

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

▲
ST. LOUIS
NOVEMBER
1931
▼



In This Issue

▼
Pointers for Your Farm
Customers Who
Feed Hogs
Page Nine

▼
A First Glimpse of Japan
Page Ten

▼
Where and How to Increase
Bank Revenue
Page Twelve

▼
Ten Legal Questions
Page Seventeen

▼
Legal Tender Section
Page Forty-Six

▼
The Cover
An Aerial View of the
Downtown Business District
Tulsa, Oklahoma



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STATEMENT OF CONDITION, SEPTEMBER 29, 1931

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RESOURCES

Cash and Due from Banks.....	\$ 47,718,689.46
United States Government Securities	20,145,539.01
Other Bonds and Securities.....	27,291,423.44
Loans and Discounts.....	147,508,271.03
Federal Reserve Bank Stock.....	1,116,000.00
Real Estate Owned.....	4,100,121.77
Accrued Interest.....	1,307,558.35
Other Resources.....	1,122,331.16
Customers' Liability, Account Ac- ceptances and Letters of Credit Outstanding.....	6,689,531.98
Total.....	\$256,999,466.20



LIABILITIES

Capital.....	\$ 14,000,000.00
Surplus.....	10,000,000.00
Undivided Profits.....	4,035,532.80
Reserved for Taxes, Interest, etc.....	2,114,993.08
Reserved for Dividend Payable Oct. 1	420,000.00
Other Liabilities.....	345,923.97
Acceptances and Letters of Credit under Guarantee.....	6,713,008.63
Deposits.....	219,370,007.72
Total.....	\$256,999,466.20



The foregoing statement does not include assets of the invest-
ment affiliate, Central Republic Company, whose capital
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CONTINENTAL ILLINOIS BANK AND TRUST COMPANY

CHICAGO

Statement of Condition at Close of Business, September 29, 1931

RESOURCES

Cash and Due from Banks	\$	176,663,532.01
United States Government Securities		156,199,049.61
Other Bonds and Securities		83,446,162.37
Loans: Demand	\$	230,069,291.11
Time		328,330,524.77
		558,399,815.88
Stock in Federal Reserve Bank		4,200,000.00
Customers' Liability under Letters of Credit		10,828,256.07
Customers' Liability under Acceptances		23,139,332.32
Other Banks' Liability on Bills Purchased and Sold		39,483,308.86
Interest Accrued but Not Collected		2,992,571.24
Bank Building		15,000,000.00
		\$ 1,070,352,028.36

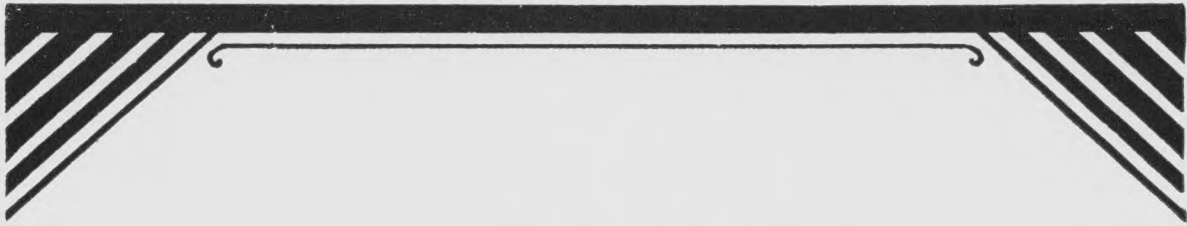
LIABILITIES

Capital	\$	75,000,000.00
Surplus		65,000,000.00
Undivided Profits		4,089,137.59
Reserve for Contingencies		10,000,000.00
Reserve for Dividend Payable October 1		3,000,000.00
Reserve for Taxes and Interest		10,020,295.15
Deposits: Demand	\$	566,829,746.61
Time		260,994,202.23
		827,823,948.84
Liability under Letters of Credit		11,684,198.62
Liability under Acceptances		23,666,726.53
Liability on Bills Purchased and Sold		39,483,308.86
Discount Collected but Not Earned		584,412.77
		\$ 1,070,352,028.36

Invested Capital	Over	\$ 170,000,000*
Deposits		\$ 827,823,948
Resources		\$1,070,352,028

Continental Illinois Company Capital \$20,000,000

*The capital stock of the Continental Illinois Company is held in trust for the stockholders of the Continental Illinois Bank and Trust Company



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Credit » » »

PRESIDENT HOOVER'S proposal to mobilize the banking resources of the country for the purpose of rediscounting banking assets not now eligible for rediscount at the Federal Reserve Banks has resulted in the organization of the **National Credit Corporation**.

