrow.



Silas Doolittle Changes His Mind

By G. V. KENTON

Director of Publicity, Mercantile-Commerce Bank and
Trust Company, St. Louis; and Chairman, Committee
on Education, Missouri Bankers Association

SILAS DOOLITTLE was accustomed to survey the world with a suspicious eye. Nearly half a century of ups and downs in the banking business at Mudville had brought a stony glint to his eye and a habit of looking for flaws in nearly everything that came to his attention. So on this cold February morning, with snow covering the ground and his rheumatic pains

asserting themselves at intervals, he was in no happier frame of mind than usual.

From his cluttered desk in a side room at the bank, Mr. Doolittle looked up from perusal of his morning mail in time to catch sight of Joe Upgrade, son of Howard Upgrade, who operated the only other bank in Mudville, as he whistled his way to work.

"There goes that upstart, Joe Upgrade," shouted Mr. Doolittle to his cashier, through the half-opened door. "Did you ever see a happier fool? Doesn't begin to know what it's all about. By the time his dad gets through usin' some of Joe's hifalutin ideas about runnin' a bank, there'll be one less bank in Mudville. It makes me laugh to watch him.

"Guess you heard about Joe's plan to teach the boys and girls of Mudville somethin' about bankin'. Well, let him go ahead. Give him all the

rope he wants, and if he hangs himself, see who cares. He will find out some day that bankin's not so easy as it looks. I've been in it nigh onto fifty years and maybe I could still learn a few things.

"Tony, the barber, told me yesterday that Joe has made plans to talk to the high-school kids and the eighth graders, but they're too young to have any ideas about bankin'. Gosh, we've got customers who have been comin' in here for the last twenty-five or thirty years and still don't know how to write out checks or take care of any kind of bankin' business. Well, Joe will find out after it's all over that he has just been killin' time."

"I'm not so sure about your views," replied Henry Jones, Mr. Doolittle's cashier. "You know this educational work is being carried on by the Missouri Bankers Association and I don't believe it would be in it if it was not

a good thing. Looks to me like it's a sensible way of building up profitable future business for a country bank, and you know we've got to look for new ways of doing this, as times are continually changing. Besides, I believe you can teach a youngster in the schoolroom more in a few lessons than an older person will learn in a lifetime, because the child's

mind is open to suggestions and new impressions. It appears to me that you can tell them a lot in school about how to write out checks, fill out deposit slips and how to make use of a bank's services, and when they get out into the business world, shortly, they will be far better customers."

"You're all wrong," snapped back Mr. Doolittle. "Do you think I've been in this business a lifetime without knowin' my ground? I believe in doin' business by the old, established methods. None of this oratin' before the public schools for me. Got plenty to do stayin' right here and attendin' to my knittin'."

◆ ◆ ◆

Five years had gone by. Silas Doolittle sat in his little office, still cluttered with papers, and looked out upon a beautiful spring morning. As

he peered through the window, he saw a gay group of school children filing into the Upgrade Bank. They had been invited in by Joe Upgrade, now the cashier, to see how a bank is run and to visualize some of the things Joe had been telling them about in his school lectures.

"Come here, a minute, Henry," called Mr. Doolittle to his cashier. "See all those kids filin' in Joe's bank. Well, I've sat here and watched that performance so darn long now, that I've had a change of mind. Remember, five years ago I told you Joe Upgrade was a plain fool and just wastin' his time. But I've been the fool—not Joe. Five years have been long enough to show me that Joe has been on the right track. Why look at some of those kids he gave bankin'

lessons to five years ago. There's Tim O'Brien, now runnin' the hardware store; Jack Slade, proprietor of the picture show since his father died; Wilbur Storm, dry-goods merchant; Esther Bandeau, in charge of the beauty parlor; Tom Worth, down at the old mill—and a bunch of others, every one of 'em good customers of Upgrade's. Why, man, nearly the whole town is bein' run by the school kids of five years ago.

"From now on, I'm a firm believer in that educational work and I'm goin' to jump into it with both feet. There are three country schools that Joe Upgrade never had a chance to visit. I'm goin' to write to the head of the Education Committee today and tell him I'll talk to these school

(Continued on page 42)

New Financial District Giant

THE formal opening of the new City Bank Farmers Trust Building, on the block bounded by William Street, Exchange Place, Hanover Street and Beaver Street in New York City, took place recently when the trust company moved from its temporary quarters to the new building and thus returned to the site occupied since 1866 by the company, when it operated as The Farmers' Loan and Trust Company, prior to its affiliation with the National City Bank of New York on June 29, 1929.

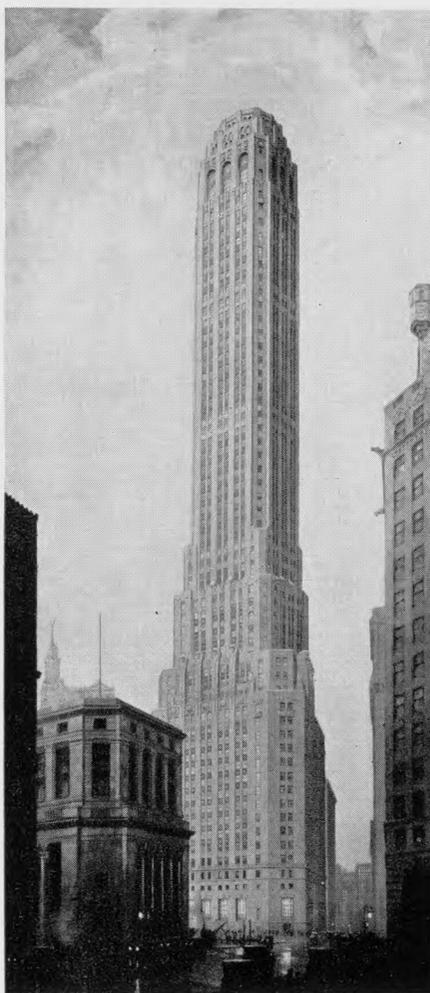
The new building, in addition to housing the headquarters of the trust company, contains a branch of the parent organization, The National City Bank of New York, in which complete banking facilities for individual depositors are provided.

Towering to a height of 745 feet above the pavement, this latest skyscraper constitutes an impressive addition to the skyline of the downtown district.

With the exception of the first story, which is made of Mohegan granite, the entire building is constructed of white Rockwood Alabama stone. It is the largest and tallest building ever to have its exterior constructed of this stone.

With the completion of this new building, practically all the downtown departments of the National City Bank, City Bank Farmers' Trust Company and the National City Company will be housed in this building and in the Head Office of the bank, known as 55 Wall Street.

The two buildings are now connected by a bridge extending over Exchange Place on the 9th floor.



The latest addition to the New York skyline—the City Bank Farmers Trust Building.

The main floor of the new building is devoted to a spacious banking room and to the office of the president, James H. Perkins, and his staff of senior officers. The section of the main floor fronting on Hanover Street and for some distance on Exchange Place and Beaver Street, will be occupied by the Canadian Bank of Commerce which, for many years prior to the erection of the new building, has occupied quarters on this plot.

The entrance to the main banking floor and the main banking room of the trust company is through a large archway at the intersection of William Street and Exchange Place. A double curving stairway of Altico and Rosatto marble leads from the rotunda up to the main banking room of the trust company. Surmounting the entrance archway is a huge stone medallion carved in an allegorical illustration of the industries and incorporating the seal of the City Bank Farmers Trust Company.

The dome of the rotunda is decorated in silver, while the walls are of French limestone and the floor of travertine and colored marbles, with eight decorated inlays of nickels symbolical of banking and commerce. Huge columns of red marble surmounted by the figures of eagles and three bas reliefs carved in stone are features of the rotunda, which is also equipped with a unique lighting system.

The general building entrance is on Exchange Place and is a great archway of granite, in which are carved eleven modern coins representative of the United States and foreign countries in which the National City Bank has some of its principal branches. Flanking this archway of coins are two large medallions of carved stone embodying the seals of the City Bank and the National City Company, with figures representing Commerce and Transportation.

The outstanding decorative features of the exterior of the building are the great human heads that look down from the 18th story. These represent giants of finance. They are of two types—seven pleasant and seven scowling. Each of these giant heads is flanked on either side by eagles.

The building contains a telephone switchboard which is the largest of its kind in the world and represents the latest and most modern development in interior and exterior telephone systems.

«The Macy filing system . . .
simple yet effective»



FOR some unexplainable reason, the calendar-makers have caused spring house-cleaning time to coincide with the season of April showers, muddy feed-lots, and rubber boots. We spend (theoretically, at least) an entire week each spring in cleaning up and renovating our bank quarters, knowing all the time that unless we decide to lock the door and go out of business, our labors will have been completely negated by noon of the following Monday. This renders it essentially only an academic question whether to clean house this spring or just let the layers accumulate one atop the other. And yet, it is a formula which tradition requires of us, and there is no particular reason why we shouldn't pass through this phase in 1931, the same as we have in previous years.

This process known as spring house cleaning is one that can be considerably simplified for the busy banker, by means of a little foresight and careful planning. It should be

House Cleaning at Our Bank

By
ROSCOE MACY

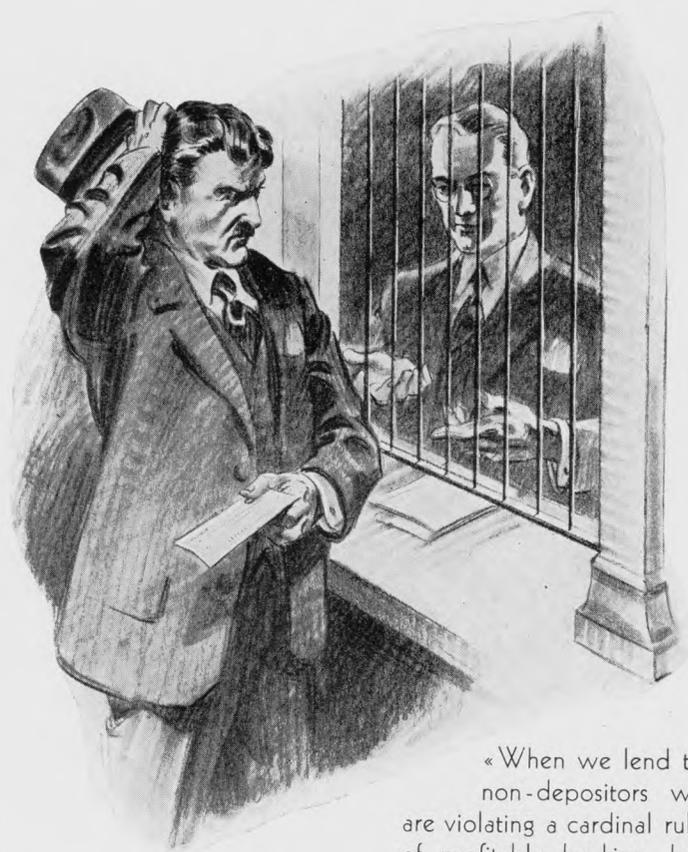
programmed. Personally, I find it advisable to spend as much as an entire week, prior to the undertaking of the actual work, in just sitting and thinking about it. By the end of the week, I have it all mapped out and ready to be carried through on a strict efficiency basis. If it doesn't get done, after that, the fault is somebody else's—not mine.

The stranger visiting our basement would be interested to note various heaps of paper scattered about—legal documents, insurance policies, vouch-

ers and the like. Perhaps I should say that he *would* be interested in seeing them, but he couldn't, on account of the fact that the basement light doesn't work. But granting for the moment that it does work, he would note these various heaps of papers, with a sign-board planted in each heap. Over in the northwest corner, the sign reads "1912 BUSINESS." That's the year our bank was organized. There's a heap for each year, and when we clean house this spring,

we'll build another mound, to arouse the curiosity of some scientific excavator in 3900 A. D. At this date, however, all they're good for is to fall over in the dark. I am regularly called upon to hurdle nineteen years' business in order to build a fire in the furnace. Some bankers appear to prefer wooden filing-cases, or even steel cabinets, but I'd rather fall over a pile of loose papers any time. Easier contacts; that's the point. But to get back to my story—I was

(Continued on page 42)



«When we lend to non-depositors we are violating a cardinal rule of profitable banking, but there is another side to the subject . . . »

CREDIT management implies first of all, two things: 1. A knowledge of credits. 2. Some system of managing that knowledge.

It implies many other things, but they tend to become of secondary importance.

The general principles of credit are very much the same whether in a country bank, or its big city correspondent.

You can now buy any number of excellent books on the subject of credits in general, and more especially devoted to a study of credits as used in the big city banks. They are fine, and I have received many ideas from them which I have been able to use in running a small country bank, dealing almost entirely with a farming clientele.

The credit man in a large city bank has, in many ways, an advantage over those who work in small country banks. A great many of his loans are made on listed securities, the price of which is published in the daily papers. Given a borrower of

good general standing in the community, and who would be classed as a desirable customer, it is comparatively simple to compute the value of his collateral, and to see that the margin of security is kept ample. Of course, it is not quite as simple as that, but the tendency is in that direction.

It is true the man in the large commercial bank passes on loans of much larger amounts than ever come before the credit man in a little country bank. His responsibilities are

therefore greater but his credit information facilities are more elaborate, and if he makes good use of it, his position is not so burdensome.

While you are loaning smaller amounts in the little country bank, your surplus and earnings account are relatively smaller to absorb any losses you might make, and you have to keep your batting average about up to the standard of the big banks, or some day you find another man sitting at your desk.

But when you begin to pass on credits in a small country bank, you are dealing with human nature in the raw. People who own bonds or listed securities, in the country, rarely if ever borrow. A great many of the loans made in country banks are of necessity made on the good moral standing of the borrower, and one or two co-makers. It is true that a bank does not have to make loans to that kind of people. But it has been my experience over a good many years, that there is a class of farmers who

Credit Management in a Country Bank

By **S. J. ANDERSON**

Cashier, Bank of Centerton, Centerton Arkansas

must have help each year, or they are not able to operate to the fullest extent of their ability. And it is my further experience that the loss ratio on this kind of loan compares very favorably with all other loans made by the bank. These are the marginal customers of the bank, neither very profitable, nor unprofitable.

We could refuse to let them have money to operate on, and would make a better showing as a commercial bank, perhaps, but it would cut down the farming operations in our territory, which is about our only source of new wealth, and we have virtually no losses on this class of business, when carefully handled, so we just keep on doing it.

A bank is not a charitable institution. When we lend to non-depositors we are violating a cardinal rule of profitable banking, according to most writers on the subject, but there is another side to the subject. Years ago, in my first banking experience, I found a few people had borrowed from the bank all the money it had to lend. The result was the others had to do without, or be financed very poorly. I was just a cub at the time, but I succeeded in convincing my directors, who were about as inexperienced as I, that we were on the wrong track.

We reduced these large lines as fast as we could, after we saw the light, and began to make smaller loans to all who were entitled to them. If they could make a good, well-secured note, we loaned them whether they were customers or not. The result was a better feeling toward the bank, as they found they could get money from us any time if they would "make us safe." We had nearly a hundred thousand in deposits in one of the smallest towns in the county, before the World War, and our losses were less than 1/10 of 1 per cent during that time.

Then follows an interval during which the writer was not connected with any bank, except as a borrower, having fallen for the wiles of those who were preaching "back to the land" and other farming propaganda. As improbable as it sounds, I learned more about how to run a country bank during those years than in any other period of my experience. Then one day I found myself back in the same bank physically older, mentally younger, and a hard job ahead of me.

During the interval of time which had passed, the banking business had gone through great changes. That

Borrower:	
Acres real estate owned.....	Estimated value, \$.....
Mortgage, if any, \$.....	
Condition of improvements.....	
Insurance, if any, \$.....	
Estimated value personal, \$.....	
Chattel Mortgages, \$.....	
Highest unsecured loan, \$.....	
Highest secured loan, \$.....	
Endorser, if any.....	
Payment record	
Moral risk	
Status of checking account, if any.....	
Remarks:	

Illustration Number I.

meant long hours of hard study to cover all the ground which had been passed during my absence. That is where I made the acquaintance of many fine and helpful books on banking subjects. You fellows who have been in there all the time do not realize the changes which have been made.

When making loans to farmers on personal standing, and indorsers, even in a small bank with a minimum of customers, it is hard for the credit man, usually the cashier, to carry

all the needed information in his head. You do it rather haphazardly in a way, and have the impression that John Jones is "good" or the opposite. And that is often the extent of credit knowledge on a borrower.

However good his intentions, the cashier is a busy man, and a bank should have something more definite in the way of a credit file than the space under the cashier's hat. He frequently finds if he attempts to make up a credit file, even on his

FINANCIAL STATEMENT	
For the purpose of securing credit from the Bank of Centerton, at this time and later dates, I certify the following is a full and accurate statement of my financial condition this.....day of.....193.....	
I OWN:	I OWE:
Real estate.....acres.	Real Estate Mortgage.... \$.....
Valued at..... \$.....	Chattel Mortgages..... \$.....
Stock	Store Accounts..... \$.....
Machinery	Payments on car..... \$.....
Other assets	Other Banks
..... \$.....	Other debts..... \$.....
..... \$.....	Bank of Centerton..... \$.....
..... \$.....	Endorser
<u>Total..... \$.....</u>	<u>Total debts..... \$.....</u>
Amount of Fire Insurance Carried, \$.....	
I made last year approximately \$.....	
I will notify the bank of any material change.	
.....	

Illustration Number II.

most intimate personal friends, that his limitations are very definite when it comes to actual credit information on them.

Actually the cashier's credit knowledge, if acquired at the expense of the bank, is just as much an asset of the bank as any other asset it may own. If he carries it under his hat, and if it is worth anything, something might come up to deprive the bank of that asset, and his successor may and will flounder around more or less in meeting his problems until he acquires some credit information of his own, also, sometimes, at the expense of the bank.

Realizing that something should be done about it, we looked over the various kinds of credit statements, and that covers a wide field. They are all more or less useless. Dozens of fine intelligent farmers, who know their business, would not recognize an asset or a liability if they met one in the road.

And then a formal statement is not usually required for a loan smaller than five hundred dollars, but we

should have some line of information on the smaller loans.

After sifting a lot of information, we decided that nothing which had been offered us was exactly suited to our needs. So we got busy and worked out a card filing system, using a common four-by-six card file. We made one mistake there, we should have used the next larger size, probably five by seven, or eight. The additional space would be useful.

We bought plain cards, and had them printed on one side as shown in illustration number one on page 13. Look it over and you will see that it enables us to tabulate a lot of useful information about a customer—information that is always available and always valuable.

▲ When we have an application for a loan which is not large enough to justify asking for a formal credit statement, we talk over the applicant's affairs with him, taking notes on what he tells us, and filling out the card afterward. Sometimes it happens that we know something

about the property owned by the applicant. In such cases we trim his estimate of values considerably. We find that under ordinary working conditions this card holds all the information we need. The secret is to keep the information current, and on co-makers as well as borrowers.

These cards are filed alphabetically, under a card index, and it is only a matter of about five seconds to find the card you want. What I mean by keeping them current is to record any dependable information affecting the borrower's financial standing and your experience as well. You will find that you will have occasion to change your notes from time to time. No bank knowingly makes a poor loan, but when you are making loans for six months, a surprising number of things can happen to affect the maker's standing in that length of time.

Any one familiar with small towns where everyone knows the other fellow's business, knows that you will hear lots of things which, if true, will

(Continued on page 44)

Day Deposit Window for Hurried Clients



A NOVEL idea in the field of "additional banking service" is the Day Deposit Window installed by the City Bank and Trust Company of Kansas City, Missouri. Automobiles drive up to this window and the deposit is received by a teller without the necessity of the depositor leaving his car.

Only deposits are received at this window and no checks are cashed there or change made. The cash is not counted at this window or the deposit verified in any manner but is taken immediately to one of the receiving tellers who performs this operation.

When the deposit is made the teller stamps a short message in the passbook of the depositor which reserves the right of the bank to make corrections in the passbook in case the deposit is in error.

This window has been received by many customers with a great deal of enthusiasm and more are making use of it daily.

This idea, while not so practical in a small town where there are no parking difficulties, is of tremendous advantage to the hurried depositor of a large city. It will also be of great convenience when the weather is stormy.

Although the depositor in the illustration at the left has left his car, this is not necessary as the car can drive right up to the window, which is just about as high as the average car window.



A Remedy for Business Ills

THE expansion of long-term credits and foreign lending is a vital necessity to offset the world business depression. The chief initiative in this palliative rests upon Paris and New York as the world's soundest money markets of the moment. This was the outstanding thought expressed by Gates W. McGarrah, president of the Bank for International Settlements, in his address delivered before the American Club of Paris recently. It was his first speech in Europe since he became president of the bank.

He also stressed the beneficial effect wider intermediate credits are bound to have on the international situation. As evidence that the international reparations bank is anxious to lead in this direction, Mr. McGarrah revealed that its board recently authorized the investment of \$25,000,000 of its funds in credits of six months' to two years' duration—this in the hope that Paris and New York banks will follow the example to the utmost of their capacity.

Mr. McGarrah's plea for an extended credit attack against depression came at the conclusion of a long review of the functions of the International Bank, conceived by the Young Plan. "We believe the bank's field of operations to be broad," he said, "and it will be further expanded because of actual needs which have made themselves manifest."

His address in part follows:

"The bank has been established and equipped to assist in promoting and simplifying the international flow of capital and the development of new facilities for international financial operations. It is already international, though but nine months old, because its shares have been placed by or through central banks or banking groups of 22 nationalities, because it already operates in 24 of the world's currencies which are on a gold or gold exchange standard, because its conservative short-term investments are in markets as remote as Tokio and Rome, Athens and Helsingfors, and because in its staff in Bale there are persons of 10 nationalities. In the daily workings of the bank, where four languages are employed in correspondence, the entire spirit is one of international understanding and collaboration, of an

appreciation of the fact that capital

In this article, Gates W. McGarrah, president of the Bank for International Settlements, expresses the purpose and work of this world bank. "The two great needs of the moment," states Mr. McGarrah, "are the transfer of capital from the short-money market, where there is an excess, to the intermediate credit market and the long-term market where the supply is inadequate . . . and the reopening of great capital markets to foreign financing, especially at intermediate and long term."

is fluid and overflows mere national or geographical divisions.

"A far-reaching decision was taken by our board of directors at its first meeting of 1931. The decision augurs much for international financial development during the current new year:

▲ "After examination of the recommendations of the committee for transactions of foreign exchange and gold, it was decided that central banks, when they have to receive payments from other central banks in respect of international payments or foreign exchange transactions, will notify, where possible, to their counterparties the B. I. S. as their receiving bank. The B. I. S. will collect all information on the conditions under which gold is purchased by the various central banks; it will likewise request the various central banks which have deposits of gold abroad to inform it whether they could be prepared to exchange such deposits for gold delivered in their vaults, in order to enable other banks which have to ship gold to reduce consignment costs to a minimum by means of the exchange of gold deposits."

"Our statutes provide not only for operations in foreign exchange but also for the creation of an adjustment fund for movements in gold. A study of this possibility is under way, and the B. I. S. has already received gold deposits from certain central banks and is in a position to transfer them from the account of one bank to another. If and as more central banks adopt this system, we should avoid a recurrence of incidents like those witnessed in recent years, when gold crossed the Atlantic from London to New York at the same time that gold was transported from New York to Paris.

"While in the popular mind the

bank's activity in connection with the German debt payments is regarded as its principal operation, and, while it was a prime reason for the bank's creation, the truth is that this duty has already become the smaller side of the work. The administration of the monthly payments of Germany is a routine operation which could be carried on by any trust company; consequently nearly the whole thought and energy of the bank are devoted to other financial fields. Reparation funds proper represented on our last balance sheet under 20 per cent of our total assets, which then amounted to about \$340,000,000. Similarly, it is a mistake to consider that the institution is one for handling the so-called interallied debts. While creditor treasuries may use us like any other bank as a depository for funds which may or may not be ultimately employed to discharge public debts as well as private debts, there is no provision in the Young plan or in the bank's statutes by which the bank collects from the principal debtor on the one hand and remits directly to the principal creditor on the other.