The **National Credit Corporation** has been organized under the laws of the State of Delaware with a nominal capital consisting of twelve shares of capital stock with a par value of \$100 each. There are twelve directors of the **National Credit Corporation** (one from each Federal Reserve District) and each director has subscribed to one of the twelve shares of capital stock.

The purpose of the **National Credit Corporation** as stated above is to make available to subscribing banks loans on assets not now eligible for rediscount at Federal Reserve Banks in order to assure our banks that, being sound, they may attain liquidity in case of necessity and thereby continue business without restriction of credits or sacrifice of assets.

To obtain the funds necessary for this, the **National Credit Corporation** is authorized to issue up to \$1,000,000,000 principal amount of debentures which banks of the country have been requested to subscribe to at par in amounts equal to 2 per cent of their net demand and time deposits or 10 per cent of their combined capital and surplus, whichever is the lesser amount. Interest on the debentures will be payable only if earned and as declared by the board of directors.

Directors of the **National Credit Corporation** have been charged with the responsibility of perfecting groups or organizations within their own Federal Reserve Districts to receive subscriptions to the debentures and applications for loans. Each group or organization has its own loan committee to pass upon loans requested by any of its own members and upon the security they offer, and the liability of each member in respect to the total borrowings of the group shall be in proportion to the ratio which that member's subscription to debentures bears to the total subscriptions of the group of which he is a member.

At the time this issue goes to press, subscriptions to the debentures are pouring into these local organizations throughout the country and it is expected that the application for loans will follow shortly. J. J. W.

Mid-Continent Banker

The Financial Magazine of the Mississippi Valley

Vol. 27 No. 11

CONTENTS for NOVEMBER, 1931

Some Pointers for Your Farm Customers Who Feed Hogs—C. J. Robinson	9
A First Glimpse of Japan—Donald H. Clark	10
Where and How to Increase Bank Revenue—Dan V. Stephens	12
The A. B. A. Convention	13
National Credit Corporation Directors	14
The Duties of Bank Directors—F. G. Awalt	15
Ten Legal Questions—Charles H. Wager	17
Missouri Group Meetings Well Attended	23
Olive Street Notes—James J. Wengert	28
Current Quotations—Edward D. Jones & Co.	30
St. Louis Stock Exchange Transactions	31
Legal Tender Section	46
Sidelights on Financial News	50

STATE NEWS SECTIONS

Illinois	34	Louisiana	40
Indiana	36	Mississippi	40
Kentucky	37	Oklahoma	41
Tennessee	38	Missouri	42
Arkansas	39	Kansas	44
Alabama	40	Texas	45

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BACKGROUND

St. Louis



Some Pointers for Your Farm Customers Who Feed Hogs

By **CHARLES J. ROBINSON**

**Manager, Farm Department, National Bank of Decatur
Decatur, Illinois**

WHEN this article was suggested some few months ago, the thought centered on how farmers might make more money in 1932 in the hog business. Today the tightening of the depression raises the question as to whether or not swine production can be made to show a profit next year.

Hogs and poultry are common to all farms in the United States except the specialized farms. In the Corn Belt on grain farms hogs are grown partly for utilizing garbage and poor-quality corn and furnishing meat and pork products for the family needs. In beef production the feeder generally has an average of one or two head of feeder hogs following each beef animal. The dairymen, especially those who sell cream, need to produce considerable pork to utilize the skim milk. Throughout our country and especially the Mississippi Valley, pork is predominately the farmer's meat. During recent years the building of hard roads has helped to increase pork consumption as barbecue sandwich stands are now popular and numerous. In cities many drug stores have installed lunch counters in which the barbecue sandwich also plays an important part in the menu.

A survey of the swine situation at the present time is not encouraging, though neither is it alarming. During the last thirty years there has been little increase in the number of hogs raised in the United States. There have been fluctuations. In 1900 about 53 million head were grown, while the year of 1910 produced slightly less than 50 million. 1920 statistics show almost 60 million, and 1930 back to 53 million. The eastern and southern states are gradually decreasing swine production, the central states about holding their own, while the western and northwestern central valley states are increasing. Hog raising largely coincides with corn production. Iowa, the banner corn state, also leads with 10 million head of hogs produced annually. Nebraska is second with 5

million, and Illinois third with 4 million head grown annually. Minnesota and Missouri about tie for fourth place, while South Dakota, Kansas, Indiana, Ohio, and Wisconsin place in order as important hog-producing states. Iowa produces 20 per cent of the hogs grown in the United States. During recent years the consumption per capita in our country has been rapidly increasing in fruits and vegetables, but decreasing on beef and mutton products. However, pork, poultry, and fish consumption is increasing. Today the pork situation is such that farmers in the Corn Belt will no doubt try to expand their hog sales next year. Preliminary reports show that this year's spring pig crop increased over two per cent above 1930. So far the market swine quotations have been profitable when compared to grain prices. If the farmer's crop of 15- to 20-cent corn can be marketed through hogs and be worth 30 to 40 cents a bushel when sold as pork—then this is the logical thing to do.

Market reports which a few months ago were quite favorable to swine, are now less favorable. Our foreign demand for pork has dwindled to about one-half that of a year ago.

(Continued on page 29)

A First Glimpse of Japan

Editor's note: Mr. Clark, publisher of the Mid-Continent Banker, and H. J. Hoffman, assistant editor, left Seattle in June for a trip around the world. This article, sent from Japan, is not intended to be a business treatise, but rather a tourist's first glimpse of a country which is becoming of increasing interest to business men and bankers of America. Later articles will deal with China, and with Siberia and Russia.

By
**DONALD
H.
CLARK**

JAPAN is a land of beauty—and a land of contrasts. Other countries can of course boast of beautiful mountains, forests and shores, but it would be hard to find another land where every turn of the road brings a picture that would delight any artist, and where even the lowliest person has a love for beauty as expressed by landscape, tree, flower or picture. Nippon, as the Japanese call it, is even more strikingly a contrast between a civilization that dates years before Christ and a modern adaptation of American and European ways of living.

Tokio is as modernly impressive as Chicago's new north side, or Berlin's Potsdammer Platz. Nikko, but three hours away in the mountains, is delightfully medieval despite electric lights and trolley cars.

To understand anything of modern Japan one must realize that but seventy years ago the shores were closed to all foreigners and to all foreign influence. Japan at that time had a civilization that was based partly on Korean and Chinese culture. Despite efforts of Russia and America to secure permission for sailing vessels to stop at Japanese

ports, it was not until Admiral Perry's visit in 1853 and the resulting treaty with America that foreigners were allowed to visit the country, or that Japanese citizens were permitted to leave. Japan has been transformed in a period of about fifty years from a group of tribal races largely agricultural (although well educated and highly civilized), into a modern nation that is one of the great powers both from military and industrial standpoints.

The Japanese are notably a dignified and reserved people, courteous and polite almost to a fault. They are also truly friendly to a foreigner if he will go to the trouble to understand and appreciate a bit of the customs of the country.

Mr. Hoffman and I spent a delightful day with a young Japanese university student, Taro Yoshitaki. "Taki," as we called him after we became well acquainted, was twenty-four years old (Japanese boys figure their age from New Year's, so that a boy born December 31 becomes one year old January 1). We started out one morning from the Imperial Hotel in Tokio, a low rambling structure of stone and concrete

built to withstand earthquakes and as comfortable and modern a hotel as one could find in America, and far more beautiful than most of ours. We walked down a wide and tree-lined boulevard. Hundreds of automobiles passed, mostly of American make as the Japanese have no motor factories except branches of General Motors, Ford and other large American manufacturers. Cars and pedestrians all "keep to the left" in true British fashion. Most of the men we met were wearing European clothes, although a few were in kimonos. Most of the women were in native costume. Boys on bicycles were everywhere, dressed from shorts and bare legs to kimonos and wooden geitas (sandals).