▲ "The growth of the banking department of the institution has been rapid. The first balance sheet of May 31 of last year showed assets of approximately 300,000,000 Swiss francs. The statement of January 31 last disclosed assets of slightly over 1,700,000,000 Swiss francs. This advance has been primarily due to the cooperation of central banks, which deposit a steadily increasing portion of their foreign currency reserves with us. Such reserves now represent one-half of our assets and liabilities. Another one-quarter relates to deposits of central banks for the account of their treasuries, and the remaining quarter represents our

paid-in capital and permanent deposits entrusted to us pursuant to The Hague agreements. No deposits have so far been accepted from private banking institutions or individuals.

"I may add that we have, and have had, substantial investments in Germany which, as a debtor nation, naturally requires foreign capital. In fact, of our total investments at the end of the last calendar year about 25 per cent was placed on the German market. The reich's special need is for longer-term credits. Consequently, of our investments for periods of six months or more, over 95 per cent has been made within Germany.

"The maintenance of great liquidity

is requisite because half of our funds constitute the foreign exchange reserves of central banks. Such reserves must be quickly forthcoming in emergencies. Besides, to serve as a stabilizer of the exchanges, the bank must be ready to move funds rapidly from one point to another. Consequently, though a third of our funds is placed with us for over 37 years, only 10 per cent is invested for over six months and nothing over two years, sight to three months being the preference.

▲ "We have endeavored to relate investments directly to the promotion of trade and commerce, national or international, and consequently are large holders of com-

mercial and export bills. We do not finance governments; indeed, our statutes expressly prohibit advances to governments, as well as the opening of current accounts for governments.

"With due regard to our commitments in a given currency and to liquidity, we have endeavored to move capital from markets where it is superabundant to markets where it is needed.

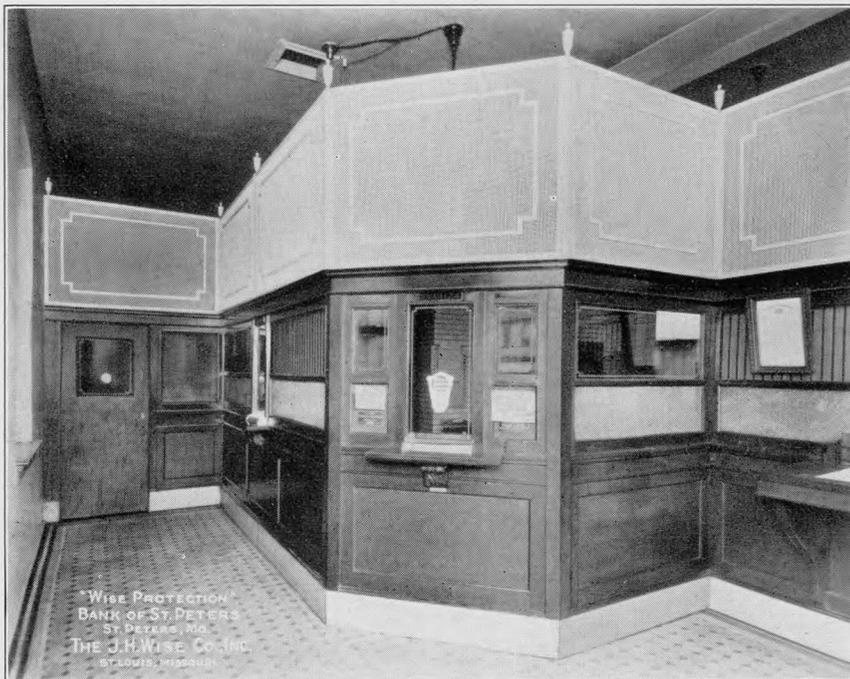
"We have endeavored to avoid competition with existing agencies or private banking enterprise and instead to supply new facilities which have hitherto been lacking or uncoordinated.

"Finally, we make investments with a view to organizing credit mechanism in monetary centers where necessary instruments of credit are lacking. If a given center has not, let us say, developed the helpful agency of a bill market, we state that we are ready to make a local investment if such a market is organized, whereupon we invest in bills. The value of this operation is that it attracts other funds into the countries in question, thus increasing the volume of credit at the disposal of the national economy.

▲ "One essential utility of the B. I. S. is the opportunity it gives for central banks to discuss together their common problems. This opportunity results from the monthly meetings of our board attended by the governors of central banks, from the repeated visits of central bank officials to Bale and from the return visits of the bank's officers. In addition there is maintained a practically continuous series of gatherings of experts to study problems of common concern. It is now an open secret that the recent decision of several central banks to accept a common standard of gold fineness is the outcome of the governors' conversations in Bale.

"To estimate the direction of our future growth is difficult. One conclusion is clear: That is the increasing interest in the institution, as evidenced by the number of visits from leading bankers and economists from all parts of the world. Bale is becoming an international center for the practical study and discussion of the world's monetary and credit problems. We believe that the field of the bank's operations is broad and will be expanded because of the actual needs which have made themselves manifest. What are two of the

Bank of St. Peters Installs Bullet-Resisting Equipment



Interior of Bank of St. Peters, St. Peters, Missouri, showing installation of bandit- and bullet-resisting equipment.

ALTHOUGH the Bank of St. Peters, St. Peters, Missouri, never has been held up, officers and directors of the bank have minimized the chances of having this happen by installing bandit- and bullet-resisting equipment as shown in the above photograph.

The installation, made by The J. H. Wise Co., Inc., protection engineers, St. Louis, includes ornamental bullet-resisting Cer-Tex steel mesh

the cages is protected with bullet-resisting glass and Cer-Tex steel mesh, and the two tellers' windows are equipped with special deal trays and combination gun-ports and speaking apertures. The wood parts of the cages are protected with bullet-resisting Cer-Tex steel plates.

Officers of the Bank of St. Peters are: N. Schneider, president; Joseph P. Iffrig, vice-president; and A. Schneider, cashier.

(Continued on page 45)

Correct answers to these questions will be found on page forty of this issue.

10 LEGAL QUESTIONS for BUSY BANKERS

By CHARLES H. WAGER

Attorney at Law, St. Louis

NOTE: These are purely hypothetical cases based on recent Appellate Court decisions which are of interest to bankers.

1. A bank owned a market which it leased to an individual who in turn subleased to several merchants. Difficulties developed because of the failure of the individual to pay rent on time. He left the premises before the expiration of the lease and later sued the bank for damages, alleging its agents constructively evicted him and broke the lease because they trespassed on the premises in coming to him to collect rent money. The lease was silent as to where rents should be paid. Can he recover?

2. Jack Jones sold John Smith a Kentucky farm retaining a vendor's lien as part of the purchase price. Later John Smith defaulted in one of the installment notes and his son paid it and took as security for the payment a second mortgage. Later the father requested in writing, a friend to lend him the money to pay off the balance of the purchase price, which was done, and the father gave the friend a first mortgage on the property to secure the loan. The friend had no knowledge of the second mortgage although it had been recorded, but later learned of it and foreclosed on the property. He claimed his mortgage took precedence over that of the son because he had no knowledge of it and because, since the proceeds of the loan went to pay off the vendor's lien, he was subrogated to the rights of the holder of the vendor's lien which were prior to those of the son. Was his claim sound?

3. A trust company held, as trustee of an estate, a certain building in St. Louis, Missouri, which was occupied and in the active charge of a fish company. A pedestrian fell in a manhole that had been negligently left open by one of the employes of the fish company while cleaning out the basement of the building. The trustee had provided the company with a cover for the manhole which was sufficient if properly and rea-

sonably used. The pedestrian sued both the fish company and the trustee for injuries sustained as a result of the fall. Is the trustee liable?

4. A North Carolina farmer mortgaged his farm. On his farm was a cotton gin and a corn mill which were run by the same steam boiler and which were used for ginning his cotton and grinding his corn, as well as the cotton and corn of his neighbors. The mortgage did not specifically cover the gin and mill but did contain a clause covering all fixtures on the land. Were the gin and mill subject to the mortgage lien?

5. John Jones mortgaged a building belonging to him in New York. The mortgage contained an acceleration clause that upon default in any interest payment the entire amount of the mortgage would become due. One of the interest payments was \$5,000 but a clerk in Jones' office figured it at \$4,500 and a check was sent for the smaller sum. This error was discovered prior to the date the interest was due but in the meantime Jones had left for Europe. He was the only one who had the power to sign checks and his clerk wrote the mortgagee that as soon as Jones returned the \$500 discrepancy would be paid. Jones returned two days before the interest was due but the clerk overlooked sending the \$500 discrepancy and, since it was not paid, the mortgagee started foreclosure proceedings on the day following the due date of the interest. Upon learning of the foreclosure proceedings Jones immediately tendered \$500 to the mortgagee but he refused to accept it. Will the tender

operate to stop the foreclosure proceedings?

6. Four unmasked robbers held up a Missouri bank. During the trial of one of the alleged robbers, the cashier, who saw the holdup, was asked if he had seen them after the holdup. He replied that he had seen them the morning after the holdup at the police station. The defendant objected that this was merely bolstering up the cashier's testimony and was immaterial and incompetent. Is his objection well founded?

7. An Illinois bank contracted with a notary public whereby he agreed to act as notary in the matter of protesting commercial paper, whenever required by the bank, at a compensation less than the statutory fees. The notary worked for the bank as such and later repudiated the contract, claiming it was contrary to public policy and void. He brought suit for his fees as allowed by law. Can he recover?

8. A Kansas bank was appointed guardian of the person and estate of an incompetent. Thereafter, the incompetent married a woman of questionable designs and the bank brought suit to set aside and declare invalid the marriage. The woman challenged the power of the bank to bring the action because the statute under which it was appointed did not give to a guardian the power to bring such a suit. Assuming that the statute is silent as claimed, had the bank power to bring such an action?

9. A recently enacted Florida statute contained provisions requiring persons, corporations and others

to make and file tax returns, provided a penalty for failure to make returns and contained other general provisions with regard to taxation and also prohibited the recording of deeds unless the Post Office address of the grantee was stated therein. In a suit by an investment company against a tax assessor the company attacked the act as being unconstitutional because it embraced two unrelated subjects and was therefore void. Was the company right?

10. A South Carolina bank had a dispute with a telephone com-

pany over a telephone bill. The telephone company presented a bill of approximately \$30 and the bank asked for an itemized statement and complained that the bill was not correct; an agent of the telephone company admitted the bill was not correct and the bank offered to pay half the bill and adjust the balance when the correctness of the charges were determined. This was not agreeable with the telephone company and the telephone service to the bank was discontinued. The bank brought suit for damages sustained as a result of this action. Can it recover?

features. To the extent that such features make possible an elimination **before** the market reflects a weakened position, they are valuable.

3. Substitutions. When a given stock is eliminated, provision is usually made that the cash proceeds shall be paid to the shareholders. Sometimes, however, such proceeds may be reinvested in a Reserve List of other stocks, or in other stocks of the original list, or in trust shares themselves at cost price.

Each of these methods has its own advantages. To the extent that substitutions are strictly limited in character and purpose, the trust may still be regarded as adhering to the fixed principle. If, however, it is possible to make a substitution for the purpose of profit, the trust enters the field of management, and may very likely find itself subject to corporation taxes, as well as all the dangers (as well as advantages) of management.

4. Distributions. The items which are to be included in the regular distributions of the trust to its shareholders are extremely important. Practically all trusts distribute all cash dividends received on the underlying stocks. Most of them distribute the proceeds of the sale of rights and fractional shares received on the units from time to time. Some trusts go even further and distribute the shares of stock received from stock proceeds of sale of all additional split-ups. This type of trust has been very successful in its volume of sales because of the large distributions. To offer this type to his customers, a banker must be satisfied as to the soundness of the policy of returning a part of the investor's capital to him along with his real income.

Interest is sometimes paid to the shareholders on cash funds which may be a part of the trust, either as accumulated dividends or as Reserve Fund. If such interest is not paid, the banker should be satisfied that the retention of this interest, when added to the other profits of the sponsoring corporation, does not constitute an unduly large profit.

5. Reserve Funds. Reserve Funds in cash or securities are frequently contained in the deposited property for the purposes of stabilizing distributions, meeting possible assessments, paying unexpected costs such as taxes, and so on.

Reserve Funds usually appeal to investors who are used to a fixed return. Investors to whom fixed return has no significance will nor-

What a Banker Should Look For in a Fixed Trust

By **EDWARD P. RUBIN, Secretary**
Selected Shares Corporation

MANY large banks all over the country have affiliated themselves with the sale of fixed investment trusts. This circumstance has come about in recognition of the fundamental soundness of an investment made in a sufficiently diversified list of the country's most attractive equities.

While any individual stock, no matter how good it may appear at the time of purchase, may be adversely affected by unforeseen developments, statistics convincingly demonstrate that if the risk is spread over a group of good stocks, the long-term experience will combine both an attractive increase in value and a satisfactory income.

The fixed investment trust gives the banker the opportunity to make conservative recommendations to those of his customers who prefer stock investments. In suggesting fixed trusts instead of individual securities he is performing a service profitable to both himself and his customer.

During 1930 the fixed-trust movement made great strides. Hundreds of millions of dollars of these securities were sold. The success of some of these trusts naturally attracted others into the field, with the result that many variations of the simple principle of diversification were developed.

Before recommending a fixed-trust security, a banker should satisfy himself as to fairness of the provisions of the trust. As a general rule, investigation of ten items which this

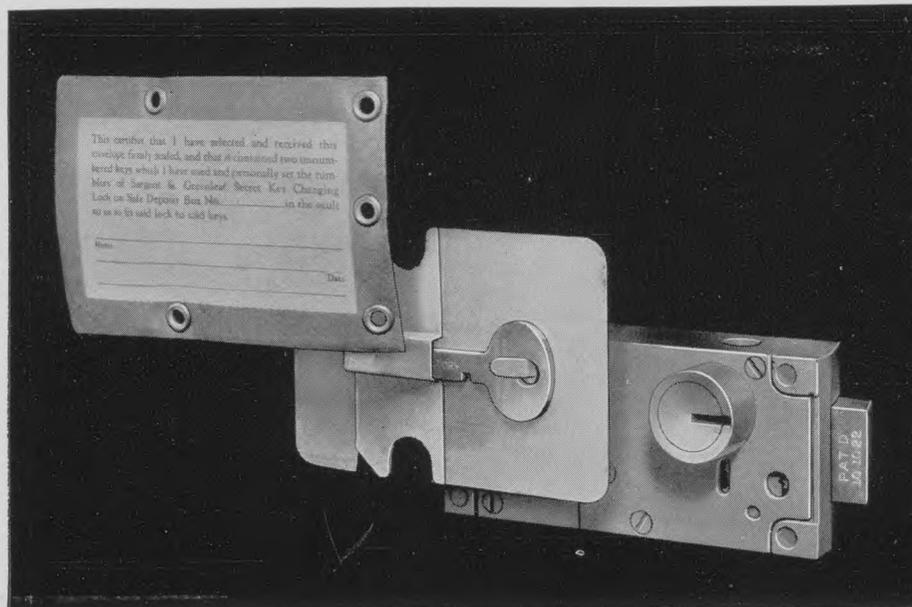
article briefly summarizes will be sufficient to indicate whether or not the operations of the trust will be to the greatest advantage of the investor:

1. Portfolio. Trusts have been developed which have a restricted number of highest-grade securities, a large number containing both high- and medium-grade securities, exclusively speculative securities, securities in only one industry, and securities in a given price class. The particular trust which is selected for an individual investor ought to be that one which most nearly meets his particular requirements for safety, income, or appreciation possibilities. As a general thing, bankers will usually prefer those trusts which offer the highest degree of safety; and this can be obtained only from the highest-grade list diversified among all the important industries.

Size of each company, its dividend record, the floating supply of its stock, the proportions in which it is found in the trust, are all significant.

2. Eliminations. Strictly speaking, fixed trusts would have no elimination feature. If one stock goes bad, another stock offsets it by its good progress. Statistical analyses of past records of similarly fixed investments show that the results of a rigid trust with no eliminations would have been attractive.

But it is possible that elimination of weakening stocks would have improved such records. Most of the recent trusts have recognized this possibility by including elimination



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Do you know of a safe deposit lock whose key cannot be seen or touched by *anyone* until your customer has rented his box?

A lock whose maintenance cost is practically nothing?

A lock which protects not only your customer, but your bank, from every form of thievery and error?

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There is but one such lock in existence—the S&G Secret Key Changing Sealed Key Safe Deposit Lock. Its *plus values* eliminate *at their source* the possibilities of loss by your customer or your bank. For your renter must choose his own key, sealed in its impression-proof metal scabbard; he and your custodian together must set the lock he chooses to fit the key he has selected (see illustrations), and thereafter only your renter and your



S & G, manufacturers of Time, Combination and Safe Deposit Locks have been pioneers in protection since 1865.

custodian *together* can enter the box. And the statement your renter signs, that he is first to touch or see his key, is court evidence against fraud!

This S&G Lock can be reset to an infinite number of key-and-lock changes. It is manufactured by the same pioneering organization which made the first time lock ever to be installed on a bank vault door. It is standard equipment for such banks as Equitable Trust of New York; Bank of America, New York; Union Trust of Detroit; Aldine Trust of Philadelphia; Northwestern National of Minneapolis. The coupon will bring you a sample of this lock, and a complete explanation of its *plus values* and how they can increase your safe deposit box business.

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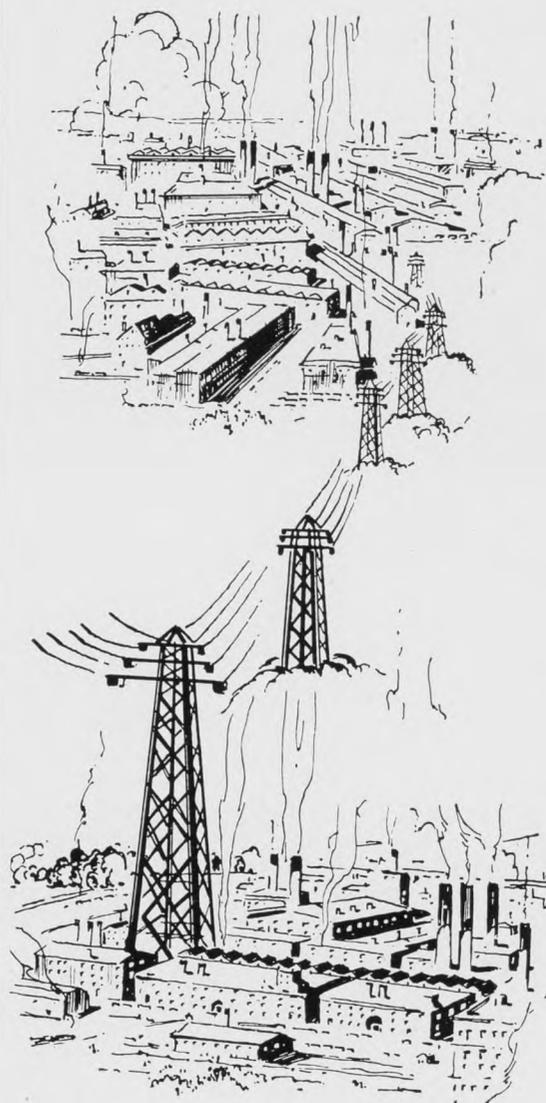
DREAMS OF TOMORROW LAND

States are built by dreamers—but by dreamers who build as they dream. For change comes only through men of vision, through men who can look beyond the routine of today and act upon the rich promise of tomorrow.

Industrial civilization follows the far-flung arm of electric power. Behind each such power development has loomed the lengthened shadow of a man of vision. In this respect, Arkansas has been fortunate.

And now Arkansas prepares to follow the example her sister states have set in developing the New South. Already the electric power facilities of Arkansas are looking toward the future. The new Carpenter Dam project of the Arkansas Power and Light Company at Hot Springs National Park is proof of that.

The Bankers Trust Company foresees an expanding skyline against Arkansas' Industrial Horizon, as a result of this splendid project, and dedicates its energies to helping achieve that goal.



BANKERS TRUST COMPANY

LITTLE ROCK, ARKANSAS

Dedicated to Constructive Progress

ARKANSAS LOOKS UP

By JAMES J. WENGERT

Associate Publisher, Mid-Continent Banker

EVER since someone decided to make a little money by publishing a paperback book with the title "On a Slow Train Through Arkansas," a lot of people who have their impressions formed easily by information from such sources have spread the idea that Arkansas is a backwoods state with practically no wealth or resources and a minimum of culture.

Last year, Arkansas, along with some twenty-one other states, was hit by the drought. Naturally, the state suffered—so did the other states in the drought area—but Arkansas got most of the attendant bad publicity, and this publicity, unless impressions are corrected, stands in a fair way to do the state far more harm than the drought.

Listen to this extract from an article which has aroused the ire of business men from every section of Arkansas (the article appeared in a magazine of national circulation):

"Arkansas, there she stands—withering.

"Like a burgeoning tree caught by the blight, a flower scorched by fire.

"Land of dusty desolation, sucked dry by the drought, rasped by the sharp edges of a cruel economic fate, her citizens destitute, hungry and helpless."

This kind of publicity has hurt. At

Hot Springs, the Chamber of Commerce has had to answer letters from prospective visitors who want to know whether or not it is safe for them to venture into the state—whether or not food can be obtained.

Coming from Texarkana to Little Rock on one of the fine trains of a leading railroad that derives a very important part of its revenue from the State of Arkansas, a traveling salesman recently made the remark that he was afraid to stop in Little Rock because he had heard that it would be a difficult matter for him to secure enough food to eat!

Silly? Of course it is, but that's the sort of thing that Arkansas has to contend with now—due to too much of the wrong kind of publicity.

The general impression seems to be that the state is "shot." The facts are a lot different. Approximately 725,000 people in Arkansas have received from \$2,000,000 to \$3,000,000 in aid from the Red Cross, but this aid was not extended in the cities and towns. It has been confined almost entirely to country districts—and the recipients, for the most part, have been tenant farmers, share croppers and their families (a group which includes several hundred thousand negroes who are dependent on help almost every winter)—and this part of Arkansas' population *never*

has represented any mentionable percentage of the state's wealth or purchasing power.

The situation was serious. Over 725,000 people did need help—and they got it—but such conditions were not peculiar to Arkansas. Every city of any size in this country had a bread line during the past winter. In proportion to population, many of these cities raised far more money than was spent by the Red Cross in Arkansas—and you heard very little about it. The difference is that Arkansas simply got more than her share of bad publicity.

Everyone talked of the 144 Arkansas banks that closed, but few people took into consideration the fact that many of these banks went out of business because of merger or voluntary liquidation, and fewer still considered the fact that 66 of these banks have since reopened and the fact that *considerably more than 300 banks never did close and are still doing business at the old stand!*

▲ The situation is of peculiar interest in financial circles inasmuch as securities in the sum of \$101,467,000 representing direct obligations of the state, and additional millions of dollars in county, district and municipal issues, are held by investors throughout the country. As



At the left, above, is pictured the first Courthouse of Union County at El Dorado, Arkansas. On the right is pictured the present Courthouse of Union County at El Dorado.

a result of the activities of the Red Cross in relieving distress during the winter, and the attendant publicity thereto, the underlying stability of the state has been relegated to the background and those who have reached the conclusion that its purchasing power and its ability to meet its obligations have suffered a setback from which it will not recover in several years are simply lacking in information.