Street corners were as congested as in Chicago, but as the police officer turned his semaphore to "green" we crossed easily. On one side of the boulevard we saw the grounds of the Imperial Palace, surrounded by a huge moat crossed by a bridge every block or two. On the other side we passed modern office buildings similar in style and height to the earthquake-proof buildings of Los Angeles. Particularly fine is the



Left: The yadoya, or native Japanese inn at Nikko, seen through the Torii gate of a Shinto shrine in the garden. Right: Our Japanese hosts at dinner at Beppu. The Americans in the picture are, left to right, John Morse, of the American Boy

home of the Tokio Fire and Marine Insurance Company, whose name plate, incidentally, is in both Japanese and English. (Street signs are in Japanese characters only—many shops and offices have also the English spelling of the Japanese ideographs.) All this part of Tokio was destroyed by the earthquake of 1923 and the rebuilt city has wide streets, excellent paving, and impressive buildings. The Tokio central railroad station to which we came is an old structure spared by the quake.

Japanese trains are excellent; the tracks are narrow gauge but cars are standard width. Roadbeds are rock-ballasted. Most of the lines are operated by the government. Electric power is used on many as Japan has abundant hydroelectric power, and only a limited amount of coal.

We boarded the train and sat in a comfortable club car at the end. Second- and third-class cars were also on the train, and were clean and comfortable as we found on later journeys. As we settled ourselves at the observation windows at the end of the car, the smiling "boysan" brought us tea.

We moved quickly and silently from the station through the crowded suburbs (there are nearly 3,000,000 residents of Tokio), and out into the hills. Rice fields were on every side, tiny little patches one below the other on the side of the hills. During the rainy summer season the fields are constantly under water, and are so built that there is a constant flow of water from the upper field to the lower ones, with drainage on to a neighboring stream.

"Rice is very expensive in Japan," my friend, Taki, explained, "and contrary to the belief of most foreigners, it is not the chief article of diet of the poorer people. Instead they live on other grains and on fish. All farmers of course want to raise rice as it is a profitable crop even though a difficult one, and the government has great trouble even in this terribly crowded and overpopulated island to get farmers to move to comparatively uninhabited sections where the land is fertile but unsuitable for rice growing."

Japan has to import much rice every year. Probably one-third of the native crop is devoted to the making of sake (pronounced "socky"), the native rice wine.

Nikko is well up into the tree-covered mountains. There is a tremendous park with an avenue of giant redwood trees leading to a group of temples and shrines surrounding

tombs of the old Shogun rulers of Japan, built three centuries ago. Little shops line the tiny streets, with homes above. All are built of wood, as is customary throughout Japan except in the modern sections of the large cities. As a result the fire hazard in the small cities, and in the congested section of the large ones, is tremendous. As much of the cooking and most of the heating is done over open charcoal burners it is surprising that there are not more conflagrations.

We spent the night at a native Japanese inn (yadoya), and while many other nights were spent at them during our three weeks in Japan this first one remains a particularly pleasant memory. This little inn was set far back from the street, with a walk leading up to it. Service quarters were along this walk—seemingly at the front door of the inn. At the entrance we were met by a smiling manager who didn't speak English, and a row of bowing servants, the girls in attractive costume with long kimonos and hair piled high on their heads. Taki instructed us to take off our shoes and check them at the door, so we were given little slippers, and stepped up onto the mat-covered floor. We immediately went to a large room at the rear of the first floor and found that it looked out into one of the most beautiful gardens we had ever seen, with great groups of trees backed by the mountains, a little brook, and a Shinto shrine in one corner.

We sat down on the floor before a little table six inches high and tea and little cakes were brought to us. Our host—he seemed more like a host than a hotel manager—then came and explained that our room was ready, and we followed him upstairs. As we went into it we took off our slippers, as the matted floor was later to be our bed. Two sides of the room were of sliding partitions, covered with heavy paper on latticework. This is in order that the room can be enlarged at will. These paper walls are a great temptation, as a guest can put a wet finger in one corner, and make it transparent until it dries. But I think the Japanese people have better manners than to look into the next room! The side opposite the door was entirely open, looking out into the garden. The room had no furniture except a little table in the center holding an ash tray (in the winter it would have a charcoal burner also). In one corner was a shelf containing a vase

with flowers and back of that a small Japanese print.