Millions of dollars are becoming available to increase purchasing power and permit the normal pursuit of business and agriculture, the principal industry from which the major portion of the state's income is derived. To supplement this, 66 of the 144 banks which suspended subsequent to July 1, 1930, have resumed business releasing millions of dollars in frozen credits. Farmers applying for loans from the Federal appropriation for the purchase of feed, seed and fertilizer, have received more than \$2,000,000 within the last six weeks, a sum which the State Agricultural Extension Service estimates will be increased to between \$7,000,000 and \$8,000,000 in the near future when loans for food and other necessities under the supplemental appropriation of \$20,000,000



Beautiful Lake Hamilton and Carpenter Dam near Hot Springs, Arkansas. This dam alone can develop enough power to supply the lighting needs of the State of Arkansas.

become available. Applications for loans from the feed, seed and fertilizer fund heretofore have been slow inasmuch as the applicant is required to give a lien on his 1931 crop as security, and he has hesitated to do so since it would leave him without collateral for additional funds with which to support himself while making it. This difficulty is removed under the terms of the act appropriating the additional \$20,000,000 and a veritable avalanche of loan applications is expected within the next few weeks.

On March 1 the state possessed only thirty local Agricultural Credit Corporations which discount agricultural paper through the Federal Intermediate Credit Bank, but additional institutions of this kind now are being organized daily with capital borrowed by the incorporators from the Federal government, and in addition to the Federal fund the State has set up an appropriation of \$1,500,000 for the same purpose. Since the credit corporations are permitted to discount paper to the extent of six times their capital it is possible for farmers and plantation owners to borrow at least \$18,000,000 from this source for this season's operations, if necessary, because capital funds available from the Federal appropriation will at least equal if not exceed the sum provided by the State. The feed, seed and fertilizer loan (because it is limited to a maximum of \$2,000 with an additional \$1,000 for other necessities) from the \$20,000,000 supplemental appropriation, cares for the farmer who operates on a small scale, while the Credit Corporations will serve the plantation owner and large operator.

Expenditures by the Red Cross have exceeded \$2,000,000. Every penny of this sum has been spent with



Give your customers and friends a letter to us when they come to Hot Springs

Community Bank & Trust Co.

Hot Springs Arkansas

Resources, Opening Day (July 18, 1925)

\$99,000.00

Resources, March 1, 1931

Over \$1,200,000.00

Collections Given Immediate Attention

Hamp Williams	- - - - -	President
J. N. Coppock	- - - - -	Vice-President
J. O. Langley	- - - - -	Vice-Pres. and Cashier
Herman Gillham	- - - - -	Secretary
Emmett Jackson	- - - - -	Asst. Cashier

Forty Years of Service

OUR facilities for prompt collections are complete. Give your customers a letter of introduction to the Security Bank when they visit Hot Springs National Park.

Officers

JOHN B. FOOTE, *President*
 L. D. COOPER, *Vice-President*
 A. S. GOODWIN, *Cashier*
 B. F. PRICHARD, *Ass't Cashier*

SECURITY BANK

HOT SPRINGS, ARKANSAS

"The Bank that Makes You Feel at Home"



One of the finest public-school buildings in America—the new high-school at Little Rock.

Arkansas country and small-town merchants, the relief organization at the outset having determined to purchase nothing outside of the state, if it was obtainable there, in order that the established channels of business might be maintained and stimulated. Persons receiving assistance were supplied with orders for necessary merchandise which they receipted upon presentation to the merchant. These receipts then were forwarded to the Red Cross and checks in payment were returned immediately, thus making it cash business. In several lines this practice has developed more business for merchants than ever before in history during the winter months, grocery jobbers especially benefiting. The town of England, in Lonoke County, which

figured so prominently in the drought news during the winter, offers a typical example. Traveling salesmen who call on England merchants have asserted recently that they have sold more goods there than at any time heretofore because the merchants have cash and are not afraid to buy. Normally, at this time of the year, the bulk of the business conducted in rural districts is on a credit basis, the merchant carrying the customer until he negotiates a loan for his season operations.

▲ It is a well-established rule that the annual purchasing power of a community or state may be accurately gauged by multiplying its payroll two and one-half times, inasmuch as one-half of the payroll is spent

with retailers and turns over five times during a period of twelve months. To all intents and purposes the Red Cross expenditures and Federal seed loans now being made can be regarded as payrolls and an additional \$15,000,000 or \$18,000,000 will be available from the Federal Intermediate Credit Bank through the local Agricultural Credit Corporations. The state's purchasing power, therefore, is far greater than would appear on the surface, around \$77,500,000 emanating from these three sources alone.

From the viewpoint of industry other than agriculture, Arkansas is one of the largest producers of building material in the nation, supplying lumber, including about half of the country's output of hardwood floor-

Hot Springs
Is Known the World Over
—as a Health Resort

Hot Springs is also fortunate in its strong banking institutions.

Every department in The Arkansas National Bank is organized to give its customers the help which is expected of an efficient banking connection.

The officers of this bank are unsparing in their efforts to please its clients.

THE
Arkansas National Bank
of Hot Springs, Arkansas

John G. Higgins, Chairman of the Board
Fred N. Rix, President Claude E. Marsh, Vice-Pres.
D. O. Sims, Vice-Pres. and Cash.
G. H. Wootten, Ass't Cash.
Pratt H. Hallman, Ass't Cash.
A. D. Christopher, Ass't Cash.

*Let us take care of the needs
of your customers when they
come to Hot Springs.*

OFFICERS

M. J. Henderson, President
D. Burgauer, V.-P. and Cash. Dewell Jackson, Ass't Cash.
J. A. Stallcup, Vice-President Floyd A. Housley, Ass't Cash.
Floyd L. Thompson, Ass't Cash.

DIRECTORS

M. J. Henderson
D. Burgauer Chas. H. Davis Geo. R. Belding
A. C. Jennings J. A. Stallcup W. W. Gentry
E. F. Woodcock

The Arkansas Trust Co.
Hot Springs National Park
Arkansas

DEPOSITS OVER - - - - \$1,800,000.00
CAPITAL STOCK - - - - 100,000.00
SURPLUS AND PROFITS - - - 440,000.00

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For Sale: Ten small nests of safe deposit boxes. Address S. E. Castator, 408 North 4th Street, St. Louis, 3-31.

Wanted: Steel safe for lobby; outside lock; section of safe deposit boxes. Must be in good condition and low priced. Address The Mendon Bank, Mendon, Missouri, 7-30.

Wanted: Would like to buy two bronze "First National Bank" signs. With or without Federal Reserve Emblem. Address J. A. A., care Mid-Continent Banker, 3-31.

For Sale: A nice set of bank fixtures and a real up-to-date manganese steel safe. Safe when new cost \$1,500. Both fixtures and safe for sale at bargain prices. Address Oklahoma State Bank, Hastings, Oklahoma, 5-30.

For Sale: A nice set of marble bank fixtures, up-to-date steel safe, vault doors and safe deposit boxes. Real bargains. Address Farmers and Mechanics Savings Bank, Troy, Missouri, 12-30.

For Sale: Practically new \$10,000 set of white marble bank fixtures at a big sacrifice on account of consolidation. Also practically new York vault door equipped with time lock. Call or write to the Astoria State Bank, Astoria, Illinois, 7-30.

Bond Salesmen Wanted: Well-known Chicago bond house with branch office in St. Louis has openings for two or three salesmen in St. Louis or in Illinois or Missouri territory. Bond experience preferred, but not essential. If you care to arrange for an interview, please write to B. M. S., care Mid-Continent Banker, 3-31.

For Sale: 40 foot bank counter (four windows), 35 foot low counter partition; 1½ to 3 inch vault door, about 200 safety boxes, all only slightly used. Address C. R. S., care Mid-Continent Banker.

Wanted: Large outside clock. Must be in good condition and low priced. Also want bronze First National Bank sign. Send picture with prices. Address First National Bank, Black Rock, Ark., 6-30.

Wanted: Experienced seasoned banker wants to buy interest in some good country bank carrying position. Will also buy insurance or other business with or without bank. Will invest in bank stock enough to be director. Can give best of references. Address G. B. C., care Mid-Continent Banker, 3-30.

For Sale: At a sacrifice; one 4½ inch Bank Vault Door that is in exceptionally good condition. Address: S. Edwin Castator, 408 North 4th Street, St. Louis, Mo., 3-31.

Wanted: Telephone booth for use in bank lobby. Write to the Oklahoma State Bank, Hastings, Oklahoma. 12-29.

Situation Wanted: Real Estate Loan Department manager thoroughly experienced and able to take complete charge of department in bank or loan house. Understands appraising, estimating cost from plans and the handling of construction loans, etc. Also experienced in general banking; able to fill in any capacity in bank, having held responsible positions at all times. Best of references. Address A. E. F., care Mid-Continent Banker, 3-30.

For Sale: Rectangular Diebold vault door equipped with triple time lock and double combination. Good condition. Also vault lining and quarter-sawed oak fixtures with four windows. Price reasonable. Address First Trust and Savings Bank, Alton, Illinois, 12-30.

Wanted: To buy controlling stock in three hundred thousand dollar bank or larger. Address O. S. T., care Mid-Continent Banker, 7-30.

Wanted: To buy vault door not less than 6-inch thickness with time lock. Can also use about 100 boxes. Address J. J. W., care Mid-Continent Banker, 2-31.

Wanted: Position in bank in country town of 200 to 2,500 population. Have had twenty-five years actual banking experience working from ground up. Not afraid of work. Desire cashier or assistant cashier position. Age fifty-one. Protestant. Widower. Best of references. Address S. S. D., care Mid-Continent Banker, 5-30.

Wanted: Opportunity to join in organization of new bank in good location or desirable connection with a bank. Have had considerable experience in theoretical and practical banking. Address A. C. C., care Mid-Continent Banker, 9-30.

ing, brick and tile, stone, marble and roofing material. A tremendous building construction program on a nation-wide scale apparently is in prospect with the advent of spring and the state is certain to receive its share of the business this will create. According to the State Commissioner of Labor the gainfully employed in Arkansas normally number only 286,000 persons, not including agricultural workers, and there are only 35,000 unemployed at this time. Tax paying and purchasing power produced by business and industrial activities, therefore, are not at such a low ebb as might be expected.

The most unusual feature to result from the distress experienced during the last few months apparently is destined to have a tremendous effect upon the economic future of the state for all time. From time immemorial Arkansas has spent elsewhere a large proportion of its income for foodstuffs that might have been produced at home at comparatively little cost. From now on it will virtually feed itself and release for other purposes cash heretofore expended in that direction. The Red Cross has distributed to farm families it has been assisting, more than 13,000,000 packages of garden seed and is literally forcing the recipients to plant and care for them upon pain of discontinuance of further assistance of any kind. Coupled with this is a concerted campaign on the part of the State Agricultural Extension Service, the Agricultural departments of the railroads, Chambers of Commerce and other agencies to encourage the production of foodstuffs on the farm and in backyard gardens within communities. Authorities are confident that once the average Arkansas farmer determines for himself that his living expenses can be sharply reduced by producing the bulk of his food the practice will become permanent, and that out of it may develop a commercial spring vegetable industry to supply the thin spot in the market after the Gulf Coast districts complete the movement of their early vegetables and before shipments begin from regions to the north.

With anything like normal weather conditions this summer the state should produce bumper crops. The soil utilized for the production of general crops has had a rest of one year as a result of last season's disaster and there has been ample rain through the winter to restore the deficiency in moisture resulting from the drought. For two years the state's

sizeable peach industry has produced little. During the season of 1929 the short crop was seriously affected by pests and the winter of 1929-30 produced a freeze that reduced last year's output to less than 50 cars against a normal of more than 4,000. The appearance of the orchards at this period indicates that the inactivity of virtually two years will result in a huge crop with abnormal freedom from pests inasmuch as there was no fruit last year to carry insects through. Conditions in the Ozark apple district have been ideal through the winter and there, too, a tremendous crop is expected. The proportions of the apple industry may be better understood when it is recalled that either of two Ozark counties possesses more apple trees than any other county in the United States.

▲ Of the aggregate of \$101,467,000 of direct obligations of the State, \$82,000,000 is represented by issues for highway construction. Out of the current session of the General Assembly came an increase of one cent per gallon in the gasoline tax, a raise to six cents. The additional one-cent tax, under the terms of the act, is to be apportioned among the counties for highway purposes, but somewhere along the road to enactment the measure found itself with an added proviso that if the tax of five cents for State purposes at any time should be insufficient to care for interest and sinking fund to meet the State's obligations so much of the revenue from the additional tax as is necessary

shall be diverted to the State fund. To all intents and purposes the Assembly simply increased the gas tax to six cents a gallon to meet the State's highway obligations and that which remains over and above the necessary sum will go to the counties. The measure was approved by the Governor and collection of the additional tax was begun immediately.

The average Arkansas business man has little or no fear for the future. One of them, discussing the situation recently, summed it up this way: "We will all be here and will be buying Christmas presents as usual in December."

Arkansas is looking up!

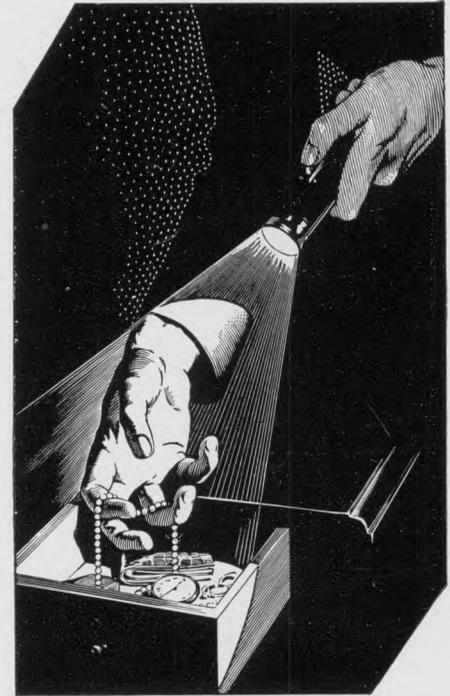
ARKANSAS NOTES

☐ The Phillips National Bank of Helena, Arkansas, has opened for business with capital of \$100,000. D. T. Hargraves is head of the bank. R. L. Deal is active vice-president and C. C. Agee is cashier.

☐ O. B. Watson has been elected secretary and cashier of the Peoples Bank and Trust Company of Morrilton, Arkansas.

☐ C. E. Forrester has been elected president of the Bank of Waldron, Arkansas.

☐ The First State Bank of Corning, Arkansas, has been formed out of a consolidation of the Bank of Knobel and the Bank of Datto. The new



NO NEED TO LOSE MONEY

A window is silently opened . . . the beam of a flashlight locates the bureau drawer . . . rings, pins, and a thick wallet tumble into a pocket . . . as stealthily as he came the house-breaker goes . . .

The jewelry is insured; the money is gone forever.

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First National Bank
Memphis, Tenn.

Corning institution has capital of \$25,000 and surplus of \$3,750.

☐ **The Citizens Bank and Trust Company and the Peoples Savings Bank of Harrison, Arkansas, have reopened. The Peoples Savings Bank has purchased the assets of the First National Bank.**

☐ **Albert Behrens, for several years with the Bank of Osceola, Arkansas, has accepted a place with the St. Louis Federal Intermediate Credit Bank.**

☐ **The Peoples Bank of Okolona, Arkansas, is again open for business. J. H. May is president and Ben E. Hill, cashier of the institution.**

☐ **Deposits of the First National Bank of Nashville, Arkansas, formerly the First National Bank of Mineral Springs, have doubled.**

☐ **Close to \$50,000 was deposited in the new Bank of Bentonville, Arkansas, on its opening day. A. L. Ferguson is president and Storm O. Whaley, cashier.**

☐ **It is reported that the First National Bank of Holly Grove, Arkansas, will soon be reopened.**

☐ **The building of the Farmers Na-**

The 1931 Convention of the

Arkansas Bankers

Association

Will Be Held at

Little Rock, April 28-29

Two major problems will be discussed: the need of better and more profitable bank management, and the rehabilitation of the Arkansas Bankers Association. H. N. Stronck, of Chicago, and Congressman Franklin W. Fort, of New Jersey, will be two of the featured speakers.

tional Bank of Clarksville, Arkansas, was recently destroyed by fire.

☐ **B. C. Powell, former Camden, Arkansas, banker, has accepted an appointment on the committee of three bankers to serve in Washington, D. C., in connection with the recent federal decision to increase the capital stock of agricultural credit corporations.**

☐ **Three closed banks of Marion**

County, Arkansas, the Citizens Bank at Yellville, the Marion County Bank at Flippin, and the Bank of Pyatt, recently merged.

Will Attend Arkansas Bankers Convention



C. B. FREEMAN

Assistant vice-president and officer of the banks and bankers division of the Central Trust Company of Illinois, Chicago, who will represent his institution at the Arkansas convention at Little Rock, April 28 and 29.

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MISSISSIPPI NOTES

¶ Legislation passed in 1930 providing for the suspension of the Mississippi Bank Guaranty Law until outstanding certificates could be liquidated recently has been upheld as constitutional by the Supreme Court of Mississippi.

¶ One of the most modern bank buildings in the entire South is that recently completed and now occupied by the Merchants Bank and Trust Company of Jackson, Mississippi. The bank building is seventeen stories high, and the bank occupies a lobby which is two stories high. The lobby is a symphony of varicolored marble, and ornamental plaster and bronze. A large staircase leads from the lobby to the basement where there is a safe deposit vault guarded by a twenty-two and a half ton circular Diebold door. There is a separate vault for the bank's cash and securities and other vaults for books and supplies. A private elevator leads from in back of the tellers' cages to the cash vault.

¶ A plan has been submitted to the Comptroller for a new bank to be called the First National Bank of Brookhaven, Mississippi. If the plan is approved the bank will open for business with \$100,000 and \$10,000 surplus.

¶ Plans have been made for the reopening of the First National Bank of Jackson, Mississippi.

¶ The Citizens Savings Bank of Magnolia, Mississippi, and the Bank

of Walnut Grove, Mississippi, have reopened.

ALABAMA NOTES

¶ Seth P. Storrs, Commissioner of Agriculture and Industries of Alabama; Thomas Bowron, vice-president, First National Bank, Birmingham, and M. A. Vincentelli, president of the Alabama National Bank, Montgomery, have been asked by Arthur M. Hyde, Secretary of Agriculture, "to serve on a voluntary committee of three in Alabama to assist the United States Department of Agriculture in making loans to individuals in the drought area for the purpose of setting up or enlarging capital stock of local credit corporations under the Intermediate Credit Bank system."

¶ The Woodlawn-American Bank of Birmingham, Alabama, has taken over the assets of the Waheuma Bank.

¶ G. C. Lockhart, of Birmingham, Alabama, has been chosen head of the group seeking to reopen the City National Bank of Bessemer. W. W. Hollingsworth, former president of the bank, and John Randall were named to work with Mr. Lockhart in perfecting the reorganization.

¶ A. S. Woolfolk, vice-chairman of the First National Bank of Montgomery, Alabama, died recently. Mr. Woolfolk had served the bank for forty-four years. William O. Baldwin, vice-president, was elected to the board to fill the vacancy.

TENNESSEE NOTES

¶ Citizens of Knoxville, Tennessee, and interests identified with the Hamilton National Bank of Chattanooga, Tennessee, are making plans to organize the Hamilton National Bank of Knoxville.

¶ William C. Houston, Jr., vice-president of the Nashville Trust Company, Nashville, Tennessee, has been elected vice-president and treasurer of the Federal Land Bank, Louisville.

¶ The Farmers and Merchants Bank of Newbern has announced that it will discontinue the service charge which was instituted by banks in Dyer County in July, 1929.

¶ Eugene R. Gover has accepted a position with the East Tennessee National Bank of Knoxville, Tennessee.

¶ The First National Bank of Doyle, Tennessee, was purchased by the Commerce-Union Bank of Sparta, the First National Bank of Sparta cooperating.

¶ A recent statement of the American National Bank of Nashville, Tennessee, shows this institution to have total resources of \$61,133,244. Capital of this institution is \$3,000,000 and surplus is a like amount.

¶ A recent statement of the First National Bank of Chattanooga, Tennessee, shows this institution to have total resources of \$29,579,833, capital stock of \$2,500,000 and a surplus fund of \$1,500,000.

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☐ **The Citizens Bank and the Farmers National Bank of Shelbyville, Tennessee, have merged into an institution to be known as the First National Bank of Shelbyville.**

☐ **The Bank of Camden, capitalized at \$20,000, was formed recently.**

☐ **The American National Bank of Nashville, Tennessee, is now quartered in the old building of the Fourth and First National Bank.**

☐ **A. A. Adams, Sr., is president, W. D. Ferrell, vice-president, and W. B. Hays, vice-president and cashier of the newly organized Lebanon Bank and Trust Company of Lebanon, Tennessee.**

☐ **Charter has been granted for a new bank at Jackson, Tennessee, to be capitalized at \$10,000.**

☐ **The First National Bank of Cookeville, Tennessee, moved into its new quarters, recently.**

☐ **J. Lewis Hughes, teller at the Maury National Bank of Columbia, Tennessee, for twenty-two years, has been promoted to the position of cashier of the Maury County Trust Company, a subsidiary of the bank.**

☐ **The Farmers and Citizens Bank and the Gleason Bank of Gleason, Tennessee, have consolidated.**

☐ **James R. Jetton, Jr., about thirty-two years old, cashier of the Murfreesboro Branch of the Commerce-Union Bank of Nashville, Tennessee, was killed instantly in an automobile accident last month.**

Convention Calendar

Alabama.....	Gadsden	May 14-15
Arkansas.....	Little Rock	April 28-29
Colorado.....	Estes Park	June 19-20
Florida.....	West Palm Beach	May 1-2
Georgia.....	Sea Island	May 28-30
Idaho.....	Boise	June 8-9
Illinois.....	Chicago	May 25-27
Indiana.....	Indianapolis	June 10-11
Iowa.....	Waterloo	June 22-24
Kansas.....	Topeka	May 21-22
Louisiana.....	Biloxi, Miss.	April 27-28
Michigan.....	S. S. Noronic, Detroit-Toronto,	June 22-26
Minnesota.....	Minneapolis	June 9-11
Mississippi.....	Jackson	May 12-13
Missouri.....	Excelsior Springs	May 12-13
New Mexico.....	Carlsbad	April 24-26
North Carolina.....	Pinehurst	April 27-29
North Dakota.....	Fargo	June 18-19
Oklahoma.....	Oklahoma City	June 2-3
Oregon.....	Seaside	June 12-13
Pennsylvania.....	Atlantic City, N. J.	May 13-15
South Carolina.....	Columbia	May 20-22
South Dakota.....	Huron	June 24-26
Tennessee.....	Chattanooga	May 7-8
Texas.....	San Angelo	May 12-14
Virginia.....	Old Point Comfort	June 11-13
Washington.....	Seattle	June 18-20
Wisconsin.....	Milwaukee	June 18-19
Wyoming.....	Cheyenne	September 4-5

A. I. B.....	Pittsburgh, Pa.	June 8-12
F. A. A.....	Boston, Mass.	Sept. 14-17
Fraser B. A.....	Atlantic City, N. J.	Oct. 5-8

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Map of Europe showing the most important cities included in the 1931 Marsh Tour

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Dorothy Marsh, after her graduation from Smith College in 1921, lived and worked in Europe for five years. This will be the tenth tour Miss Marsh has conducted, nine to Europe and one around the world. Marjorie Marsh Enfield, who has also lived and studied in Europe, will be associated with Miss Marsh in the organization of the tour. Mrs. Enfield is an experienced conductor: "Her connection with the Franco-Belgique Company is in itself a recommendation of the excellent service your firm justly boasts of," her last summer's party wrote.

The Marsh Tour starts from New York June 27, or from Montreal, June 26. Prices are \$765, including round-trip tourist third cabin (extra taxes \$6.25). Cabin class, the price is \$865, plus \$7.75 tax.

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MCB 4-31

KENTUCKY NOTES

☐ **The Peoples National Bank** of Paducah, Kentucky, has moved into the old home of the First National Bank. The building was completely redecorated.