The boysan brought us kimonos, we slipped off our clothes, and followed him to the bath. In all well regulated Japanese inns the guest is expected to bathe before dinner, or if he arrives late, before he retires. But bathing is a function in Japan. The bathroom was very large—four or six could have used it easily at one time instead of just the three of us. First we filled little buckets of water from the tap, washed and soaped ourselves well, then rinsed by pouring water over one another. Then we all got into the huge wooden tub at the end of the room and sat there for a time in very hot water. The tub held us all with room to spare. At one yadoya we visited the tub was a tiled bath sunk in the floor, and contained hot mineral water constantly flowing in and out. It would have held twenty people at one time and was almost deep enough for swimming. After we had "stewed" for a time in this hot water (one of my friends called these baths "pour and stew") we got out and rinsed with cold water, which we threw at each other with much fun. Putting on our kimonos and slippers we went down to the dining room where dinner was served us on little tables, while we reclined or sat on cushions.

Japanese food is excellent—I liked it all except raw fish! But at that we delight in raw oysters in America, so I suppose it is just one's point of view. After fish we had soup, pickled vegetables, and a stew called sukiyaki made of meat and vegetables and cooked before us on charcoal burners. To make it even better, sake wine is poured into it as it cooks, and tiny cups of hot sake are served along with it. The waitress keeps them filled constantly so that the wine is always hot. And if anyone proposes a toast it is "bottoms up" to the last drop. After a dozen rounds or so, the sake, which tastes quite harmless, begins to have a cumulative effect which rapidly increases. Of course there is much tea, and a bowl of rice. One way to handle sukiyaki is to put some on your rice, pour over it a bit of beaten raw egg and some soy-bean sauce—then attack it with chopsticks.

When we returned to our rooms after a good-night stroll through the village, we found three thick mattresses on the floor, arranged with bedding and pillows. It was all very comfortable, and I never slept bet-

(Continued on page 24)

Where and How To Increase Your Bank Revenue

By **DAN V. STEPHENS**

**President, Stephens National Bank
Fremont, Nebraska**

Here are facts concerning sources of new bank revenue and how to obtain them as told by one of the best known bankers in the country.

A GREAT deal can be accomplished toward better bank management by the individual banker when he knows what his problem is, but the greatest progress can be made when he works with his local and regional bank groups.

The word "cooperation" is becoming very trite and commonplace lately because it is used continuously without furnishing concrete examples of what it means. Bankers go to sleep under the monotonous repetition of the statement that cooperation pays; but just give a concrete example of a group of bankers working together and, by so doing, turning a loss into a profit, and the tired banker is electrified at once. That is his problem now: turning loss into profit. To do this the banker must know the problem—get the facts before he can proceed intelligently to turn a loss into a profit.

The Nebraska Bankers Association has undertaken to present to the rank and file of the bankers of the state a cross section of three typical county banks: one a small bank of \$500,000 deposits located in a rather poor agricultural section; another with \$1,500,000 deposits in a rich agricultural section; and a third with about \$3,500,000 deposits in a moderately fair agricultural section. The banks are about equal in management.

The analyses of these banks were made by a very competent bank accountant, and the results are not only startling but very valuable as a course of action is clearly marked out. The analyses of these three typical banks will furnish data necessary for immediate use of all banks.

These examinations have not yet been thoroughly assimilated, but a sufficient view has been disclosed to show a few outstanding facts.

First, it shows clearly that a bank's

possible profits will increase with the volume or size of the bank and that somewhere below \$500,000 in deposits the profits will cease. The exact point will vary with the skill of the banker.

The second outstanding fact is that checking accounts of less than \$500 balance (generally speaking), unsupported by a maintenance or per item charge, are unprofitable.

The third conclusion is that time money in a commercial bank under a million of deposits is handled at little or no profit at all.

The fourth conclusion is that the loaning and investment costs in a bank under a million deposits with a large list of small borrowers is so necessarily high that loss on small notes, say under \$500, at the legal rate of interest is certain.

There is no way a small bank can possibly make a profit unless it engages in side lines such as insurance, etc., but the profit account on all sized banks can be easily doubled by the application of a few simple practices.

Bankers are generally aware of the outstanding fact that an increase of revenue is essential. Increasing costs have been persistent for years past. The question is: how can this added revenue be secured with the least possible irritation to our customers?

There are five principal sources of revenue in a bank:

1. From the earning assets;
2. From sale of service at a profit;
3. Improving on efficiency;
4. Reduction of expenses;
5. New profitable business.

My remarks will be largely confined to the sale of various services as the easiest possible source for added revenues.