☐ **The First-City Bank Building** of Hopkinsville, Kentucky, is being completely remodeled and when work is completed this building will be one of the most beautiful modern structures in western Kentucky.

☐ **At the annual election of officers** of Elkton, Kentucky, John O. Street was chosen president for the seventeenth time. Mr. Street is beginning his sixty-third consecutive year with this bank.

☐ **A recent statement of the financial condition** of the First National Bank of Louisville, Kentucky, shows this institution to have total resources of \$18,942,032, capital stock of \$1,000,000 and surplus and undivided profits of \$1,407,990.

☐ **George L. Briggs**, cashier of the Southern Deposit Bank of Russellville, Kentucky, has resigned and has been succeeded by Lewis Richardson.

☐ **The affairs of the Finchville Bank** of Finchville, Kentucky, have been taken over by the Bank of Shelbyville, Kentucky.

☐ **Eugene R. Gover**, formerly assistant cashier of the Holston National Bank of Knoxville, Tennessee, has accepted a position with the East Tennessee National Bank of Knoxville. Mr. Gover is a native of Somerset, Kentucky.

☐ **John Will Smith**, sixty-nine, president of the Kevil Bank of Kevil, Kentucky, died recently after a lengthy illness.

☐ **The First State Bank of Eubank**, Kentucky, of which C. L. Gooch is cashier, is making many improvements in its building.

☐ **The First-City Bank and Trust Company** of Hopkinsville, Kentucky, recently moved into its new building. William T. Tandy is president of the bank.

☐ **The Bank of Sturgis**, Kentucky, reopened recently and Sturgis has banking facilities for the first time since December.

☐ **Mark V. Rinehart** recently was elected president of the Franklin Title and Trust Company and the

Franklin Bond and Mortgage Company of Louisville, Kentucky, to succeed Joseph H. Durham, temporary president since the retirement of Adolph Reutlinger.

☐ **L. B. Wilson** has resigned as president of the Peoples-Liberty Bank and Trust Company of Covington, Kentucky. Charles W. Moorman, a vice-president, was elected president to succeed him and Mr. Wilson was elected a vice-president.

☐ **The Commercial Bank and Trust Company** was organized recently at Middlesboro, Kentucky, to replace the defunct Citizens Bank and Trust Company. W. V. Tennant is president of the bank, which is capitalized at \$25,000.

☐ **The Bank of Wingo**, Wingo, Kentucky, small bank with resources of \$200,000 which was the second Roll of Honor bank in Graves County, paid their regular dividend on December 31, 1930, making 272 per cent this bank has paid its stockholders since it was organized in 1898. The last sale of its stock was for \$250 per share. The present officers have been connected with the bank for 25 years.

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INDIANA NOTES

☐ **The Adams County Bank** of Decatur, Indiana, became the county's strongest institution when it recently merged with the New People's Loan and Trust Company, also of Decatur. Assets of the combined institutions are \$1,200,000.

☐ **Construction work** on the Riddell National Bank Building at Brazil, Indiana, is progressing. It will still be several months before the building is completely remodeled.

☐ **The Peoples National Bank** and the Dearborn National Bank of Lawrenceburg, Indiana, have merged into an institution to be called the Peoples National Bank of Lawrenceburg. Banking of the institution, whose assets amount to approximately two million dollars, is being carried on in the building occupied by the Peoples National. William H. O'Brien is president of the new institution.

☐ **Russell Humphrey**, cashier of the First National Bank of Milroy, Indiana, has resigned.

☐ **The DeKalb County Bankers Association** at their last meeting de-

ecided to establish a service charge for small checking accounts effective June 1.

☐ **The people** of Denver, Indiana, were greatly pleased when the new Citizens Bank of Denver opened last month. The new institution, with Bert Bowers at its head and Donald H. Harter as vice-president, has total resources of \$125,456.

☐ **The Citizens Bank** of Mooresville, Indiana, opened last month, to the tune of \$100,000 in deposits during the opening week. Oscar G. Couch is cashier.

☐ **The four Elkhart**, Indiana, banks are now making a "stop loss" charge on all checking accounts that fall below \$100.

☐ **The Citizens State Bank** of Hartford City, Indiana, recently purchased the Union Trust Company, a \$200,000 institution in the same city. James Cronin, Jr., is president of the Citizens State Bank and H. F. Hall is cashier.

☐ **The State Bank** of Westville, Indiana, has installed a tear-gas protection system.

☐ **The Community State Bank** of

Avilla, Indiana, a new bank to replace the closed Avilla State Bank, has capital stock of \$25,000. Frank Hersh is president.

☐ **The Wabash Valley Trust Company** of Peru, Indiana, has installed bullet-proof glass in the tellers' windows.

☐ **Lewis S. Armstrong**, former secretary of the Peoples Loan and Trust Company of Decatur, Indiana, has accepted a position with the Old National Bank of Fort Wayne.

☐ **The Union National Bank** of Indiana Harbor, Indiana, and the First National Bank of East Chicago, Indiana, are operating under new charters. Col. Walter J. Riley is chairman of the board of both institutions.

☐ **William H. P. Wiseman** has been elected president of the Old Capital Bank and Trust Company of Corydon, Indiana, to succeed Samuel J. Elsbey.

☐ **The charter** of the Hillsboro, Indiana, State Bank recently expired and a new bank, the Hillsboro State Bank, with capital stock of \$25,000, was formed to continue the business. Dr. Emery G. Bounell is president of the new bank.

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The furnishing of credit data and opinions on general business; an investment service above the average; a complete and capable trust department; large safety deposit vaults; prompt collections and clearance of items—these and more are at your service.

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President

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Missouri Bank News



R. W. HOLT
President



W. F. KEYSER
Secretary

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GROUP CHAIRMEN: 1. J. E. Deaver, president, Paris National Bank, Paris; 2. E. R. Hauser, assistant cashier, Farmers Bank, Polo; 3. L. C. Ringle, cashier, Farmers Bank, Dearborn; 4. J. L. Mann, vice-president, secretary-treasurer, Lexington Savings Trust Company, Lexington; 5. Frank C. Hunt, vice-president, First National Bank, St. Louis; 6. W. O. Bowman, vice-president, First National Bank, Cape Girardeau; 7. Irene Young, cashier, Bank of Salem, Salem; 8. W. V. Davis, cashier, First National Bank, Monett.

GROUP SECRETARIES: 1. H. E. Hiller, Kahoka; 2. A. V. Spillman, Jamesport; 3. George W. Boettner, Rockport; 4. Otto Hale, Carrollton; 5. S. M. Sharp, Mexico; 6. J. M. Wright, Doniphan; 7. F. M. Hart, Seymour; 8. W. F. Rhodes, Eldorado Springs.

☐ **A recent** statement of the Fidelity National Bank and Trust Company of Kansas City, Missouri, shows this institution to have total resources of \$63,155,139, capital of \$4,000,000. Its associated institution, the Fidelity Savings Trust Company, has total resources of \$7,507,138, with capital stock of \$500,000.

☐ **A recent** statement of the Citizens Bank of Warrensburg, Missouri, shows that the total resources of this institution are more than \$1,000,000.

☐ **The Missouri** Legislature has recently enacted laws providing that banks and trust companies may issue shares of stock having a par value of \$25. Formerly it was required that such shares should have a par value of \$100.

☐ **C. W. Lehnhard**, president of the First National Bank of Monett, Missouri, and C. C. Chandler, president of the First National Bank of Cassville, Missouri, attended the recent Bank Management Conference in Kansas City.

☐ **A. H. Thost**, for the past eight years assistant cashier of the Bank of Fredericktown, Missouri, has been advanced to the post of cashier.

☐ **The Starling** State Bank of Kansas City, Missouri, has purchased the Mutual Bank. The consolidation puts the Starling State Bank in the million-dollar class.

☐ **A move** for reorganization of the Exchange Bank of Holliday, Missouri, has been reported.

☐ **The Shelbina** Bank of Shelbina, Missouri, has purchased the Lakeman State Bank.

☐ **The Bank** of Halltown, Missouri, has entered into voluntary liquidation.

☐ **The Maysville**, Missouri, Bank Building is being completely remodeled within.

☐ **J. F. Swisher**, vice-president of the Bank of Saline at Marshall, Missouri, was elected president of the Saline County Bankers Association at the annual meeting at Malta Bend.

☐ **The Dunlap** State Bank of Trenton, Missouri, and the Trenton Trust Company have consolidated. E. J. Moberly is president and J. C. Stephenson, cashier of the Dunlap State Bank, which has capital stock, surplus and undivided profits amounting to \$17,700. Dr. J. B. Wright is president and W. W. Alexander, secretary of the Trenton Trust Company, which is capitalized at \$50,000 and has surplus and undivided profits of \$30,000. Both institutions are in excellent financial condition.

☐ **Dr. W. F. Gephart**, vice-president of the First National Bank in St. Louis, recently attended the first meeting of a special committee organized by the Chamber of Commerce of the United States to stabilize national industrial activity and continuous employment, held in New York.

☐ **The Savings** Association of the Clearing House Banks of St. Louis has reelected Frank K. Harris, of the Lafayette-South Side Bank and Trust Company, president. The following officers also were reelected: Chester C. Hammerstein, Boatmen's National Bank, vice-president; Louise Edwards, First National Bank, secretary; R. L. Gurney, Franklin-American Trust Company, treasurer. H. H. Reinhard, A. L. Kuhn and W. A. Crockett are directors.

☐ **W. S. McClucas**, Chairman of the Commerce Trust Company, Kansas City, Missouri, went to California on

March 10th for a brief vacation and to accompany Mrs. McLucas home. She has been in California several weeks.

☐ **Vice-Presidents** Hal Y. Lemon and Fred B. Brady, of the Commerce Trust Company of Kansas City, will attend the April meeting of the Executive Committee of the American Bankers Association at Augusta, Georgia. Mr. Lemon is a familiar figure at executive meetings, but this will be Mr. Brady's first meeting in an executive capacity. Both are members of the executive council.

Bank Management Meeting Proves a Big Success

Economy—in capital letters—was the theme of the Mid-Western Bank Management conference held in Kansas City March 19 and 20, when 950 bankers from Iowa, Kansas, Missouri, Nebraska and Oklahoma met and discussed current problems in conducting banks.

Throughout the two-day meeting, which took itself seriously enough to forego all entertainment and carry into a night session on March 19, those in attendance listened to well-prepared speeches on loan administration, profit-producing policies, and investment problems.

From the sound of the gavel which opened the session, when Fred B. Brady, vice-president of the Commerce Trust Company of Kansas City, and general chairman of the conference, outlined the purposes of the meeting and urged the delegates to participate in the discussions, until the final note was sounded by Craig B. Hazelwood, vice-president of the First National Bank in Chicago, the entire meeting concerned itself with how banks can better carry on their activities. More sound



**FIDELITY BANK
BUILDING**



**" UNDER
THE
OLD TOWN
CLOCK "**



**Night and Day Transit
Service**



**Fidelity National Bank
and Trust Company**

Capital and Surplus
Five Million



**Fidelity National
Corporation**

Investment Division

KANSAS CITY, MO.

loan policies, new ways of making profits from "service duties," conservative investment practices all held their place in the discussions. With an accurate precision which would have made manufacturers envious, the bankers analyzed their costs of operation and determined ways to eliminate unprofitable practices. Banking was placed under the microscope, and the result was that all of the many functions and activities of banks were scrutinized and labeled either profitable or unprofitable.

The meeting was free from complaints about decreasing deposits. The bankers were concerned with how to make money on the deposits once they were in the bank. The problem of gross was forgotten as the discussions centered about nets.

KANSAS NOTES

☐ **The Farmers State Bank of Fellsburg** has paid a thirty per cent dividend to stockholders.

☐ **Miss Nelle Reimer** was recently promoted from cashier of the Thomas County National Bank at Colby, Kansas, to vice-president. Charles A. Schiefen was advanced to cashier and J. M. Donelan, Jr., to assistant cashier.

☐ **The interior** of the State Bank of Bluff City, Kansas, is being entirely remodeled.

☐ **J. E. Arnold** has been promoted to cashier of the Citizens National Bank of Frankfort, Kansas.

☐ **Rufus Leiter**, cashier of the First National Bank of Cunningham, Kansas, was recently elected president of the Kingman County Bankers Association.

☐ **Plans have** been drawn for a sixteen-story setback skyscraper for the National Bank of Topeka, Kansas. It will be built on the present location of the bank.

☐ **The Farmers State Bank of Halstead, Kansas**, has merged with the Halstead Bank.

☐ **The Herkimer State Bank of Herkimer, Kansas**, has merged with the Citizens State Bank of Maryville, Kansas.

☐ **At the annual meeting** of the Butler County, Kansas, Bankers Association, Fred B. Wilson, president of the Andover State Bank, was elected president for the coming year.

☐ **The La Crosse State Bank of La Crosse, Kansas**, has been formally opened in its new location in the Torrey Building.

☐ **W. C. Robinson**, pioneer Cowley County, Kansas, banker, died recently.

☐ **The Home National Bank Building of Caney, Kansas**, which will be the home of the Caney Valley National Bank, is being completely remodeled.

MIDLAND BANK

LIMITED

A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. It has offices in the Atlantic Liners "Aquitania" "Berengaria" "Mauretania" and with affiliated banks operates over 2550 branches in Great Britain and Northern Ireland.

The offices in Poultry and at 196 Piccadilly are specially equipped for the use of American visitors.

Head Office: POULTRY, LONDON, E.C. 2

Overseas Branch: 122 OLD BROAD STREET, LONDON, E.C. 2

TOTAL RESOURCES EXCEED \$2,000,000,000

OKLAHOMA NOTES

¶ **Consolidation** of the First National Bank of Kingston, Oklahoma, with the First National Bank of Madill, Oklahoma, has been effected and the combined institution is now operating in Madill under the name of the First National Bank.

¶ **Ivan D. Brown**, assistant cashier of the Citizens Security Bank of Broken Arrow, Oklahoma, has been named cashier.

¶ **The First State Bank** of Lexington, Oklahoma, has opened for business in the building once occupied by the Farmers State Guaranty Bank. This bank is the result of the consolidation of the Farmers State Guaranty Bank and the Security State Bank of Lexington.

¶ **The Security National Bank** of Clinton, Oklahoma, has purchased the State Bank of Bessie.

¶ **The First National Bank** of Blackwell, Oklahoma, has opened for business in the remodeled building which once was the home of the First National.

¶ **An agreement** has been reached to merge the First National Bank and the Citizens National Bank of Pawhuska, Oklahoma. The new institution will conduct business in the building of the Citizens National and will be named the Citizens-First National Bank. It will be capitalized at \$100,000 and surplus of \$20,000.

¶ **Controlling interest** in the City National Bank of Lawton, Oklahoma, has been sold.

¶ **Consolidation** of the Marietta National and the First National Bank of Marietta, Oklahoma, has been announced.

¶ **The Grainola State Bank** and the American Exchange Bank of Shidler, Oklahoma, have voted to consolidate.

When the proofreader nods, the results are sometimes disastrous. Hence, when a department store ran an advertisement like this, there was weeping, wailing, etc.:

"Men's athletic union suits, tomorrow, 95 cents. Brightly colored cretonne. Tieback style. Ruffled edges. You can't imagine how dainty these will look hanging at your windows. An expert will call at your home to take measurements. Fast colors. Needs little laundering. Hurry! They can't last long."—The Ad Pointer.

150 Largest Banks

As of December 31, 1930, a list is published of the 150 banks having the largest deposits in the United States and British Empire.

Number 111 in the list is Commerce Trust Company with deposits exceeding 100 millions.

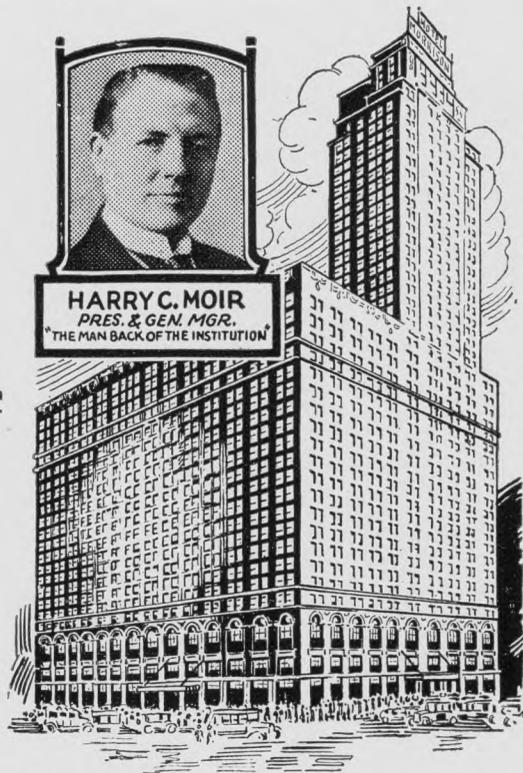
The privilege of being the Southwest's representative in this group of banks imposes upon us a great obligation—to be a bank of unexcelled service.



Commerce Trust Company

Resources Exceed 100 Millions

KANSAS CITY



The New Morrison, when completed, will be the world's largest and tallest hotel, with 3450 rooms

Chicago's MORRISON HOTEL

Corner Madison and Clark Streets

*The Tallest Hotel in the World
46 Stories High*

1950 Rooms - - \$2.50 up
500 Rooms Being Added

Every guest room is outside, with bath, running ice water, bed-head lamp and Servidor. Each floor has its own housekeeper and the hotel's garage has extensive facilities for car storage. Rates are extremely moderate—\$2.50 up—because valuable sub-leases at this location pay all the ground rent and the saving is passed on to the guests.

*Nearest in the City to Stores, Offices,
Theatres and Railroad Stations*

WRITE OR WIRE FOR RESERVATIONS

TEXAS NOTES

☐ **W. C. McLendon** has been advanced to the presidency of the Freeport, Texas, National Bank, R. D. Collins, to the vice-presidency, and O. K. Phillips, to cashier.

☐ **A recent** statement of condition of the Tarrant County National Bank of Grapevine, Texas, shows that institution to have total resources of \$205,142, with capital stock of \$50,000.

☐ **A new** banking house has recently opened in Italy, Texas, under the name of "The Central Bank and Trust Company." The new organization was the outgrowth of the First State and Farmer's National merger.

☐ **The First** National Bank of Irene, Texas, has reopened with W. H. Moore as president, John F. Mason, vice-president, and W. R. Stockard, of Mertens, Texas, active vice-president.

☐ **The Rembert** National Bank of Longview, Texas, has moved to larger quarters to better accommodate its ever increasing number of customers.

☐ **M. L. Merts**, seventy-six, president of the San Angelo National Bank of San Angelo, Texas, recently died.

☐ **A recent** statement of the First National Bank of Jacksonville, Texas, shows this institution to have total resources of \$1,182,353, capital stock of \$75,000 and \$125,000 in its surplus account.

☐ **The First** National Bank of Honey Grove, Texas, has moved into the building formerly occupied by the American National Bank pending the completion of the remodeling of the building of the First National.

☐ **The Citizens** State Bank of McLean, Texas, has purchased the First State Bank of Alanreed.

☐ **The First** National Bank of Longview, Texas, will increase its capital from \$60,000 to \$100,000, according to C. A. Loftis, president. The bank building will also be remodeled.

☐ **A recent** statement of the condition of the First National Bank of Troup, Texas, shows that institution to have total resources of \$216,800, capital of \$25,000 and a surplus fund of a like amount.

☐ **The First State Bank of Gustine, Texas,** has decreased its capital stock from \$25,000 to \$20,000.

☐ **Elmer Renfro,** cashier of the Fort Worth National Bank at Fort Worth, Texas, is now a vice-president. The promotion was announced by R. E. Harding, president.

☐ **According to** a recent statement, the Farmers and Merchants State Bank of Mabank, Texas, capitalized at \$25,000, has total resources of more than \$164,500.

☐ **F. P. Rogers,** president of the First National Bank of Perryton, Texas, for the past seventeen years, has resigned, and Carl Ellis succeeds him.

☐ **All but \$40** of the \$1,550 taken from the Chico State Bank of Chico, Texas, has been recovered. The bandit was arrested and confessed.

☐ **A statement** of the First State Bank of Corsicana, Texas, shows this institution to have total resources of \$1,334,108, with capital stock of \$200,000 and a surplus fund of \$54,500.

☐ **The First State Bank of South San Antonio, Texas,** has increased its capital stock from \$15,000 to \$25,000.

☐ **The Citizens National Bank of Tyler, Texas,** with capital stock of \$250,000, reports total resources of \$3,056,910.

☐ **The First National Bank and the Austin National Bank of Austin, Texas,** have consolidated to form an institution with total resources of \$4,500,000, capital stock of \$200,000 and a surplus of \$100,000. Nathan F. Banfield is president of this institution which operates under the name of the First National Bank.

☐ **A recent statement** of the First National Bank of Mabank, Texas, claims total resources of this institution to be \$288,770, with capital of \$50,000 and an equal surplus.

☐ **The First National Bank of Memphis, Texas,** has taken over the Farmers State Bank of Newlin, Texas.

☐ **Lester Jones,** vice-president and cashier of the Wichita State Bank has been elected president of the Wichita Falls Clearing House for the coming year.

☐ **The Britton State Bank of Britton, Texas,** has merged with the Farmers and Merchants State Bank of Mansfield, Texas.

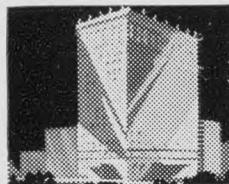


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WHEN YOU COME TO NEW YORK**

Enjoy the luxury and convenience of the great new Hotel New Yorker • 43 stories high • 2500 rooms, every one with Stromberg - Carlson radio speaker giving you a choice of four programs; both tub and shower; Servidor and circulating ice water • Four popular priced restaurants, including Coffee Shop • New Yorker rates are surprisingly low — \$3.50 and up for one person, \$5.00 and up for two.

HOTEL NEW YORKER
34TH STREET AT 8TH AVENUE • NEW YORK CITY
RALPH HITZ • MANAGING DIRECTOR

In St. Louis
Hotel Mayfair....



8th and St. Charles

In the center of theatre and shopping districts. Floor lamps, fans, circulating ice water in every room. The quiet, refined atmosphere of an exclusive club—an hotel of distinction. Dining room. Coffee shop. Garage service.

400 ROOMS — \$3⁰⁰ to \$6⁰⁰
BATHS

Hotel Lennox....

9th and Washington

St. Louis' newest and smartest hotel opened September 3rd. In the heart of business district. Dining room. Coffee shop. Garage service.

400 Rooms with tub — \$3⁰⁰ to \$6⁰⁰
bath and shower

Hotel Kings-Way...

West Pine at Kingshighway

Opposite beautiful Forest Park. Near bus, street car and motor highways. 20 minutes from downtown. Club breakfasts, table d'hote dinners. Rooms for two from \$4. Special rates for permanent guests.

AAA Heiss Hotel System KMOX

Drink nature's greatest health waters

AT AMERICA'S
FINEST RESORT



The Elms Hotel

EXCELSIOR SPRINGS MO.

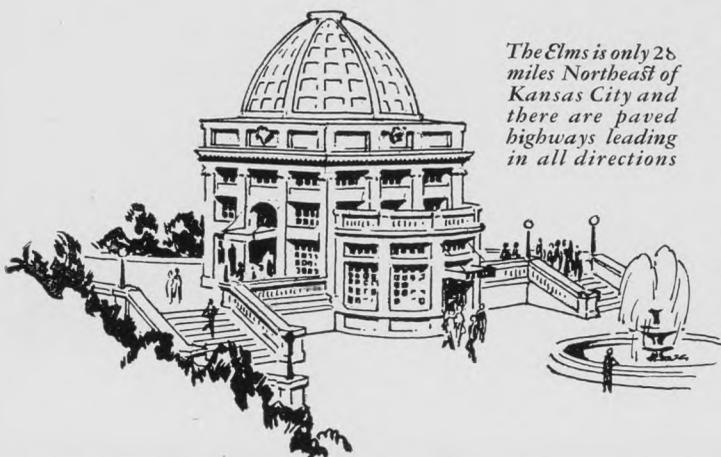
NESTLING among the beautifully wooded hills of Northwest Missouri, amid scenes of natural beauty and splendor, the new Elms Hotel is acclaimed by visitors as one of the very finest resort hotels in America. Newly refurbished and redecorated and equipped with all modern conveniences, The Elms offers you

everything to be desired for your comfort and enjoyment.

Excelsior's world famous mineral waters, gushing forth from more than twenty bubbling springs, are unexcelled in their curative value in all chronic organic disorders.

Here you can tone up your system, regain your health, and enjoy all the pleasures of resort life. There is horseback riding, boating, bicycle riding, swimming, tennis, and two sporty eighteen-hole golf courses.

A visit to The Elms will pay you big dividends in renewed health. For reservations or a book fully illustrating the many beauties of Excelsior Springs, write, wire, or phone Fred F. Hagel, President and Managing Director.



The Elms is only 28 miles Northeast of Kansas City and there are paved highways leading in all directions

One of the World's Most Famous Mineral Springs Resorts

Illinois Bank News



M. A. GRAETTINGER
Executive Vice-Pres.



W. R. MCGAUGHEY
President

OFFICERS ILLINOIS BANKERS ASSOCIATION: W. R. McGaughey, vice-president, Citizens National Bank, Decatur, president; Paul S. Abt, vice-president, Southern Illinois National Bank, East St. Louis, vice-president; M. A. Graettinger, 33 North La Salle Street, Chicago, executive vice-president; J. A. Tubbs, president, National Bank of Monmouth, treasurer; O. S. Jennings, 33 North La Salle Street, Chicago, secretary.

GROUP CHAIRMEN: 1. S. R. Amlong, Aledo State Bank, Aledo; 2. F. W. Longan, American National Bank, Lincoln; 3. R. F. McCormick, DeKalb Trust and Savings Bank, DeKalb; 4. Roy F. Wright, Lake County National Bank, Libertyville; 5. S. J. Marshall, Peru State Bank, Peru; 6. J. D. Morse, Morse State Bank, Gifford; 7. J. E. McCann, Farmers State Bank, Buffalo; 8. R. R. Wallace, First National Bank, Hamilton; 9. A. E. Eidman, St. Clair National Bank, Belleville.

GROUP SECRETARIES: 1. C. R. Johnson, Farmers State Bank, Sherrard; 2. John B. Fleming, Bank of Peoria, Peoria; 3. G. M. Poley, Stillman Valley Bank, Stillman Valley; 4. A. G. Jacobek, Peoples Trust and Savings Bank, Elmhurst; 5. Gordon V. Day, State Bank of Lane, Lane; 6. Wade A. Holton, First National Bank, Sidell; 7. H. G. Bengel, Illinois National Bank, Springfield; 8. S. G. Smith, Neat, Condit & Grout, Bankers, Winchester; 9. W. C. Webster, First National Bank, Olney.

☐ **G. A. Wilson**, vice-president of the La Salle National Bank and Trust Company of La Salle, Illinois, died recently in Chicago, where he had been receiving medical attention for a very short time.

☐ **The Lyons State Bank** of Lyons, Illinois, recently opened their enlarged quarters and the public was invited. This bank is trying a novel method for increasing deposits. During the two-weeks period following this reception a numbered ticket is given with each \$10 deposit, either savings or checking. At the end of this two weeks the bank will draw the stubs of these numbers and the lucky ones will receive some very valuable gifts.

☐ **The Chatham State Bank** and the Park Manor Bank of Chicago, Illinois, have merged into an institution capitalized at \$300,000.

☐ **I. H. Lawrence**, 81, president of the First National Bank of Cobden, Illinois, died recently and was succeeded by H. A. DuBois, formerly a vice-president of the bank.

☐ **J. E. Sudlow** has been elected president of the State Bank of Preemption, Illinois.

☐ **Henry McCaw** has been elected president of the Farmers State Bank of Preemption, Illinois.

☐ **McGregor Huffman**, prominent banker of Rockford, Illinois, died recently at the age of sixty-seven.

☐ **Alfred K. Foreman** has been elected chairman of the board of the Washington Park National Bank of Chicago, Illinois, succeeding Isaac N. Powell. Ernest R. Smith and A. G. Siedler have been named vice-presidents.

☐ **A recent statement** of the condition of the Elizabeth State Bank of Elizabeth, Illinois, shows this institution to have total resources of \$828,794, capital of \$40,000 and surplus of \$50,000.

☐ **According to** a recent financial statement of the Niota State Bank, Niota, Illinois, this institution has total resources of \$117,580 and deposits of more than \$90,000.

☐ **George Galeener** has been elected president of the Drovers Bank of Vienna, Illinois, to succeed F. R. Woelfle, who was killed in an automobile accident early in December.

☐ **The DuPage County Banks** have formed a clearing house.

☐ **An "after-hour depository"** has been installed by the Rochelle, Illinois, National Bank.

☐ **Rome C. Stephenson**, president of the American Bankers Association, and Fred W. Ellsworth, vice-president of the Hibernia Bank and Trust Co., New Orleans, and chairman of the bank management commission of the American Bankers Association, will be among the speakers at the annual convention of the Illinois Bankers Association which will be held at the Edgewater Beach Hotel, Chicago, May 25-27.

Fred A. Cuscaden, vice-president of The Northern Trust Company, Chicago, is chairman of the general arrangements committee. Other committee chairmen include: George M. Reynolds, chairman of the executive committee, Continental Illinois Bank and Trust Co., Chicago, reception; Wm. G. Edens, vice-president, Central Trust Company of Illinois, Chicago, finance; Reuben A. Lewis, Jr., second vice-president, Continental Il-

linois Bank and Trust Co., Chicago, golf; T. S. Robinson, assistant cashier, Continental Illinois Bank and Trust Co., Chicago, entertainment; Chas. A. Burns, vice-president, Foreman-State National Bank, Chicago, ladies' entertainment; and M. A. Graettinger, executive vice-president, Illinois Bankers Association, information.

Entertainment will include a banquet and dance and a golf tournament, the chief prize being a silver cup donated by Earle H. Reynolds, president of the Peoples Trust and Savings Bank, Chicago.

☐ **All the banks** of Ottawa, Illinois, have installed a service charge on checking accounts falling under \$100 average daily balance.

☐ **Plans have** been made for the re-opening of the Marine Trust Company of Carthage, Illinois. Capital stock will be reduced from \$100,000 to \$50,000.

☐ **Two thousand five hundred** carnations were given out to residents who called at the Devon Trust and Savings Bank of Chicago, Illinois, to celebrate the merger with the Broadway National Bank.

☐ **John F. Ryan**, cashier of the East Moline, Illinois, State Bank, died recently.

☐ **The First National Bank** of Geneva, Illinois, recently installed bullet-proof steel and glass in the front of its cages. The work was done by J. H. Wise Company of St. Louis.

☐ **The Metamora State Bank** of Metamora, Illinois, has installed a bullet-proof "lookout" tower made of steel to insure the protection of its cash.

FRUSTRATING THE DAYLIGHT HOLD UP



The Wise Solution for Daylight Holdup Protection

CEASE to be a holdup prospect, with its frightful hazards.

YOU retain prestige as a modern bank in which it is safe to do business.

ADDS dignity and beauty to your bank. **PROTECTS** the lives of officers, employees and customers.

BUILDS confidence and good will.

OPERATIVE twenty-four hours a day.

FOOL-proof and permanent.

NO WEAK spots to fool the banker and not the bandit.

NO BANK ever held up with this modern protection.

NOTHING electrical. No wires, bells or mechanism.

NOTHING to get out of order.

NO maintenance cost. We use the fixtures you have.

WISE PROTECTION is visible and discourages the attempt of holdup by removing the opportunity.

50% reduction on holdup insurance is procurable through Lloyd's of London Agency.

APPREHENSION of the bandit with the accompanying hazard does not remove the incentive for the next one.

LISTED as Standard by Underwriters' Laboratories.

LISTED as Installing Company by Underwriters' Laboratories.

APPROVED by Underwriters, Lloyd's, London.

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*Write Us for Specifications and
Quotations on This Protection.*

J. H. WISE CO., INC.
PROTECTION ENGINEERS
SYNDICATE TRUST BUILDING
ST. LOUIS, MISSOURI

Established 1899

Answers to Legal Questions on Page Seventeen

1. No. A landlord does not commit a trespass in going upon leased premises to demand the rent, where the lease does not fix a place at which the rent is payable, and the tenant has not brought it to the landlord on its due date. Interference by a landlord with the possession of his tenant to constitute constructive eviction must be of a substantial nature and so injurious to the tenant's rights as to deprive him of the beneficial use and enjoyment of the premises.

2. Yes. One who undertakes, upon the written application and request of a vendee of land, to loan him, upon the security of the property, certain funds with which to pay the balance of the purchase money secured by a vendor's lien, and who, upon paying such balance, receives a surrender of the vendee's note and the release of the lien is entitled to be subrogated to the rights of the vendor as against a mortgage subordinate to the vendor's lien. Here the son had deliberately taken a second mortgage and made his holdings subject to those of anyone holding under the vendor's lien. He cannot thereafter complain because anyone succeeded to any rights under the vendor's lien.

3. No. Since the premises were in the exclusive control of the fish company and the injury was due to the negligent use of the opening by its employes, the trustee is not liable. The landlord had surrendered the domination and control of the premises to the tenant. It had provided a cover for the manhole and thereafter it was the duty of the occupier of the premises to see that the opening to the basement was not allowed to be or to remain in such position or condition as to endanger those having occasion to pass over the street.

4. Yes. The gin and mill were attached to the soil, were obviously intended to be permanent and were necessary for the convenient use of the farm. The fact that the mortgage covered fixtures made the gin and mill subject to the mortgage lien. This is the rule in practically

all states in which the question has arisen, Alabama, only, holding to the contrary.

5. No. It is a general rule that a mortgagor may be relieved from the effect of an operative acceleration clause in a mortgage when the default of the mortgagor was the result of some unconscionable or inequitable conduct of the mortgagee. However, in the present case nothing confronted the mortgagor and mortgagee except a covenant fair on its face to which both parties consented. It was neither oppressive or unconscionable. The tender did not stop its operation.

6. No. Such evidence would enable the jury to properly weigh the witness' testimony that he recognized the accused at the trial as one of the robbers. If one sees another but once, perhaps fleetingly or under stress of excitement without opportunity for careful observance, it is easily conceivable that he may know that person if seen the next day. On the other hand he might not be able so confidently to identify him if not seen again until six months or a year later. If it could be established that the robber was recognized the next day after the robbery and then eight months or so later at the trial the jury would be entitled to know of this added opportunity of identification.

7. Yes. A contract whereby a public officer agrees to perform services required of him by law for a less compensation than that fixed by law is contrary to public policy and void.

8. Yes. The bank was appointed guardian of both the person and estate of the incompetent. As the conservator of his estate and having knowledge of the facts surrounding the marriage and knowing that the marriage would affect his estate and property rights, it became the duty of the guardian to bring an action to determine the validity of the marriage. In bringing the action it was not bringing it as guardian of the person of the ward. An interesting sidelight on this situation is that gen-



Seventy Broadway

NEW YORK



THIS is the address known to the thousands of bankers who find Central Hanover correspondent relationship a helpful and friendly banking connection.

CENTRAL HANOVER
BANK AND TRUST COMPANY
NEW YORK

Representatives in London, Paris, Berlin and Buenos Aires

NO SECURITIES FOR SALE

CAPITAL, SURPLUS AND UNDIVIDED PROFITS
OVER 108 MILLION DOLLARS

Chemical Bank Advances Gilbert Yates

The regular quarterly dividend of \$.45 per share on the capital stock of the Chemical Bank & Trust Company, New York, payable April 1, 1931, to stockholders of record March 17, 1931, was recently declared at a regular meeting of the Board of Directors.

At the same meeting, Gilbert Yates was elected Treasurer of the Chemical Bank & Trust Company to succeed the late Clifford R. Dunham. Mr. Yates entered the Chemical Bank in 1910.

Silas Doolittle Changes His Mind

(Continued from page 10)

kids. That will be a starter. It's too late this year to get into the Mudville picture, but next year, you can bet your bottom dollar, I'll be in that too. Mr. Joe Upgrade will have to divide up the work with me, and I want you to pitch in and help. From now on, we are goin' to be on the lookout for new ideas in bankin' and will give Joe Upgrade somethin' to think about. I believe, now, that ev-

ery banker in this grand old state of Missouri would be doin' a great service both to the boys and girls of his own community and to his own institution if he participated in the educational work. I certainly hope they see the light, as I have done."

❖ ❖ ❖

The educational campaign of the Missouri Bankers Association has been conducted for five consecutive years and is part of a national movement sponsored by the American Bankers Association. Bankers in every locality of Missouri are invited shortly after the beginning of the school term each year to deliver talks on the fundamentals of banking to eighth-grade and high-school pupils. These talks are supplied by the Chairman of the Committee on Education, who the last three years has been G. V. Kenton, director of publicity, Mercantile-Commerce Bank and Trust Company, St. Louis.

Seventy-eight counties are active in the work this year and 257 speakers have been enrolled. Interest is keen in a state-wide \$280 prize essay contest, entries for which will close on May 1. Any Missouri banker interested in the work should write at once to Mr. Kenton.—Editor's Note.

House Cleaning at Our Bank

(Continued from page 11)

about to explain the origin of these annual heaps of ours.

When we clean house in the spring, we begin by removing all the drawers from our desks, cabinets and counters. These drawers are carried downstairs, and carefully dumped within the boundaries marked out on the basement floor for that year's business, and the identifying signpost is erected to mark the spot and commemorate the event.

We then return upstairs with the empty drawers, and place them beneath the edges of our counters and desks, until the entire visible top-space is accounted for. Next, with an ordinary garden rake, we scrape from the desks and counters the papers and documents which have accumulated thereon during the preceding twelve months. If the drawers have been carefully placed, they will accommodate the greater part of this material, and they are then replaced in the desks and cabinets to which they belong. Any excess of material is swept up, plainly mark-

"SERVICE IS USEFULNESS"

■

Reserve account service as generally advertised too often lacks the definite quality that should and does interest the out-of-town bank.

An account with us entitles you to the full use of the unexcelled facilities that are characteristic of this institution.

Specifically, our day and night continuously operating collection service is only one of the many advantages our correspondents enjoy which result in definite profit to them measured in terms of dollars and cents.

■

... THE ... PHILADELPHIA NATIONAL BANK

Organized 1803

PHILADELPHIA, PA.

Capital, Surplus and Profits, \$46,000,000

ed "CURRENT" and used for kindling next morning.

Of course, this method will not be suitable for every bank. The individual banker must determine the system that fits his own institution best. If his basement lights work, there is no particular objection to filing cabinets and other such knick-knacks. Some bank buildings, too, will lack the necessary basement floor-space for the operation of a system like ours. If drawer and desk-top space is ample, it may be convenient to accumulate in three- or five-year lots, instead of annually. In our own bank, we strive for a big turnover on a small inventory; somebody once said that was the way to big profits. Fat ledgers, lean balances—that's our plan. It works magically, too; you ought to see the checks roll in with the morning mail.

One of the most important jobs in the annual spring renovation is cleaning up the note-case. For this purpose, we use a large feather duster. Those notes that are becoming ragged around the edges, or otherwise showing indication of excessive wear, we segregate from the others and place in a file marked: "Handle With Care." Occasionally, we are able to dispose of the contents of this file to some collector of antiques—or one who *hopes* to collect antiques. We buy our printed notes for something like five dollars per thousand, or half a cent each, and are therefore frequently able to realize a handsome profit over the original cost, in these transactions.

Occasionally, the bank's house-cleaning program may be so ambitious as to involve a more or less complete redecoration. Renovation of the list of stockholders will frequently help the appearance of the bank, particularly at the time of the succeeding statement call. Perhaps the present stockholders would prefer this method of renovation, rather than be "cleaned" by means of annual assessments.

Particular attention should be paid to certain accounts. "Other Real Estate" will benefit from a thorough sandpapering, or some equally abrasive method of reduction. "Undivided Profits," on the other hand, may require a fattening course of treatment. This account, in many cases, has been found to be suffering from a state of chronic exhaustion, which may result either from lack of nourishment or from the wearing-down effect of overfrequent and excessive dividends. It is beneficial, in such cases, to treat dividends the way

stockholders sometimes treat their promissory notes. Don't pay the dividends—"renew" them. Have your bank's April Fool day on January first, and get it over.

The great highroad of human welfare lies along the old highway of steadfast well-doing; and they who are the most persistent, and work in the true spirit, will invariably be the most successful. Success treads on the heels of every right effort.—Samuel Smiles.

A man is only as rich as he is contented.

Louis Byrne Joins Staff of Lafayette-South Side

Louis F. Byrne, until recently manager of the Credit Department of the Mercantile-Commerce Bank & Trust Company, has been appointed to the same position by the Lafayette-South Side Bank & Trust Company.

Byrne entered the employ of the Mercantile Trust Company July 1, 1910, and continued with the organization until February 21, 1931. He was connected with the Credit Department since 1917, becoming manager in 1927.

The Chase National Bank

of the City of New York

Pine Street corner of Nassau

Capital \$ 148,000,000.00
 Surplus and Profits 211,006,746.37
 Deposits (March 25, 1931) .. 1,883,808,874.48

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Winthrop W. Aldrich	Thomas M. Debevoise	Albert G. Milbank
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Harvey C. Couch	John R. Macomber	George P. Whaley
Frederic R. Coudert		Henry Rogers Winthrop

Foreign and Trust Department Facilities

Credit Management in a Country Bank

(Continued from page 14)

be valuable information about the financial standing of your borrowers. I don't mean by that you need listen to any gossip. But you hear a lot of things whether you want to or not, and if you know your territory well enough, you can weigh what you hear, and often winnow seeds of valuable information from the chaff of common talk. This information goes on our cards.

On the reverse side of the card is a special farm-credit statement which

is reproduced in illustration number two.

This is where we found the need of a larger card. For our conditions this statement carries all the necessary information, but the space is really too small for the best use.

If our borrower wants a loan large enough to justify a credit statement, and I think the time will come when we shall have to call for them on smaller loans than we have formerly done, we have the blank for it on the reverse side of our "experience card." If the party is a new customer, we can take a credit statement from him on the reverse side of the card, and fill out the front of it as we acquire information. You

will be surprised how few minutes' work it will take from time to time to keep your file current.

I do not mean to say that merely keeping one of these credit card files will prevent you from having any losses. Neither will the absence of one cause you to have an unreasonable number of losses. But it is perfectly reasonable to assume that the credit officer of a bank cannot carry all pertinent facts concerning several hundred small borrowers in his head. That being granted, the next thing is to install a system which will keep the facts in usable form available for instant reference, with the least time and attention. We think we have that system.

The most successful small-town banker is the one who loans freely, as long as he can do so with safety. Keep in mind the fact that you are doing yourself and your customer an injury if you lend him beyond his ability to pay. A card credit file of itself will not keep you from doing that, but if kept up will furnish you the necessary information to keep you from doing it. How are you going to know whether you are overloaning a customer unless you know something definite about his affairs? Is it possible for any man to keep the intimate financial affairs of some hundreds of customers in his head?

No system of credit information, however complete, will take the place of business judgment in making loans. Neither will it take the place of ability to judge people, and their will and ability to pay. But it will be a help in keeping for ready reference all the assets and liabilities of the customer, and will give you a basis of facts on which to form your opinion of the application.

It would be a help when the examiner calls, as then you would have something definite to set before him, instead of just having to tell him that you have known John Jones for twenty years, and he is "good."

And if due to the exigencies of nature you wake up some day to find that your credit man's hatband credit file has gone to join his father's, you might find it very convenient if he had left some written records behind him. And the same might be true if the miracle happened, and your chief credit man were offered, and accepted, another job.

Without regard for what our compatriots are doing about it, we shall continue to rely upon some written record of all pertinent credit facts we can gather.

Yours to command

A Banking Service Never Before Equaled in Nashville

Six of every ten banks in Tennessee and an ever-increasing number from other states bank with the American National Bank.

The ability of the management and its thorough knowledge of this territory coupled with the broad influence, large resources, and direct collection facilities of the bank have brought this business here.

You, too, are cordially invited to make this banking service yours.

THE AMERICAN BANKS NASHVILLE



NASHVILLE TRUST CO.
AMERICAN NATIONAL CO.

RESOURCES
\$80,000,000

A Remedy for Business Ills

(Continued from page 16)

great needs of the moment? The first is the encouragement of the transfer of capital from the short-money market, where it is so plentiful that it is practically impossible to invest even at low rates, over into the intermediate credit market where the supply is insufficient, and to the long-term market where the supply is woefully inadequate.

"The next need is the reopening of great capital markets, like that in the city of Paris, to foreign financing, especially at intermediate and long term.

"I was delighted by the recent address of my colleague, Governor Moret of the Bank of France, to the stockholders of that institution, in which he stated that he was convinced that it was good policy to encourage foreign loans at long term. I heartily endorse that view, which I understand the French government shares—and I hope, further, that there may soon be such a reestablishment of confidence in America that our own country, like France, may continue to play the necessary economic role of every creditor country, i. e., that of being a supplier of funds to sound foreign borrowers.

"The B. I. S. endorses the view that intermediate credits are necessary and desirable; and to demonstrate that its interest is not merely academic its board has authorized the bank gradually to invest \$25,000,000 in such credits of from six months' to two years' maturity.

▲ "The B. I. S. hopes that its example will set a fashion that will be followed by others who have greater resources which can be utilized in this type of financing.

"The B. I. S. endorses the conclusion that under present economic conditions the pressing requirement of the moment to ameliorate world trade and business is the active expansion of long-term credits and foreign lending, which in turn demand political tranquillity and stability, both national and international, to render them practically possible.

"It is upon Paris and upon New York that, owing to the special conditions now prevailing in London, the opportunity and the obligation fall to help themselves by helping others, through making long-term investments. The B. I. S., within the limits

of its resources and statutes, is prepared to do its part to encourage these proper financial tendencies, and nothing will so advance their realization as the adoption by all governments, by all financial centers, and by all peoples of the guiding precept of our bank, which was laid down for us by the Young Plan itself. I quote this precept which we follow in our daily activities, and I cheerfully recommend it as a guide of conduct to everyone, and as a prerequisite to the solution of most of the world's ills:

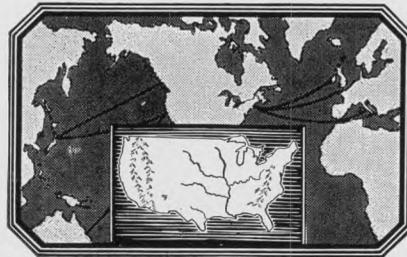
"The B. I. S. is an institution whose direction from the start shall be cooperative and international in character; whose members shall en-

gage themselves to banish the atmosphere of the war, to obliterate its animosities, its partisanships, its tendentious phrases; and to work together for a common end in a spirit of mutual interest and good will."

Teacher: "The sentence, 'My father had money,' is in the past tense. Now, Mary, what tense would you be speaking in if you said, 'My father has money'?"

Mary: "Pretense."

If we could see ourselves as others see us, we imagine most big fat men would get wet before they'd carry a little green umbrella with yellow ribs.—Nashville Banner.



National in name —national in scope

Established in 1812, Chatham Phenix has served business, banking and the nation for more than a century. *First* among national banks in New York to establish city-wide branches—*first* also to combine "national" and "trust company" in its title—it offers correspondents those broad facilities, those conservative qualities and that neighborly spirit on which a permanently satisfactory banking relationship must rest.