First, take the checking accounts in the middle-sized Nebraska bank that was examined:

This bank started making a service charge five or six years ago on checking accounts with balances under \$50. It was attempting to get additional revenue which it needed. The recent analysis showed that after collecting \$1,664.61 on accounts under \$50 it still lost \$1,985.95 on this group. On balances between \$50 and \$100 a big surprise greeted the officers with a loss of \$1,792.08. On balances between \$100 and \$150 the loss was \$758.11. On balances between \$150 and \$200 the loss was \$889.27. On balances between \$200 and \$300 the loss was \$153.27, and finally, the loss on the last group of accounts that lost the bank money with balances between \$300 and \$500, was \$295.10, or a total loss of \$5,873.78 on these various groups on balances under \$500. Few bankers are prepared for such startling facts as these. No doubt these figures fairly represent the average county bank with 1½ millions of deposits. The most shocking fact, however, remains to be stated—the entire group of 1,671 checking accounts representing all commercial accounts in the bank (except correspondent bank accounts and public fund accounts) made the bank a net profit of \$2,324.75, a sum so insignificant it was a humiliation to the officials of the bank when they discovered how cheap they were.

This middle-sized bank is one of the foremost in the country, too, in the matter of the application of service charges.

This profit of \$2,324.75 is exclusive of service charges other than the original 50-cent charge on accounts under \$50 and profit on bank accounts and public fund accounts. When the profits from these three additional

sources were added to the checking account profits, there was a net profit from all sources to the Commercial Department of \$9,017.06. As a measure of what it means, it is exactly .96 per cent of the total deposits, which is less than half what it should be. This bank collected on services on the Commercial Department \$6,211.35 of this total net profit of \$9,017.96, which shows how little was the profit on public funds and correspondent bank balances. It also shows what little profit it would have made without a general service charge.

The cure for this situation is to put into operation a maintenance charge of \$1 each on the accounts under \$500 that show a loss. There are probably one thousand of such accounts which, at \$12 each per year, would add \$12,000 to the revenue, less the \$1,664.61 service charge now in effect. If these patrons actually quit the bank, as a result of the charge being made, the bank would save the \$5,873.78 it now loses on them. But only a small per cent of them will be lost. The 50-cent service charge this bank has been making for five years takes up

only about 25 per cent of the bank's loss from this source.

But, while considering the losses or near losses on the entire Commercial Department of this bank, let us look a little further and see how the Savings Department fared. That Department had \$402,000 on deposit including time money. This money was borrowed from the people at an average interest rate of 3.10 per cent and it was loaned back to the people at a fair rate and, after making proper charges for services and various items of expense, the Savings Department made the astonishingly small net profit of \$507.61. The officers of this bank stared at this profit item for a long time thinking back over the various drives for new saving accounts, the flags, kodaks and red wagons they had given away as premiums throughout a decade of effort to get new business. Then they would look again at the profit of \$507.61 and shiver with disgust.

Then they looked for the cause of their trouble and pointed an accusing finger at the rate of interest paid, viz., 3.10 per cent, and asked what

other banks pay? The answer was than 1,300 other Middle West banks paid a rate of 4.02 per cent, instead of 3.10 per cent, so that didn't look promising as a solution. If this middle-sized Nebraska bank of 1½ millions of deposits, paying 3.10 per cent for time and savings money, makes a net profit for the year ending June 30, 1930, of \$507.61, just how much profit did the 1,300 Middle West banks make that paid 4.02 per cent for their savings and time money? Of course there are other factors in the problem than interest paid on deposits and the largest is volume.

If a statement of actual facts like these will not stir us to action, our case is quite hopeless and receivership will continue. There is not the opportunity for service charges in this department that will show us much revenue. However there are minor savings that can be made without discouraging savings.

▲ Another major source of revenue easily tapped and collected is through the note case. In this mid-

(Continued on page 18)

The A. B. A. Convention

OPENING the fifty-seventh annual convention of the American Bankers Association last month at Atlantic City under the shadow of a sagging stock market, acute banking conditions in several cities and the sad news of Dwight W. Morrow's death, delegates cast aside differences of opinion on controversial subjects and united without delay in the serious consideration of economic problems confronting the country. The subject of "branch banking" which occupied the limelight at the 1929 and 1930 conventions was not even mentioned in the official resolutions adopted at this year's meeting.

Hearty approval was given President Hoover's suggestion for the establishment of the \$500,000,000 National Credit Corporation—"created for the purpose of meeting the discount demands of bankers who find it advisable in supplying the needs of the public to obtain funds from collateral of a character, which though sound, is not eligible for rediscount directly or indirectly with the Federal Reserve Banks."