CHATHAM PHENIX NATIONAL BANK AND TRUST COMPANY

149 Broadway, New York City

Resources More Than \$300,000,000

Charter Member New York Clearing House Association



What to Look For in a Fixed Trust

(Continued from page 18)

mally prefer that all the trust's funds be in stocks.

6. Marketability. Many trusts are listed on stock exchanges. Practically all of them have an over-the-counter market closely corresponding to the liquidating value of the shares. The newer trusts permit conversion of any number of trust shares into the underlying stocks or proportionate cash value. As the underlying stocks are usually readily marketable, these conversion features, if strongly set up, are a very practical assurance that the investor will always be in a position to liquidate at approximately the current value of the deposited collateral.

7. Load. The spread between the cost of the deposited property and the selling price of the shares is generally termed "load." Loads vary, but are usually somewhere between seven per cent and ten per cent of the sales price of the shares.

Many methods have been devised by which loads are concealed, although the present trend is toward plainly stated charges. Some of the methods of concealing excess charges are: continuing fees, excessive brokerage, pricing to the upper eighth (giving an excess profit of one per cent on the average to a trust selling at $6\frac{1}{4}$), retaining substantial interest items, fixed fees for issue and deposit not actually based on costs of such items, and so on.

There can be no real objection to such charges unless they raise the total load to a point where it is not justified by the service rendered. These items are worthy of a banker's attention only insofar as they enable him to compare the true loads of different trusts.

It may be further added that a distinction should be noted between loads stated on sales price and those stated on cost price. For example, a load of ten per cent on cost price is only 9.09% on sales price.

8. Voting Proxies. Most of the companies whose stocks are in the portfolios of fixed trusts are so large that it appears unlikely that any except the smallest companies will ever find fixed trusts a factor in their management. However, some trusts have taken steps to divest themselves of voting power by offering proxies to holders of units of the trust shares.

9. Trustee. The trustee is usually

a well-known metropolitan bank in which full reliance may be placed for efficient, honest handling of the trust property. The rights of the trustee, however, vary widely under different agreements. In some cases, the trustee has a lien on deposited property for satisfaction of its fees. In other cases, all trustee fees are paid in advance. In still other cases special arrangements have been made for compensating the trustee from year to year. Whatever the arrangement, it ought to be such that there is no danger of the trust being prematurely liquidated because the trustee finds the deal unprofitable.

10. Sponsorship. In probably no other form of security is the sponsorship of less importance. Most fixed trusts have been set up in such a manner that the sponsors may pass completely out of existence without materially affecting the value of the shareholder's investment. Nevertheless, the conservative banker will usually satisfy himself that the sponsors are reliable parties whose practices will be worthy of confidence and whose interests in the particular trust are likely to remain permanent.

Louisville First National Will Disburse \$15,000,000

Depositors of the closed National Bank of Kentucky shortly will receive a 67 per cent dividend, through the purchase by the First National Bank of sufficient assets of the closed institution to make possible such payment, it was announced recently.

The disbursement, amounting to approximately \$15,000,000, will be made through the First National Bank. Sale of the assets, making funds available soon, dispensed with the plans looking toward organization of a new national bank, which had been undertaken by a citizens' committee. The transfer of assets achieves the same objective sought by the citizens' committee.

Transfer of the assets will be accomplished immediately, although Paul C. Keyes, receiver for the National Bank of Kentucky, said it would require at least two weeks to issue receiver's certificates to depositors who have filed proofs of claims.

The remainder of the proceeds of the closed institution are to be disbursed by the receiver.

Explaining the terms of the contract, and the advantages to depositors of the closed bank, Mr. George P. Barse, attorney for the Controller

of the Currency, pointed out that the First National Bank made no profit from the deal.

Banker Pilots Own Plane in Emergency Service

Money has in recent years been sent by airplane to banks requiring emergency assistance from reserve city correspondents, but it remained for Central Trust Company of Illinois, Chicago, to establish the precedent of having one of its executive officers pilot his own plane on two trips to aid a customer bank.

When a Moline, Illinois, institution required additional funds to meet a recent run caused by the alleged defalcation of one of its officers, F. J. Greenebaum, vice-president of Central Trust Company, volunteered to take care of the situation personally via his own plane. His long experience as a pilot gave the bank ample assurance that the money would be carried through the air and across the state of Illinois to Moline in time to save the situation.

He made the first trip Saturday, March 14, carrying \$500,000 in currency in a small bag. He landed in Moline on schedule, where an armored car rushed the money to the bank. Monday it was found that another half million was needed by the correspondent bank, and again Mr. Greenebaum met the emergency and put his plane in service for a second successful trip.

This help at a critical time enabled the Moline bank to stop the run and continue without further difficulty.

Canal Bank Celebrates 100th Birthday

The Canal Bank and Trust Company, New Orleans, is now entering the second century of its life.

Established on March 5, 1831, to finance the digging of the New Basin Canal, the bank has withstood the wars, panics and other adversities of the past century and now ranks as one of the oldest banks in the Mississippi Valley. The functions of the institution have been uninterrupted throughout the entire century.

Oliver G. Lucas, recently named president of the Canal Bank, made his first visit to the bank's 20 local branches on the date of the anniversary.

Men, like bullets, go furthest when polished.—Richter.

McGaughey Now With Millikin National

W. R. McGaughey, president of the Illinois Bankers Association, has severed his connection with the Citizens National Bank, Decatur, of which he has been executive vice-president since 1929 and with which he has been identified since 1919, and



W. R. MCGAUGHEY

is now vice-president of the Millikin National Bank of Decatur. This position includes a similar relationship to the Millikin Trust Company, which is under the same ownership and management as the Millikin National Bank.

Mr. McGaughey was born on a farm near Mount Zion, May 31, 1879, and is a graduate of the James Millikin University, class of 1906. He has been active for a number of years in the affairs of the Illinois Bankers Association, of which he was elected president in 1930. He is a director of the Mount Zion State Bank, and the Purity Baking Company; is a member of the Board of Managers of the James Millikin University, and treasurer of the Illinois Synod of the Presbyterian Church.

Form Missouri Committee on Agricultural Credits

In response to the request of Honorable Arthur M. Hyde, Secretary of Agriculture, the Missouri Advisory Committee on Agricultural Credits, composed of Walter W. Smith, President of the First National Bank, St. Louis, Arthur M. Blumeyer, President of the Industrial Savings & Trust Company, St. Louis, and R. B.

Hart, Deputy Finance Commissioner, met Saturday morning, March 7th, and perfected its preliminary organization.

This Committee has been appointed in order to assist in carrying out the provisions of the recent resolution enacted by Congress, seeking to afford credit relief in drought-stricken areas. This resolution was approved February 14, 1931, and has for its purpose the making of loans, or advances, to individuals who desire to form local credit corporations, livestock loan companies, or similar organizations, or to increase the capital stock of such corporations quali-

fied to do business with or having the privilege of doing business with the Federal Intermediate Credit Bank of St. Louis, and the making of loans upon the security of the capital stock of such corporation. Mr. Smith was elected chairman.

An office will be immediately established, with an executive secretary in charge. Individuals interested may address the Missouri Advisory Committee on Agricultural Credits, P. O. Box 863, St. Louis, Missouri.

Peace hath her victories, no less renowned than war.—Milton.



FIFTY TONS OF FINEST STEEL

The Diebold Vault Door is a place of interest in any bank. It symbolizes security and wealth. It represents to a customer, visually, the dependability of the bank he is dealing with. He sees in it all that its fifty tons of finest steel, its accurate machining, its delicate time lock mean to modern banking. Diebold Vaults are modern banking.

Diebold service is available at any point in the United States within twenty-four hours—in metropolitan areas, immediately.

Inspection service for all installations. . . . Vault Doors equipped with Timeken tapered roller bearings. . . . Complete twenty-four-hour protection against daylight holdup, burglary and fire can now be had, with the introduction of Diebold-Lake Erie Electrical Tear-Gas.

DIEBOLD
SAFE AND LOCK CO. . . . CANTON, OHIO
OVER SEVENTY YEARS OF BANK SERVICE

CAPITAL ACCUMULATION

— OR —

MAXIMUM DISTRIBUTION

— at the investor's option



WHETHER or not to accumulate one's capital, or to invest in a manner which will provide large current distributions, is a matter of the individual investor's needs and circumstances.

Corporate Trust Shares provide an excellent medium for either—they give to the holder an option of a Capital Accumulation Plan or a Maximum Distribution Plan—a flexibility enabling the investor to meet his own changing circumstances. If he wishes, he may use the larger distributions accruing from the Corporate Trust Share plan of operation for current needs. Or, if he prefers, he may build up his capital through reinvestment in additional trust shares. And under this method of capital accumulation he is more apt to maintain a better balanced investment which is obviously desirable in a long term holding.

Because Corporate Trust Shares meet the needs of all classes of investors; because these shares protect against undue decline in distributions, through a Reserve Fund, interest on which is paid to holders, and because there is no confiscation clause whereby unclaimed monies are paid over by the Trustee to the sponsors—these, and other features inherently fair to the investor, explain why more and more investors are showing a marked preference for this fixed investment trust.

CORPORATE TRUST SHARES ARE INTERNATIONALLY ADVERTISED,
INTERNATIONALLY SOLD, AND ENJOY AN INTERNATIONAL MARKET

CORPORATE TRUST SHARES represent an ownership interest in these 28 companies, the shares of which are deposited with an independent trustee.

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American Tobacco
du Pont
Eastman Kodak
Ingersoll Rand
International Harvester
National Biscuit
Otis Elevator
United Fruit
United States Steel
Woolworth

Railroads

Atchison, Top. & Santa Fe
Illinois Central
Louisville & Nashville
New York Central
Pennsylvania Railroad
Southern Pacific
Union Pacific

Oils

Standard Oil of California
Standard Oil (Indiana)
Standard Oil (New Jersey)
Standard Oil of New York
Texas Corporation

Utilities and Quasi-Utilities

American Tel. & Tel.
Consolidated Gas of N. Y.
General Electric
Westinghouse Electric
Western Union Telegraph

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PORTFOLIO RATING "A"

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This is one of a group of investment trusts sponsored by ADMINISTRATIVE AND RESEARCH CORPORATION

Facts Concerning Fixed Trust Shares

By

RICHMOND WHARTON

THE difference of opinion among the banks regarding the sale of Fixed Trust Shares would seem to indicate that depositor corporations have failed to support their selling efforts with sufficient educational background to provide the basis for a general understanding of the relative economics of this comparatively new form of security. A good deal of the selling effort has stopped short at the desk of the executive in charge of the securities department, where, in most instances, this individual is sufficiently anxious to arrive at his conclusions to allow them to select the selling facts for him and conceal the rest. In instances where the general officers of the bank duplicate this error we find two different viewpoints in the same bank, neither one completely in accord with the other and each group only half-heartedly sold on the proposition as a whole. What seems to be needed is a better understanding between those who issue and those who sell Fixed Trust Shares, and if the thoughts presented here serve only as an approach to this understanding, the writer will feel amply rewarded.

Fixed Trust Shares possess certain definite characteristics which, when understood and considered together, compel their double classification as a combined financial and economic factor of considerable importance. The term factor implies force, and whether or not it is to be profitably utilized will depend largely upon the extent to which one comprehends its value and significance. Likewise, results which may be obtained through the employment of such a force will be determined, largely, by the amount and kind of intelligence applied to its use as a means of accomplishment. But the force or influence attendant

upon the sale of Fixed Trust Shares cannot be properly capitalized without a knowledge of their composition, a consciousness of their power and an understanding of their true purpose. Lacking this no one is real-

«Always as is
the need of
man, shall his
discovery be.»

ly prepared to contemplate their sale. Of equal importance is the fact that it is not the kind or type of Fixed Trust Shares that is important. Rather the widespread ownership of these shares and the benefits that can come from this ownership, intelligently administered, to those who may not otherwise have ever learned to recognize security values, is important. Accepting the truth of this statement

will provide a stronger incentive to know this form of security better.

As it is our purpose to discuss here only the composition of the Fixed Trust and not its power, purpose or relative economics, we shall simply set down rather than elaborate upon the most important features of which it is composed and attempt to follow the line of reasoning which led to their invention.

Among the investment banking fraternity were those who early foresaw the im-

pending stock-market crash and its subsequent impairment of the security purchasing power of the "class" or investing group on whom they had been dependent for the absorption of offerings during the past decade. Recognizing the necessity for the cultivation of additional markets for future offerings and believing that the requisite supplementary purchasing power existed among the "mass" or non-investing group, the investment banker contemplated a form of security which would not only lend itself to the development of this type of buyer but which would also aid in the restoration of the impaired purchasing power of the "class" or investing group.

Recognizing also the added necessity for perpetuating and broadening the market for equities because of their increasing popularity as a form of financing and public participation, and further, the ability to capitalize upon the reputation of those of an investment character, it was only natural that they should have been selected as the basis for this much needed form of security.

Following this tangible beginning, there were added a number of specific features, the most important of which supply a firmer foundation for public confidence by substituting pro-

visional regulation for the human equation in investment procedure. Others owe their existence to the necessity for strengthening certain weaknesses peculiar to the business of security distribution while a few are inherent in all securities but appear here in a different form. Each of them, however, has a very definite reason for its existence.

During the growth of the recent "prosperity" market, security offerings became available to the public in such numbers and variety as to make intelligent selection practically impossible to those unskilled in the interpretation of factual analysis. As this group comprised the majority of those purchasing securities, choice became increasingly responsive to the influence of prejudiced solicitation. The resultant loss of both money and

confidence emphasized the need for some form of protection against the errors of unskilled judgment. The still greater degree of financial ignorance among the "mass" or non-investing group made such protection imperative if they were to be successfully developed. For this reason Fixed Trusts had to assume the prerogative of choice for the individual.

In addition, the ability of low cost to increase the mathematical possibility for speculative profit made price another serious influence against intelligent selection. This gradually developed a tendency to subordinate quality to the low unit of sale. But within the "mass" or non-investing group the low unit of sale had consistently facilitated purchase and determined, to a large degree, the

volume which could eventually be sold. Therefore in order to capitalize this tendency and at the same time conform to one of the principal requirements for the successful cultivation of the "mass" or non-investing group market, Fixed Trust Shares had to be offered at a price which would provide the lowest possible common denominator for purchasing power.

▲ Fluctuations in the price of securities caused by influences other than those affecting value were often mistaken for indications of worth. As a result, the tendency to buy "price" without recourse to a determination of value, gradually weakened judgment and put a premium on volatility. Susceptibility to this form of error impaired reserve purchasing power and unbalanced distribution. In order to overcome this weakness, Fixed Trust Shares were created in a sufficiently high numerical ratio to the underlying equities to effect an appreciable degree of stabilization of price.

The moral responsibility for the outcome of the purchase is an inherent part of every security transaction. It remains with the seller in proportion to the degree of dependence placed upon him by the buyer. No single characteristic of the security business is more responsible for its failure to apply the science of merchandising to its processes of distribution. Further, the practice of permitting the degree of investment merit possessed by a security to determine the margin of profit allowed for its sale has long been one of the outstanding weaknesses of security distribution. Its obvious unfairness to buyer and seller alike and the destructive abuses to which it is susceptible, need no comment here. But the seller of Fixed Trust Shares is automatically relieved of the majority of the responsibility for the outcome of their sale and enjoys the added advantage of being able to sell on a cost plus basis which automatically eliminates the latter weakness. These two features mark a decided step forward in bringing merchandising into the business of security distribution.

▲ Summarizing, the principal features of Fixed Trust Shares are those which assume the prerogative of choice for the buyer, lessen his dependence on the seller, provide a common denominator for purchasing power, stabilize price and therefore purchasing power and distribution,

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Paid-up Capital		\$37,500,000.00
Reserve Fund		30,750,000.00
Reserve Liability of Proprietors		37,500,000.00
		\$105,750,000.00
Aggregate Assets 30th Sept., 1929		\$454,031,486.88

A. C. DAVIDSON, General Manager

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and open the way for the introduction of merchandising into the securities business. In their present form they appear to be new, but one has only to read between the lines to discover that they represent the culmination of existing tendencies which are not new; tendencies that have been gathering force for years as the result of our perpetual seeking for some fixed mooring in the incessant flow of trends, hypothesis, theories, nebulous generalization and conflicting interpretations of value. Gradually we have been approaching a wider visualization of the advantages of fixed wealth expressed in terms of constant purchasing power. The Fixed Trust is the investment banker's translation of this vision into something useful. We have only to realize its productivity and then adapt it to the uses of trade. Its power to employ truth as a means of overcoming the prejudices which have so long acted as barriers to the free intercourse of thought in an effort to approach standards of value, is its greatest asset. The possibilities in its abuse constitute its only real hazard.

Trust Banking Growing Rapidly in South

Trust company service, the most rapidly expanding field of banking, is growing in the South at an even greater rate than for the country as a whole, according to R. Goodwyn Rhett, Chairman of the Board, Peoples State Bank of South Carolina, Charleston.

Mr. Rhett is general chairman of the Fourth Southern Trust Conference which will meet in Charleston April 17 and 18 under the auspices of the Trust Company Division of the American Bankers Association. Methods and policies in the operation of trust companies and trust departments of banks will be discussed by representatives of institutions in the ten states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, Tennessee, North Carolina, South Carolina, and Virginia.

"The annual survey of the growth of trust business in the United States, just completed by the Trust Company Division," Mr. Rhett said, "shows that in 1930 there was an increase of 52½ per cent over 1929 in the number of times trust companies and banks in the South were named executors and trustees under wills. The rate of increase for the country as a whole in 1930 was 35 per cent.

mendous development in the creation of living trusts. There was an increase of 79 per cent in the number of living trusts established in the South in 1930 and an increase of 400 per cent in the volume of funds represented by this type of trust. For the country as a whole there was an increase of 44 per cent in number and 67 per cent in volume.

"The rate at which the trust idea is spreading, as indicated by these figures, is evidence of the steadily growing recognition on the part of the public of the safety and soundness of the services performed by trust companies and trust departments of banks."

Well-known Banker Heads Massachusetts Bank

R. E. Chambers, vice-president of the National Shawmut Bank of Boston, was recently elected president of the Framingham National Bank of Framingham, Massachusetts, to succeed Frederick L. Oaks, who resigned.

Mr. Chambers has had more than twenty-seven years' experience in the banking business. He is a past president of the Connecticut Bankers Association, the New Haven Chapter of the American Institute of Banking, and was at one time vice-president of the Connecticut Bankers Assn.

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« . . . the demand for fixed trust securities arises almost exclusively from investment sources. »

Illustration, Courtesy Mississippi Valley Trust Co., St. Louis.

THE great popularity of the fixed trust and the large sales volumes established by the larger of these institutions have naturally enough given rise to the question as to just what type of investor purchases fixed-trust shares.

This question is quite as difficult to answer as it is interesting in that there is no way by which any accurate idea can be obtained as to the total number of investors who have purchased fixed-trust securities. In the majority of cases trust shares are sold in bearer form, which makes it impossible for the distributing dealers to keep any kind of record as to the holders of the shares which they have sold. After original sale these shares may change hands any number of times without the knowledge of the distributor. A block of shares, for instance, sold by a dealer to an individual investor might, in the course of events, become separated into three or four blocks, each held by a different individual.

Were it possible to conduct an accurate poll among the several thousand investment dealers throughout the United States distributing shares of the various fixed trusts, receiving from each an accurate statement as to the number of accounts to which these shares had been sold, a fairly accurate idea as to the number of

Who Buys Fixed Trusts ?

By ALFRED C. MIDDLEBROOK

Distributors Group, Incorporated
New York City

people interested in fixed trusts might be obtained. Such a poll is possible but utterly impracticable.

This leaves the answer to the question as to the number of investors which have purchased fixed-trust shares in the realm of conjecture. Naturally the sponsors and distributors of the largest fixed trust have been supplied from time to time with information on which it has been possible to base at least a reasonably intelligent estimate as to the number of investors who have purchased shares of these trusts. It is such indeterminate estimates which form the basis of various public statements from time to time as to the number of American investors interested in this new type of investment device.

It has been estimated by the sponsors of the largest fixed trust that approximately 100,000 individuals have purchased these shares. Considering that the several largest fixed

trusts probably have been sold to no more than 250,000 individuals it would seem logical to conclude that the total number of American investors interested in fixed trusts probably does not exceed 350,000 to 400,000. Many statements concerning the number of fixed-trust share purchasers which have received wide publicity have been considerably more optimistic, estimating total number of such investors at more than 500,000.

It is interesting in this connection to note that the major development of the fixed trust has been concentrated in relatively few issues. It is believed that total dollar sales of the two largest such institutions now approximate \$300,000,000, which, of course, is a decided preponderance of the total dollar sales of all fixed trusts. It is probably safe to estimate that approximately 175,000 investors have purchased the shares of the two largest trusts.

Judging from the extent of the demand for the fixed trust today and a more definite knowledge as to the advantages which this type of investment affords, it would seem that the number of investors which have purchased fixed-trust securities to date represents only a small beginning. The fixed-trust device is such a sound and logical investment when properly organized and properly sponsor-

ed that it would be indeed difficult to predict the rapidity with which the number of fixed-trust share investors will increase over the next several years. It is probable that the outstanding development of the past year will not be continued at the same rate. However, a growing intelligence on the part of the conservative investor will serve to keep alive the demand for the leading fixed trusts and will serve to protect them against competition of various other classes of security which are bound to develop with the return of more normal business conditions and a stock market more conducive to speculation.

A consensus of the more than 1,400 investment houses and banks distributing the shares of a leading fixed trust indicates that the most likely purchaser of this type of security today is the former bond buyer. This type of individual is usually of conservative investing habits regarding security of principal as a prime factor in the choice of any security. This conservative bond buyer, however, was led widely astray during the latter phases of the bull market which terminated in 1929, in many cases indulging in rank and unintelligent speculation. Following the collapse of the market, however, this investor reverted to more conservative investing habits. This inclination toward conservatism, however, did not in every case lead to a reestablishment of bonds as the only type of safe investment.

▲ During the latter part of 1929 and throughout early 1930 the fixed trust was making rapid and impressive forward strides. The many conveniences and many advantages of the unit type of fixed trust were fast being realized and the attention of innumerable former bond buyers was attracted to the possibilities of this new type of investment trust. It is thus that the findings of investment organizations distributing fixed-trust shares today demonstrate conclusively the fact that fixed trusts appeal not to the speculative element but to conservative and in many cases ultra conservative investors.

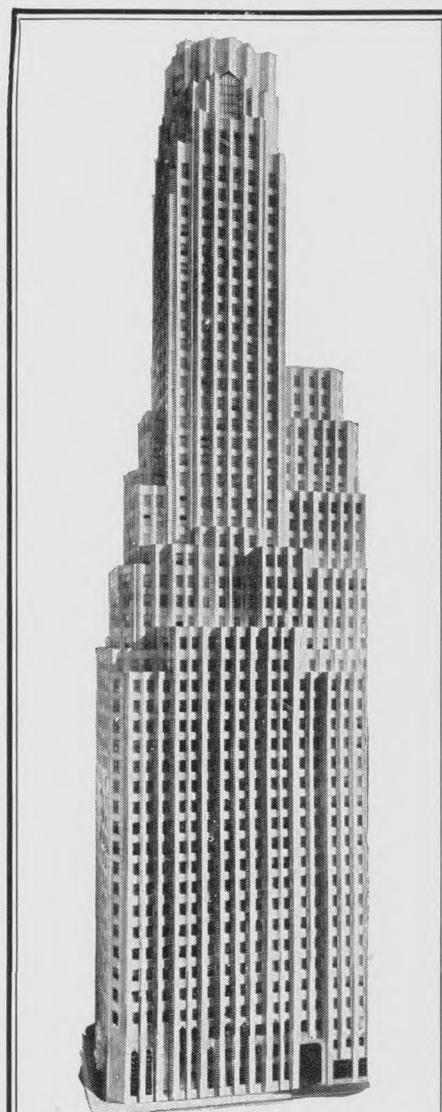
Much discussion has prevailed concerning the extent to which investors of large means have become holders of fixed trusts. This is not a matter which permits of accurate determination. It is rather widely recognized that fixed trusts to date have exerted their strongest appeal to investors of moderate means—those investors to whom this device

provided the first opportunity to participate in an investment based on the ownership of a group of outstanding common stocks.