Delegates also expressed themselves as being in favor of meeting national budget deficiencies by bond

tion, and went on record as favoring an extension of the international debt moratorium, the expiration of which is now set for July 1, 1932.

Confidence was expressed in the ability of the people of the United States to meet successfully the unusual economic conditions with which they are now confronted, and a distinct note of optimism was evident in the report of the Economic Policy Commission of the Association in its report which may be summarized briefly as follows:

American banking is demonstrably sound. Failures this year, while taking about 4 per cent of the banks, tied up only 1.2 per cent of the deposits. Losses, moreover, will be only a portion of the deposits tied up in closings. Public hysteria has exaggerated closings, both in numbers and effects, and people should be told the favorable fact that 96 per cent of the banks and 99 per cent of the \$57,000,000,000 deposits in the country are unharmed.

The commission still thinks the remark that any one who sells the United States short is sure to go broke still holds good.

The commission regards short selling to unduly depress the market as

deserving of public censure, which it fears may develop into undesirable restrictive legislation. Otherwise it desires reasonably untrammelled markets.

The commission fears legislative correctives of economic troubles.

The commission believes it a wise policy to give borrowers, whose collateral loans are inadequately covered, time to put them in shape by periodic payments, since all further liquidation of securities should be refrained from as far as possible until values improve.

The commission regrets that competition led to the gaining of many "unselected customers" by banks, people who lacked understanding of banking and have turned upon the institutions and destroyed them in the past two years. More care should be given to getting new business and educating new patrons.

The commission wants to see exemplary enforcement of slander laws against banks wherever necessary.

The commission recommends cooperation among local banks to meet their local problems.

New officers of the Association were elected as follows:

President, Harry J. Haas, vice-

president, First National Bank, Philadelphia; first vice-president, Francis H. Sisson, vice-president, Guaranty Trust Company, New York; second vice-president, F. M. Law, president, First National Bank, Houston, Texas; treasurer, P. D. Houston, chairman of the board, American National Bank, Nashville, Tennessee.

New officers of the various divisions of the Association were elected as follows:

National Bank Division: President, W. Walter Wilson, president, First Milton National Bank, Milton, Pennsylvania; vice-president, J. R. Cain, Jr., vice-president, Omaha National Bank, Omaha, Nebraska.

Trust Company Division: President, Thomas C. Hennings, vice-president, Mercantile-Commerce Bank and Trust Company, St. Louis; vice-president, R. M. Sims, vice-president, American Trust Company, San Francisco.

State Bank Division: President, Felix M. McWhirter, president, Peoples State Bank, Indianapolis; vice-

president, L. A. Andrew, president, Citizens Savings Bank, Ottumwa, Iowa.

Savings Bank Division: President, Jay Morrison, vice-president, Washington Mutual Savings Bank, Seattle, Washington; vice-president, Gilbert L. Deane, president, Grand Rapids Savings Bank, Grand Rapids, Michigan.

State Secretaries Division: President, Paul P. Brown, of North Carolina; first vice-president, W. G. Coapman, of Wisconsin; second vice-president, J. W. Brislawn, of Washington.

Los Angeles was selected as the meeting place for the fifty-eighth annual convention of the Association to be held in 1932.

☐ **Resources of the First National Bank of Cincinnati**, as shown by the September 29 statement of condition, amount to more than \$63,555,000. Deposits were over \$49,284,000. Capital, surplus and profits are more than \$11,823,000.

First National, Birmingham, Wins Advertising Award

Bank Ad-Views, a national magazine published twice monthly by Vincent Edwards & Co., New York City, has given the First National Bank of Birmingham, Alabama, high award for the best bank advertising published in the United States for the year ending October 1, 1931.

In each issue, Bank Ad-Views reproduces the best bank advertisement of the current two-week period and the award for the year is based on the number of points scored on the advertisements that are reproduced in each issue.

This year's award gives particular mention to Harris Moriarty, assistant vice-president, and to Summer E. Thomas, vice-president and trust officer of the First National of Birmingham, and to the staff of the Sparrow Advertising Agency for their "quick-on-the-trigger tie-ups" with the day-to-day news in Birmingham.