The unusual diversification provided by the average fixed trust naturally sounded a sympathetic chord with many thousands of individuals of limited means who for some time had been considering the desirability of owning common stocks and yet who had been unable to establish proper diversification with limited capital. The fixed trust provided just this requirement for an investor with merely a few hundred dollars up to the individual with thousands and hundreds of thousands of dollars for investment.

While on the subject of diversification it is important to note that additional investments in the shares of a fixed trust from time to time represent the same diversification as the original commitment. This feature of the fixed trust adapts it particularly to the investment requirements of an individual who has small additional amounts of capital available from time to time and who wishes to invest this capital conservatively. Were it not for the fixed trust the initial commitment of such an investor must necessarily represent one or only a few common stocks. This quite obviously would constitute an unsatisfactory diversification from the standpoint of the conservative investor. Through the fixed trust, however, an initially well diversified investment is periodically built up as funds become available and at no time during the investor's program is the diversification anything other than highly satisfactory.

▲ From the standpoint of the investor of large means the fixed trust offers fewer although some very positive advantages. It is to be assumed, of course, that an investor of means is financially able to establish for himself a highly satisfactory diversification. Granting the investor's intelligence and ability to choose wisely a list of common stocks, he is still confronted with the innumerable and annoying details to which every individual holding a long list of stocks is subject. Through the medium of the fixed trust this investor can place any amount of capital in an intelligently diversified group of leading common stocks and be completely relieved of administrative details. While some investors of means derive a certain sense of satisfaction from administering their personal estates, probably a majority of such in-



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dividuals experience no such satisfaction and to the latter the unique trust service provided by the large fixed trusts has exerted a definite appeal. This has resulted in the commitment of various amounts ranging from \$250,000 to \$500,000 and more in the shares of the principal fixed trusts.

It is argued by investors who have decided to make such purchases that the modern charge which must be paid at the time of purchase and which is included in the offering price is more than justified by the complete avoidance of the many secretarial duties which are necessitated through the ownership of an extended list of common stocks.

While it is probably true that the

administrative features of the largest fixed trusts today are more attractive to the investor of limited means than to the individual of wealth, there seems to be a definite indication that as time goes on a further standardization of technicalities and administrative features will further increase the appeal of the fixed trust to the investor with large amounts of capital. It is contended by the sponsors of the principal fixed trusts that the many advantages and conveniences provided by this type of investment will be more than ever realized both by the small and the large investor and that a growing number of conservative people will recognize in the fixed trust a unique mechanical device permitting the most advan-

tageous long-term investment in a group of common stocks.

Another factor which practically assures the education of a growing number of investors as to the desirability of fixed trusts is the fact that more important investment banking organizations are becoming associated with both the organization and distribution of fixed-trust securities. While several of the most important banking houses in the country have already become identified with the fixed-trust movement it is generally recognized that several more are contemplating the advisability of taking a definite stand in the recommendation of the fixed trust and the endorsement of the principles which underlie this device. With these important banking organizations squarely behind the development of the fixed trust it can readily be expected that educational efforts will be extended to include the clientele of each of these houses. This alone will admit many thousands of additional investors to the vast army of individuals already holding fixed trust securities.

It cannot be emphasized too strongly that the appeal of the fixed trust is primarily investment and the increasing number of investors purchasing fixed trusts do so with exclusively investment motives. The fact that the appeal of the fixed trust is so largely concentrated among those with purely investment objectives is another indication of the fact that a large proportion of present-day fixed-trust buyers were formerly, and probably are still to some extent, bond buyers.

That purely investment interest in leading common stocks has been growing apace during the past year is further indicated by the unprecedented amount of odd-lot buying. This movement has resulted in a vast increase in the number of stockholders of the large corporations with the result that in several instances these corporations today have the greatest number of stockholders in their histories. The people who today are buying outright odd-lot blocks of high-grade common stocks are in many instances those who were taught by unsuccessful speculative operations during the past two or three years the follies of gambling as opposed to legitimate investment.

While a consistent policy of building up an investment based upon high-grade common stocks is entirely justifiable and offers some very definite advantages it is felt that these advantages are not comparable to

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those which are available for the investor through the medium of the fixed trust. With this thought in mind it seems not illogical to expect a gradual proportionate increase in the amount of common stock withdrawn from the market for investment account on the part of the fixed trust and a corresponding diminution in the proportionate amount purchased directly through odd lots.

There is no denying the fact that the average investor who several years ago eschewed common stocks as something unworthy of his consideration is today interested in participating in the ownership of the country's large corporations. Granting that the soundness and the logic of the fixed trust is being realized more and more, it may be that before long the fixed-trust device will constitute a highly important intermediary medium standing between the great corporations and a vast number of individual investors. Any fears, however, as to the acquisition by fixed trusts of a sufficient proportion of the common stocks of the large American corporations to approach control are indeed ungrounded. Even in view of the rapid distribution of fixed-trust securities during the past year and the corresponding withdrawal of common stocks from the market it is estimated that for those companies the common stocks of which appear in practically every fixed-trust portfolio, only some 100,000 shares have been absorbed. Obviously, this number of shares is in reality an insignificant proportion of the total common-stock capitalizations.

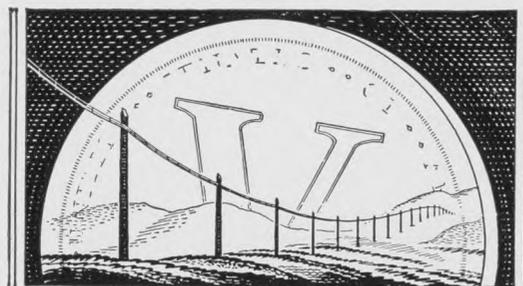
Another and very significant indication that the erstwhile bond buyer has not returned to the bond market lies in the relatively passive demand which exists today for second-grade bonds. Were this former bond buyer interested in this form of security at present to anything like the extent of his interest several years ago, the bond market with particular emphasis on those issues which should appeal to individual investors rather than to institutions, would present a radically different picture from what it does. It is to be assumed most naturally that the great army of conservative investors which formed the bulwark of the bond market which reached its peak in early 1928, are still investors and still represent the availability of a large amount of investment capital. That a substantial proportion of this capital is, and has been, flowing into common stocks ap-

but what a considerable amount of this capital has been invested in the shares of the principal fixed trusts.

▲ From all indications and on the basis of all studies which have been conducted in connection with the subject, it is a well established fact that the demand for fixed-trust securities arises almost exclusively from investment sources. There seems to be little reason to suppose that this condition will change even in the event of a market far more inducive to speculation than that which has been experienced for the past year, since the fixed trust by its very nature is not an adaptable speculative medium. The fixed trust auto-

matically centers the intention of the investor on the gradually fluctuating price of the trust shares rather than upon the more violent movements of underlying stocks. The whole idea of the fixed trust and in most cases the motive of the investor in purchasing the shares of such a trust are based upon long-term aspects of a grouped common-stock investment. Immediate speculative considerations are almost nonexistent and the average holder of trust shares has become convinced of the folly of attaching any undue significance to temporary fluctuations in the prices of the underlying stocks.

It has been predicted that the return of a rising stock market and



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speculative enthusiasm would result in a sharp reduction of fixed-trust popularity. While this might be the case to some extent it is not regarded as likely by careful students of the fixed trust on the basis that the whole popularity of this device today is based upon the benefits of a long-term investment giving minor consideration to intermediate market fluctuations. It does not seem likely that the desire for immediate capital profits would to any extent distort the accepted principles of long-term investment. A return of stock market activity and rising prices will naturally promote a wider interest in trusts of the management type. It might even induce a reversion to management-trust popularity but it seems extremely doubtful that such a set of conditions would ever lead to the abolition of fixed-trust popularity or a denial of the proven benefits of fixed long-term investment in common stocks.

There are several important points concerning the fixed trust which might be characterized as basic in the established popularity of this investment. In the first place it is fixed. The investor who purchases a fixed trust is aware of the securities which underlie the investment at all times.

He realizes that under certain conditions as set forth in the trust agreement a stock may be eliminated from the portfolio but in such an event he is aware of the elimination and the reason for which it was made. While the elimination features of various fixed trusts differ in a majority of instances the stock must be eliminated following the omission of a regular dividend for a period specified in the trust agreement.

Another feature which has contributed prominently to the acceptance of the fixed trust is marketability. As against the widely fluctuating price of the management-trust stock above book value during a period of rising stock-market prices and below book value during times of depression, the holder of trust shares has available at all times the automatic market through the trustee. This permits the conversion of his shares either into cash or deposited stocks. Insofar as this is true the marketability of the trust shares is thus comparable with that of the deposited stocks. Another important point is the fact that the success of a fixed trust is not dependent upon the management or trading ability, which is the case with a trust of the management type. The investor

holds a specific interest in a fixed group of common stocks deposited with a trustee and realizes that this investment will remain fixed.

Finally, the moderate original charge which exists in the cases of most fixed trusts is widely accepted as fair in view of the valuable trust service offered by this device.

Intermediate Credit Loans Show Large Increase

The 12 Federal Intermediate Credit Banks during 1930 extended credit to agriculture in the largest amount in their history, the volume of both loans and discounts being greater than in any year since the banks were organized in 1923, according to the annual report of the Federal Farm Loan Board which was sent to Congress just before the session closed March 4.

Loans to cooperative marketing associations aggregated nearly \$110,000,000, including original advances of over \$93,000,000. The total discounts amounted to more than \$109,000,000, including original advances of nearly \$70,000,000 or a substantial increase over 1929.

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Alabama Power, 4½s, 1967	98¾	99	National Power & Light, 6s, 2026	105¾	106¾
Alabama Power, 5s, 1956	104¾	105¼	National Theatre, 6½s, 1942	47	50
Alton, St. Louis Bridge First, 7s, 1947	.....	62½	63½	Nev. Calif. Electric 1st, 5s, 1956	.....	92½	92¾
Amer. States Pub. Serv., 5½s, 1948	.....	76¾	77½	New England Gas & Elec., 5s, 1950	.....	90	90¾
Arizona Edison, 5s, 1948	.....	91½	93½	New England Pow. Ass'n, 5s, 1932	.....	100	100¾
Associated Gas & Electric, 5s, 1965	.....	69	72	New England Pow. Ass'n, 5s, 1948	.....	88¾	89½
Binghamton Light, Heat & Power, 5s, 1946	.....	102½	103¼	New England Pow. Ass'n, 5½s, 1954	.....	94½	95¼
Broad River Power, 5s, 1954	.....	96	97½	New Jersey Pow. & Lt., 4½s, 1960	.....	101½	101¾
Canadian International Paper, 6s, 1949	.....	75	78	New Orleans Pub. Serv., 4½s, 1935	.....	94¼	94¾
Canadian Nat. Railway, 5s, 1970	.....	107	107¾	New Orleans Pub. Serv., 5s, 1952	.....	92¾	93¾
Cen. Ariz. Light & Power, 5s, 1960	.....	100	100½	North Amer. Co., 5s, 1961	.....	99½	99½
Cen. Gas & Electric, 5½s, 1933	.....	93¼	99¼	North Amer. Lt. & Pow., 5½s, 1956	.....	85	85¾
Cen. Ill. Public Service, 4½s, 1967	.....	93¾	94¼	Northern Indiana Public Service, 4½s, 1970	.....	96½	97
Cen. Power & Light, 5s, 1956	.....	95¾	96¼	Northwestern Electric, 6s, 1935	.....	102¾	103½
Cen. States Power & Light, 5½s, 1953	.....	86½	87½	Ohio Edison, 5s, 1960	.....	101½	103
Chicago District Electric, 4½s	.....	93¾	94¾	Ohio Public Service, 6s, 1953	.....	109½	110½
Consumers Power, 4½s, 1958	.....	102¾	102¾	Ohio Water Service, 5s, 1958	.....	88¾	90½
Credit Alliance, 5½s, 1938	.....	83¾	84¾	Okla. Gas & Elec., 5s, 1950	.....	102¾	102¾
Electric Pub. Utility, 5s, 1931	.....	85	90	Okla. National Gas, 5s, 1948	.....	51¾	52¾
Federal Screw Works, 6½s, 1939	.....	65	67	Okla. National Gas, 6s, 1946	.....	63½	65
Federated Utility, 5½s	.....	83¾	84¾	Pacific Gas & Elec., 4½s	.....	99½	99½
Fox Film, 6s, 1931	.....	98½	99½	Pacific Northwest Pub. Serv., 6s, 1950	.....	80	80¾
Fox New England, 6½s, 1943	.....	41½	44	Pacific Public Service, 5s, 1936	.....	98¾	99½
Gatineau Power, 6s, 1941	.....	93¾	94½	Pennsylvania R. R., 4½s, 1981	.....	96¾	97½
Gen. Gas & Electric, 4½s, 1931	.....	99¼	99¾	Pennsylvania R. R., 4½s, 1970	.....	97	97½
Gen. Public Utility, 6½s, 1956	.....	85	86	Peoples Light & Power, 5½s, 1941	.....	84	86¼
Georgia Power, 5s, 1967	.....	101½	101¾	Philadelphia Electric, 4s, 1971	.....	94½	94¾
Godchaux Sugar, 7½s, 1941	.....	91	95	Philadelphia Electric, 4½s, 1967	.....	103½	104
Great Lakes Paper, 6s, 1950	.....	48	51	Portland Gen. Elec., 4½s, 1960	.....	91	91¾
Guardian Investors, 5s, 1948	.....	55	60	Pub. Serv. Elec. & Gas, 4s, 1971	.....	94½	94¾
Houston Gas & Fuel, 5s, 1932	.....	95¼	96¼	Public Utility Consolidated, 5½s, 1948	.....	56	57½
Houston Light & Power, 4½s, 1973	.....	96¾	96¾	Roman Catholic Church, 7s, 1946	.....	82	84½
Houston Natural Gas, 6s, 1943	.....	88	89	Scranton Gas & Water, 4½s, 1958	.....	94	95
Ill. Power & Light, 5½s, 1957	.....	93	94	Shaffer Oil & Refining, 6s, 1933	.....	89½	90½
Indianapolis Pow. & Lt., 5s, 1957	.....	102¾	103¾	Sioux City Gas & Elec., 5½s, 1950	.....	101½	102½
International Pow. Securities, 6½s, 1954	.....	102½	103½	Southern Cities Pub. Serv., 6s, 1949	.....	78¼	80¼
Interstate Pub. Service, 4½s, 1958	.....	92¾	93¼	Southern Nat. Gas, 6s, 1944	.....	57	61
Interstate Pub. Service, 5s, 1956	.....	99¾	100	Standard Gas & Elec., 6s, 1935	.....	102¼	103
Iowa Public Service, 5s, 1957	.....	96½	97½	Tenn. Elec. Power, 5s, 1950	.....	102¼	103
Iowa Southern Utility, 5½s, 1950	.....	98½	99½	Tex. Electric Railway, 5s, 1947	.....	10½	12½
Kans. City Pow. & Lt., 4½s, 1947	.....	102½	103	Tex. Electric Service, 5s, 1960	.....	99½	99¾
Kans. Gas & Electric, 4½s	.....	97¾	97¾	Tex. Power & Light, 5s, 1956	.....	101¾	102¾
Loew's Theatre & Realty, 6s, 1947	.....	83¾	84½	Toledo Light & Power, 5s, 1932	.....	100½	100¾
La. Ice & Utility, 6s, 1946	.....	59	61½	United Light & Power, 6½s, 1974	.....	101¼	102
Louisville Gas & Elec., 4½s, 1978	.....	98¾	99¾	United Public Service, 6½s, 1933	.....	83½	85
Minneapolis Gas & Lt., 4½s, 1950	.....	94	94¼	Ward Baking, 6s, 1937	.....	102½	103¼
Minnesota Power & Lt., 4½s, 1978	.....	95¾	95¾	Washington Gas Light, 6s, 1983	.....	102	103
Miss. River Power, 5s, 1951	.....	104	104½	Wayne Pump, 6s, 1948	.....	60	63
Mo. Public Service, 5s, 1947	90½	92	West Va. Water Service, 5s, 1951	88½	90½
Mont. Dakota Power, 5½s, 1934	98¾	99½	Wis. Power & Light, 5s, 1958	101¾	102¾

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	Par Value	March 20 Sale Price	Month's Range of Prices		Sales for Month
			Low	High	
First National Bank	20	68½	67¾	70	371
Franklin-American Trust	100	184	184	186	30
Mercantile-Commerce Bk. & Tr. Co.	100	192	189	194	334
Mississippi Valley Trust Co.	100	.....	211	215	99
St. Louis Union Trust Co.	100	.....	485	485	34
United Bank & Trust	100	.....	130	130	5
Alligator Com.	No Par	.....	8	8	100
American Credit Indemnity	25	.....	30½	30½	225
A. S. Aloe Co., Pfd.	20	.....	96½	96½	6
A. S. Aloe Co., Com.	100	.....	28	28	10
Bentley Chain Stores, Com.	No Par	.....	15c	75c	1475
Brown Shoe, Pfd.	100	.....	118	118½	20
Brown Shoe, Com.	100	34	33¾	34½	498
Bruce (E. L.), Pfd.	100	.....	75	75	25
Burkart Mfg., Pref.	No Par	.....	9½	9½	45
Burkart Mfg., Com.	No Par	.....	2¾	3	150
Century Electric Co.	100	.....	80	80	40
Coca-Cola Bottling Co.	1	.....	33	40	532
Consolidated Lead & Zinc, "A"	No Par	.....	2	3	560
Corno Mills Co.	No Par	.....	23	24¾	185
Curtis Mfg., Com.	5	.....	17	17¾	130
Dr. Pepper, Com.	No Par	.....	31	32½	480
Ely & Walker Dry Goods, Com.	25	.....	12	14	961
Fulton Iron Works, Pfd.	100	.....	5	5	5
Fulton Iron Works, Com.	No Par	.....	40c	40c	25
Globe-Democrat, Pfd.	100	.....	114	115	10
Hamilton-Brown Shoe	25	5½	5½	7	1303
Hussman-Ligonier	No Par	.....	3	4½	3580
Hydraulic Pressed Brick, Com.	100	.....	1	1	30
Independent Packing, Com.	No Par	.....	3¾	4	1285
International Shoe, Pfd.	100	107½	107½	108	91
International Shoe, Com.	No Par	.....	47	48¾	2389
Johnson-S.-S. Shoe	No Par	.....	32	32	750
Key Boiler Equipt.	No Par	.....	20	21	700
Laclede-Christy Clay Prod., Com.	No Par	.....	15	17	240
Laclede Steel Co.	20	35	31	35	197
Landis Machine, Com.	25	.....	28	30	135
McQuay-Norris	No Par	.....	36½	39	292
Marathon Shoe, Com.	25	.....	6½	6½	20
Meyer Blanke, Com.	20	.....	10	12	445
Moloney Electric, "A"	No Par	.....	52½	53½	190
Mo. Portland Cement	25	27½	27½	29½	1047
Natl. Candy, Com.	No Par	21½	20½	22	1315
Nicholas Beazley Airplane	5	.....	2	2	100
Pedigo-Lake Shoe	No Par	.....	8½	9½	175
Rice-Stix Dry Goods, 1st Pfd.	100	.....	92	92	81
Rice-Stix Dry Goods, 2nd Pfd.	100	.....	80	80	10
Rice-Stix Dry Goods, Com.	No Par	.....	7	7¾	385
Schoeneman (J), Pfd.	100	.....	85	85	50
Scullin Steel, Pfd.	No Par	.....	6	8½	832
Securities Inv., Com.	No Par	.....	30½	30½	7
Steloff Packing, Com.	No Par	17	17	18	40
Skouras Bros., "A"	No Par	.....	15	16	96
Smith-Davis Mfg., Com.	No Par	.....	5	5	50
Southwestern Bell Tel., Pfd.	100	120	120	122	394
Stix, Baer & Fuller, Com.	No Par	.....	12½	14	101
St. Louis Bank Bldg. Equipt.	No Par	.....	6	7	240
St. Louis Pub. Serv., Pfd. "A"	No Par	.....	18	18	162
St. Louis Pub. Serv., Com.	No Par	.....	2	2	40
St. Louis Screw & Bolt, Com.	25	20	20	20
Wagner Electric, Pfd.	15	107	107	20
Wagner Electric, Com.	100	17¾	17	18	2417

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Alton Railway & Illuminating	5s	1939
Bloomington, Decatur & Champaign	5s	1940
Houston Gas and Fuel	5s	1932
Missouri State Life Insurance Stock		
St. Louis Joint Stock Land Bank	4½ s-5s	
St. Louis, Springfield & Peoria	5s	1939
St. Louis County Water	5s-5½s & Pfd.	
East Coast Utilities	5½ s-6s	
Fox St. Louis Theatre	6½ s	1942
Little River Drainage District, Missouri	5½ s-6s	
Long Bell Lumber	6s	"all issues"
Illinois Power and Light \$6 Preferred		
American Insurance Union	6s	1941
Cape Girardeau Bridge	7s	1947
Carthage Marble	6½ s	1942
Missouri Illinois Bridge	7s	1946
Florida Municipals	(all issues)	
S. W. Straus Bonds	(St. Louis issues)	
Associated Simmons Hardware	6½ s	1933
North American Light & Power \$6 Preferred		
Toll Bridge Bonds	(all issues)	

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Olive Street Notes

By **JAMES J. WENGERT**



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W. C. Persons

Henry T. Ferriss, president of the Investment Bankers Association of America, and Alden H. Little, former St. Louisan, now executive vice-president of the Association, were the principal speakers at the annual banquet of the Mississippi Valley Group of the Association held last month at the University Club in St. Louis. Herman Duhme, chairman of the group, presided at the meeting.

Charles Huebner, who has been acting chairman of the St. Louis Stock Exchange since the death of Harry S. Rein, has been elected chairman of the Exchange. He also has been elected assistant secretary and assistant treasurer, both positions also held by the late Mr. Rein.

Rodney A. Coonsman has become associated with Knight, Dysart & Gamble. He had been with this firm some years ago, but more recently has been associated with another New York Stock Exchange firm.

Fred J. Paro and Leo D. Kelly, vice-presidents of the Mercantile-Commerce Bank and Trust Company; M. R. Sturtevant, vice-president of the First National Bank; A. O. Wilson, vice-president of the Mississippi Valley Trust Company; and F. Lee Major, vice-president of the Boatmen's National Bank, were among the group of St. Louisans who attended the Midwest Bank Management Conference held last month in Kansas City, Missouri.

M. J. Meehan & Co., well-known members of the New York Stock Exchange, have installed a private wire to I. M. Simon & Co., Security Building, St. Louis.

M. J. Meehan & Co. has eight memberships on the New York Stock Exchange and several New York curb memberships and specializes in many issues on both exchanges. It has only one or two other brokerage house connections in the country outside of New York City.

I. M. Simon & Co. is retaining its other connections also, namely, Dominick & Dominick and Newborg & Co., which have been its correspondents for more than twenty-five years.

Oliver J. Anderson & Co. announce that Joseph F. Langen is now associated with their organization.

Edmond Koehn, collector of revenue for the City of St. Louis, and president of the American Exchange National Bank of St. Louis, has been added to the board of the American Investment Company.

Construction and improvement of streets and highways in the United States during the current year are expected to involve a total expenditure of more than \$2,500,000,000, a new high record and comparable with an aggregate of \$2,200,000,000 in 1930, the Bank of America N. A. points out in a commentary on the situation. Of the total expenditure for 1931, it is estimated that about \$840,000,000 will be spent by the state highway departments; \$205,000,000 by the Federal government, including the regular appropriation of \$125,000,000 and a special appropriation of \$80,000,000 additional; \$875,000,000 by cities, and approximately \$600,000,000 by counties. These items totaling \$2,520,000,000 do not take into account further appropriations being considered by Congress and state departments.

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SHORT TERM NOTES

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**Chatham Phenix Elects
Two New Officers**

George F. Bahntge has been elected a vice-president, and L. H. Burfeind an assistant vice-president of the Chatham Phenix National Bank and Trust Company, New York. Mr. Bahntge has been a vice-president of the Bank of Manhattan Trust for some years. Mr. Burfeind has for more than twelve years been connected with the Guaranty Trust. His last position there was assistant treasurer.

Floyd L. Carlisle has been elected a director of The National City Company, investment affiliate of The National City Bank of New York. In April of last year, Mr. Carlisle joined the directorate of The National City Bank of New York. For the past ten years a dominant figure in the public utility industry in New York State, Mr. Carlisle, during the past twelve months, has become actively identified with the directorates of the leading utility companies in and around New York City.

Some folks use language to conceal thought and some use it instead of thought.



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LEGAL TENDER

Official Publication of the St. Louis Chapter
AMERICAN INSTITUTE of BANKING

VOLUME 16 April, 1931 NUMBER 4

SHERMAN BUTLER, Editor, First National Bank. A. S. BROOKS, President, First National Bank. A. C. RIEDELL, Executive Secretary, 324 Merchants Laclede Bldg.

Notices intended for publication should be in the hands of the Editor the fifteenth of each month. Write on only one side of paper and double space. Chapter Headquarters, 316-324 Merchants Laclede Bldg. Chestnut 9280.

LEGAL TENDER is published to promote good fellowship among Chapter members, to record the activities of the Chapter generally, and to maintain the high ideals of the American Institute of Banking along educational lines of endeavor.

Debate Squad Gains Momentum

After being defeated in their first effort of the year, the debate squad proceeded to fulfill the prediction made in these columns that being a resilient lot they would bounce all the higher after being hit by Nashville. The second debate was won handily from the local Y. M. C. A.

On February 20th, our "Flying Squadron," composed of Dan Goodell, Ed Brockmeyer and "Billy" Martin, stormed and conquered Ft. Wayne, Ind. The victory was not won without a struggle but the result was never in doubt despite high tensions, fevers and interruptions. Your humble scribe went along as a spare tire dignified by the title of "Alternate."

Now comes, very shortly, the Kansas City crew who will attempt to "out-air" Sanford Wise, E. Carroll Sibley and W. L. Gregory, who will defend the negative side of the question, "Resolved: That the United States should recognize Soviet Russia." The discussion will be held at the Mark Twain Hotel and will be preceded by a dinner. As a matter of Chapter pride, moral assistance or just to see how it's done, you should be there.

The Giannini Prize Contest

In the February number of Legal Tender were published the rules governing the Public Speaking Contest for the Giannini prizes. A number of our members are preparing for the competition, but it is possible that others will yet decide to enter the contest.

The local eliminations must be held no later than April 15, and the district contests must all be concluded on or before May 15. Obviously, there is no time to lose. All entrants

must prepare original speeches on the subject, "The Banker as a Stabilizer of Business," and the time of delivery must not exceed eight minutes.

If you are interested in this national contest and its decidedly worth-while rewards, please communicate at once with the local office.

Superiority Complex

By HAROLD STONIER

National Educational Director, American Institute of Banking

In 1930 George Arliss, a distinguished actor, was awarded the annual gold medal of the American Academy of Arts and Sciences for good diction. I have had the privilege of hearing Mr. Arliss speak on a number of occasions; he is as brilliant and scintillating on the platform as he is on the stage. He has that modesty which always characterizes greatness. When he accepted the medal, he made a speech. The following passage from it was recorded in the Atlantic Monthly and is my text, so as to speak: "If an actor speaks particularly well and knows it, he should at any rate conceal from his audience the fact that he does know it. Indeed, it is a part of his art to render them, if possible, entirely unconscious of it. It is, in my opinion, a great mistake for an actor even to appear superior to his audience; such an attitude annoys them and distracts their attention from the subject matter."

In listening to George Arliss, the speaker or the actor, you are never made to feel that he is struggling with titanic thoughts or emotions; you are so impressed with his ease and grace that you wonder why there are not many more actors like him. He never allows you to feel his superiority—that is his art. He is

working, thinking, and laboring to surmount the difficulties which confront every actor or speaker in carrying out his task. Good acting is a mystery to millions, yet in the presence of Arliss you feel that it is easy and natural. Arliss regards his audience as his clientele; they are his customers. While he may be educating them, he never allows them to feel it. He knows that they come to the theater to be entertained, not to be educated; yet, if he can do both, he is a great actor.

Banking is a mysterious business to millions of people. Even the most elementary functions seem difficult to some. Several months ago, I heard a school teacher say that she never realized that the bank did anything with the money she gave it from her salary check from month to month and that she often wondered what the banks did to make a profit. Needless to say, she had never borrowed money from her bank.

Every day bankers are impressed with the fact that even business men have only a limited conception of banking, both as to theory and as to practice. The questions asked, the requests made, and the arguments submitted by customers arise out of ignorance of bank operation. However, few customers wish to be educated by the banker. They resent what appears to them to be a superior air of authority assumed by bankers in dealing with them. At this point, the art of the banker becomes paramount. Make your customers feel at home as you tell them why they cannot have this or that. I am not writing of the "smart alec" class of customers who are few in number; I mean the substantial citizens who are earnest and conscientious, but wrong, in their ideas.

Can you tell them something in a way that they like? Can you educate them without their knowing it?

Can you disguise any feeling of superiority when you are dealing with them? If you can, you have mastered the art of handling people at the counter and will be sought after both by the clients and by the banks. If you cannot, you will be placed in that unfortunate group of men who know banking but who cannot handle the general public.

Annual Dinner April 22nd

At this time, effort can be exerted to no better purpose than that of urging your fellow workers to accompany you to the Annual Dinner of the Chapter. There is no single event on the calendar which offers such a combination of profit and pleasure. It is with authority that we say that the work of a competent committee assures success in the matters of setting, music and qualified speakers. The affair is arranged for the evening of April 22nd at the Coronado Hotel.

Arrangements are being made to have Ben Aley of Denver, Colorado, National President of the Institute, attend as the principal speaker and there is considerable assurance that he will be present.

While the selection of an orchestra is at this time undecided, you may be certain that the best available musicians will be on hand. Another feature which should contribute much toward making the evening a success is that you may, by sending in eight reservations together, arrange a table for your own group.

GET BUSY.

Are You Going to Pittsburgh?

Repetition, it is said, is the most effective means of emphasis. When the man on the billboard first told you that he would walk a mile for a dromedary, you were probably inclined to doubt his word or you concluded that he was just naturally a fool for exercise. When his insistent avowal began to greet you from every turn in the highway and from countless hoardings in the busy city streets, it dawned on you that the fellow might be in earnest. Now, after a thousand and one repetitions, you, too, would walk that mile if it became necessary for you to do so. And the keeper of the dromedary lives on the fat of the land.

It is because of the undisputed value of repetition as a spur to action that we ask again: Are you going to Pittsburgh in June? When the special pulls out of Union Station on

Nominations for 1931 Announced

The Nominating Committee having completed its deliberations, the names of the candidates for election on April 24th are submitted below.

The past records of the candidates listed are such that Legal Tender is moved to congratulate the committee on its work. Further, we want to reassure the timid voter. Go on and vote; YOU CAN'T GO WRONG.



Nominations for office, for the Board of Governors, and for delegates to the Pittsburgh Convention, as submitted by the Nominating Committee of the St. Louis Chapter, American Institute of Banking, for the year 1931-32. The election will be held at the chapter headquarters on Friday, April 24, 1931.

President	Frank Ryan, Mississippi Valley Trust Co.
First Vice-President	John J. Lackey, Mercantile-Commerce Bank and Trust Co.
Second Vice-President	Lawrence Blesch, West St. Louis Trust Co. Edward M. Layton, Bremen Bank.
Treasurer	Monroe Mueller, First National Bank. Frank S. Parker, Federal Reserve Bank. F. W. Schulte, Boatmen's National Bank.

Board of Governors—Banks having twenty-five or more members (six to be elected).

- E. C. Anderson, First National Bank.
- C. W. Bentrup, St. Louis Union Trust Co.
- E. H. Brockmeyer, Mississippi Valley Trust Co.
- Edward Lambur, Mercantile-Commerce Bank and Trust Co.
- Raymond J. Miller, First National Bank.
- Edward F. Mulholland, Federal Reserve Bank.
- Vance L. Sailor, Franklin-American Trust Co.
- Joseph Wotawa, Lafayette South Side Bank and Trust Co.

Board of Governors—Banks having less than twenty-five members (two to be elected).

- E. Weston Colbrunn, Chouteau Trust Co.
- W. L. Gregory, Guaranty Bank and Trust Co.
- O. E. Key, Belleville Savings Bank.
- Walter Nentwig, Security National Bank Saving and Trust Co.
- O. M. Streiff, State and Trust Bank, Highland, Ill.

Board of Governors—Women (one to be elected).

- Louise Brueggemann, Scruggs Vandervoort & Barney Bank.
- Pearl Roberson, Northwestern Trust Co.

Delegates from banks having less than twenty-five members. This includes all other than Boatmen's Nat. Bank, Federal Reserve Bank, First Nat. Bank, Franklin-American Trust Co., Lafayette South Side Bank, Mercantile-Commerce Bank and Trust Co., and Mississippi Valley Trust Co. Only those members in banks having less than twenty-five members will vote on these delegates. (Twelve to be elected.)

- Merton W. Baltz, First Nat. Bank, Millstadt, Ill.
- Oliver Baxter, Federal Land Bank.
- Oliver Breidecker, First Nat. Bank, East St. Louis.
- Albert Drozda, Cass Bank and Trust Co.
- Raymond A. Ehret, St. Clair Nat. Bank, Belleville, Ill.
- Walter Godin, Union Trust Co., East St. Louis.
- Walter Goedeke, Jefferson Bank.
- Blase Goelz, Southern Ill. Nat. Bank, East St. Louis.
- W. H. Hellwege, Bank of Maplewood and Trust Co.
- C. A. Herbig, West St. Louis Trust Co.
- Otto Hoch, Water Tower Bank.
- K. W. Howe, Webster Groves Trust Co.
- W. C. Korte, First Nat. Bank and Trust Co., Alton, Ill.
- Wm. Mc. Martin, Jr., A. G. Edwards & Co.
- Albert Metzger, Dupo State Savings Bank, Dupo, Ill.
- H. W. Miller, Citizens Nat. Bank, Maplewood.
- Walter Muendlein, Belleville Bank and Trust Co., Belleville, Ill.
- Frank Stein, North St. Louis Trust Co.
- A. E. Tiedemann, First Nat. Bank, O'Fallon, Ill.
- Russell Vanover, Twelfth Street National Bank.
- W. E. Walker, University City Bank and Trust Co.
- Matt Woelfle, Lowell Bank.

that Sunday afternoon of June seventh, you will be on board or you will wish that you were. Why not decide now that you will go?

The benefits to be derived from attendance at the departmental conferences and general sessions of the convention are so well known that they need not be restated here. The friendships that you will form will be a source of pleasure for all the years to come. It is impossible for anyone to realize the true scope and force of our organization unless he has attended one of its national conventions.

Better arrange to make this your year.

Hatcheteers to Hold Free-for-All

On Saturday evening, May 2, the past and present members of the Public Speaking Class will gather at the Hotel Mark Twain for the event which closes the season's striving for bigger and better speeches.

A. W. Dimond, of the First National Bank of East St. Louis, will be toastmaster and promises that no one will escape.

The contagious good humor, rough-stuff comedy and good-natured venom which mark these meetings, combined with the food for which the hotel is well known, are values which guarantee a worth-while evening to anyone who can contrive to keep the evening open.

Fidelity National Has Second Tallest Missouri Building

The new home of the Fidelity National Bank and Trust Company of Kansas City, Missouri, will be one of the largest and finest equipped bank buildings in the Middle West when completed. The building will rise to a height of 453 feet above the sidewalk and will be equal in height to thirty-five stories, including the clock towers.

The building is constructed with three setbacks with two clock towers and a connecting enclosed arcade arising from the third setback. Granite and Indiana limestone were used in the building, which is fireproof.

The clock towers crowning the building permit the continuance by the Fidelity National Bank and Trust Company of their slogan, "Under the

Old Town Clock," and it was this slogan that furnished the key for the silhouette this building will give to the Kansas City skyline, the second highest building in Kansas City and in the State.

The basement will be occupied by the safe deposit department with its lobbies, vaults, committee rooms and coupon booths, vaults for the bank, trust department and bond department, printing room, storage, and toilets and lockers for the bank employes.

The first story will contain the entrance to the building, entrance lobby for the bank and its departments, the bond department and five stores for tenant occupancy.

The second floor will be the main bank floor and will contain the bank lobby, officers' quarters and tellers' cages.

The third floor will house the president's office, directors' room, chairman of board office, executive board office, trust, tax, analysis, new business and correspondence departments.

The fourth floor will be used by the cafeteria, transit department and country bookkeepers. The fifth floor and above for the present will be for rental purposes.

Hot Springs Bank Occupies Enlarged Quarters



Pictured above is the enlarged lobby of the Community Bank and Trust Company, Hot Springs, Arkansas. The bank, which opened for business in 1925 with resources of ninety-nine thousand dollars, now has resources of more than one million two hundred thousand dollars. Hamp Williams is president of the bank, and J. O. Lang-

Henry Ormsby Now With First National of Louisville

Henry D. Ormsby, of Louisville, member of the Reserve City Bankers' Association and a former president of the Kentucky Bankers Association, has been elected a vice-president of the First National Bank of Louisville, it is announced by John M. Monohan, president of the First National institutions.

Mr. Ormsby, who has just rounded out fifty years of banking in Louisville, was vice-president and cashier of the National Bank of Kentucky which closed last November. He had been connected with it for twenty-five years, joining the staff in 1906 as cashier. He began his banking career in January, 1881, with the old Merchants National of his home city.

For his twenty-two years' service as its treasurer, the Pendennis Club of Louisville rewarded him with a life membership. At present he is treasurer of the Louisville Industrial Foundation, which finances new industries brought to Louisville. He is well known as an active layman in the Episcopal Church.

Lonsdale Reelected Head of Ad Committee

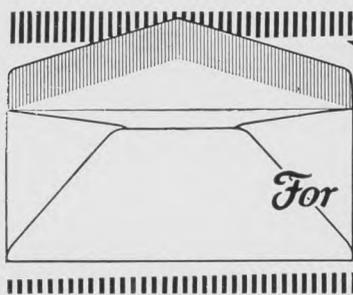
John G. Lonsdale, president of the Mercantile-Commerce Bank and Trust Company of St. Louis, has been chosen for the third time as chairman of The Advertising Committee of the Industrial Club of St. Louis. To this committee is delegated the responsibility of preparing advertising copy and advertising campaigns setting forth the advantages of St. Louis as a business and manufacturing center and as a home city.

Two other important posts were added to Lonsdale's long list of duties only recently when he became vice-president of the United States Chamber of Commerce and a member of the Red Cross Committee headed by Calvin Coolidge and Alfred E. Smith.

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Sidelights on Financial News

☐ **A. M. Chaffey**, chairman of the California Bank, Los Angeles, has sent us a very interesting booklet listing the deposit liabilities of one hundred and fifty of the largest American, British, Colonial and Dominion banks. Ninety-three American banks have total deposits of \$23,-537,398,952, while fifty-seven British banks have deposits of \$19,169,822,116.

Of the 93 American banks, nineteen (with deposits aggregating \$10,-899,433,422) have head offices in New York City, while of the 57 British banks, twenty-one (with deposits aggregating \$11,671,272,185) have head offices in London.

In addition, there are in the English-speaking world approximately twenty-six thousand smaller banks, the great majority of which are domiciled in the United States.

Chase National Bank, New York City, ranks first with deposits of \$2,-073,775,923. Midland Bank, Ltd., London, ranks second with deposits of \$1,953,659,515. Lloyds Bank and Barclays Bank, both of London, rank third and fourth, respectively, and National City Bank, New York, ranks fifth. Mr. Chaffey's California bank ranks 101 with deposits of \$108,-512,295.

❖ ❖ ❖

☐ **The Union Planters National Bank and Trust Co.**, Memphis, Tennessee, earns our congratulations for the cleverest advertisement used by a bank in connection with "bonus money." Space forbids the reproduction of the advertisement, but here is a description: At the top of the advertisement appears a picture of a typical soldier. Underneath the illustration is this heading: "You earned it, didn't you?" Then this copy:

"You weren't attracted to the Army or Navy by the high wages offered, were you? You didn't go in to the thing for the fun of it, did you?"

"This 'Bonus Money' that everybody is talking about, it's your money, isn't it? In reality it is additional pay, isn't it? Uncle Sam said you boys did right well, didn't he? Appreciated the way you got the job done sooner than expected, wanted to show his gratitude, didn't he?"

"Well, since it is your money you are borrowing, it's more or less your business what you do with it. If you pay debts, if you buy something you

have wanted all your life, if you put some of it in the bank as a sort of a backlog, it is strictly your business.

"A soldier is braver with a loaded rifle; a business man is braver and happier with a cash reserve in bank."

❖ ❖ ❖

☐ **The Manhattan Company**, New York City, has sent us copy number 57 of a limited edition of a most interesting book: "American Business Needs This New Protection." Briefly, the book is a powerful argument for the business insurance trust. It starts out with four tragic cases of business that went to pot for lack of business insurance trust provisions, and concludes with the fundamental principles of business insurance and their application to the vulnerable type of business enterprise.

❖ ❖ ❖

☐ **Paul McCoy**, president of the Peoples National Bank, Stuttgart, Arkansas, opened his mail recently and found a letter from an aunt in California who became anxious over his welfare, after reading a dispatch from a newspaper telling of conditions in Arkansas. The letter asked Mr. McCoy not to keep anything back because of his pride.

A letter telling of the true conditions in Arkansas was sent by Mr. McCoy to the aunt in California and with it a check, which he suggested she accept from a "starving Arkansan" to provide a new spring outfit of clothing as an appreciation of her interest in his welfare.

❖ ❖ ❖

☐ **In a vault** several stories below Wall Street rests a deed yellowed with age but still in a splendid state of preservation, which validates the conveyance 100 years ago last month of 50 x 100 feet of land at the northwest corner of Wall and William Streets to "the president, directors and company of The Bank of America" and for which the consideration was the munificent sum of \$70,-000. The property today is valued conservatively by real estate experts at more than \$6,000,000 for the land alone. Thus, the property which is still occupied by the bank and which was the original site where business was begun in 1812, the date of the bank's establishment, has had a valuation-growth of approximately 8,-500 per cent in 100 years.

☐ **A newspaper correspondent** for a large New York daily has passed along this recipe for a sandwich in the drought areas: two slices of Turnip with another slice of Turnip in between.

❖ ❖ ❖

☐ **But that doesn't** rate with the yarn some wag sent to another New York paper. He said that business was so tough in Chicago that the apple peddlers on the corners are giving away two pairs of pants with every apple.

❖ ❖ ❖

☐ **If that doesn't** make you grin, imagine yourself in the position of a couple of clerks in one of the branches of the Bank of Montreal. A bandit appeared on the scene, forced the two clerks to remove their trousers, and departed with \$1,000 in currency.

Answers to Legal Questions

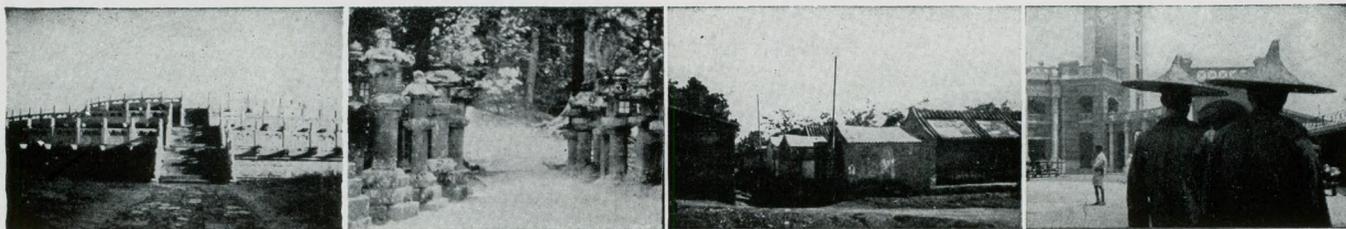
(Continued from page 40)

erally a guardian cannot bring suit for divorce but can bring suit for annulment, a divorce being considered a personal action.

9. Yes. The constitutions of practically all, if not all, states provide that each act must not embrace more than one subject. This was done to prevent hodgepodge, log-rolling, and omnibus legislation, and to prevent misleading the legislators into voting ignorantly for measures they would not knowingly approve. Here there were two substantial subjects, first, taxation, and second, recording of deeds, which were unrelated. The act, accordingly, was void.

10. Yes. A public service corporation has no right to refuse service to a person or to discontinue his service because there is pending a legitimate dispute as to the correctness of a bill rendered. Although the courts do not always agree as to the reasonableness of particular regulations, they are united in holding that a telephone company may refuse service to one who refuses to comply with its reasonable regulations. Here the regulations providing that telephone service should be discontinued upon failure to pay any bill were clearly unreasonable.

The American shies off leisure as if it were a green horse.—Countess Palfy.



Fifth Annual Cultural Expedition to the Orient

Outline Itinerary

Led by UPTON CLOSE

Sail from Vancouver, B. C.—Saturday, June 20, noon, Empress of Japan
 Touch in Victoria, B. C.—Same day, P. M.
 At Honolulu—Thursday-Friday, June 25-26
 Arrive Yokohama—Saturday, July 4
 In Japan—July 4 to 17
 Sail from Nagasaki—Saturday, July 18, Empress of Asia
 Touch in Shanghai—Monday, July 20
 At Hongkong—Thursday, July 23
 At Manila—Saturday-Sunday, July 25, 26
 At Canton, Macao and environs (via Hongkong)—July 28 to 31
 Arrive Shanghai for China program—Monday, August 3
 In Yangtze Valley—August 3 to 8
 In Shantung (Mt. Tai)—August 8 to 10
 At Peking—Tuesday, August 11 to Saturday, August 15
 In Manchuria—Korea—August 16 to 19 (by arrangement)
 Arrive Japan—Thursday, August 20
 Sail from Yokohama—Saturday, August 22, Empress of Canada
 Arrive Victoria and Vancouver—Sunday, August 30

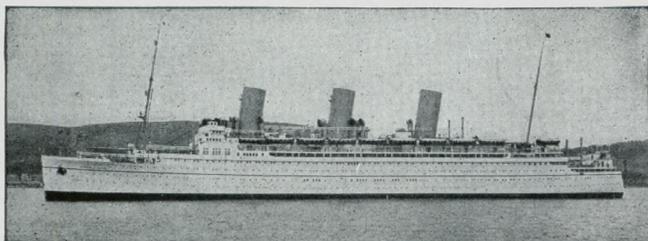
Cost of Tour

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Plus Lecture and Library Fee of \$20.00

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All sight-seeing in the Orient is done in small groups, accompanied by college-trained young men, natives of the country visited. Of particular interest to bankers, is the opportunity Mr. Close has arranged for them to meet the Ministers of Finance and Industry of Japan, Korea and China, the heads of the Imperial Bank of Japan, the Bank of China, the Bank of Chosen, and leading private bankers and important business men in these countries. In this way, a knowledge will be gained of financial and business conditions that could not be obtained by the ordinary independent traveler.

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