National Credit Corporation Directors

PICTURED below are three of the twelve directors of the **National Credit Corporation** which was formed last month in response to President Hoover's suggestion for the mobilization of banking resources of the country for the purpose of rediscounting banking assets not now eligible for rediscount at Federal Reserve Banks.

The **National Credit Corporation**

has one director for each of the twelve Federal Reserve districts as follows:

District 1—Daniel G. Wing, chairman, The First National Bank, Boston.

District 2—Mortimer N. Buckner, chairman, The New York Trust Company, New York.

District 3—Livingston E. Jones, president, First National Bank, Philadelphia.

District 4—Arthur E. Zraun, president, Farmers Deposit National Bank, Pittsburgh.

District 5—John M. Miller, Jr.,

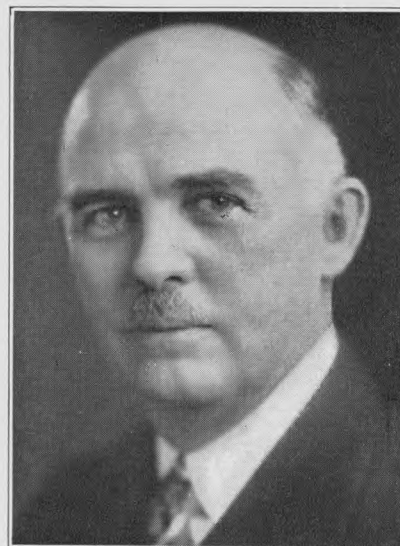
(Continued on page 25)



WALTER W. SMITH



GEORGE M. REYNOLDS



W. S. McLUCAS

The Duties of Bank Directors

By F. G. AWALT

Deputy Comptroller of the Currency

WHEN the depositor places his money in the bank he in effect says: "In consideration of receiving my money and any interest paid, you can have its use, but only on the condition that its use conforms to the safeguards provided by law." Such safeguards are not merely the mechanical safeguards surrounding the proper custody of funds, but cover all the many phases of banking, provided by statutory enactment or court decision. On whom does the responsibility of this contract fall?—the directors.

In most banking laws, and particularly the national law, the whole structure is built around the directors. It is upon the directors that the national bank law places the management of national banks in specific language, when it provides:

"The affairs of each association shall be managed by not less than five directors. . . ."

It is the director who is held responsible for any violation of the National Bank Act when it provides:

"Every director . . . shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person shall have sustained in consequence of such violation."

It is the director of the member bank who is held responsible for violations of the Federal Reserve Act by the provisions of that act.

The director when elected or appointed is required by the National Bank Act to take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association and will not knowingly violate, or willingly permit to be violated, any of the provisions of the act.

I might add in this connection that there has been a recent decision by the Circuit Court of Appeals of the

Tenth Circuit, United States Court, holding that a director's oath is a contract.

▲ Obviously the law did not contemplate that a director should be a figurehead, that he should attend meetings merely to get his director's fee; and in this connection I was told recently by a president of

Read this article and learn the vast list of things for which directors may be held liable under statutory law and under common law.

a bank that it was necessary to increase the director's fee in order to get some of the directors of that particular bank to attend meetings—a procedure that certainly should be unnecessary.

Since the duties and liabilities of directors are interwoven, the definition of their duties has in some measure been given in suits to enforce liability, and while the courts have used different language in defining

the general duties of directors, a clear idea of their scope may be gained from the following excerpts of decisions:

"The duty of the board of directors is not discharged by merely selecting officers of good reputation for ability and integrity, and then leaving the affairs of the bank in their hands without any other supervision or examination than mere inquiry of such officers, and relying up-

on their statement until some cause for suspicion attracts their attention. The board is bound to maintain a supervision of the bank's affairs, to have a general knowledge of the character of the business and the manner in which it is conducted, and to know at least on what security its large lines of credit are given.

"Directors of a national bank must exercise ordinary care and prudence in the administration of the affairs of a bank, and this includes something more than officiating as figureheads. They are entitled under the law to commit the banking business, as defined, to their duly authorized officers; but this does not absolve them from the duty of reasonable supervision, nor ought they to be permitted to be shielded from liability because of want of knowledge of wrongdoing, if that ignorance is the result of gross inattention.

"It is the duty of directors of a national bank to exercise reasonable control and supervision over its affairs, and to use ordinary care and diligence in ascertaining the conditions of its business, which is such care as an ordinary prudent and diligent man would exercise in view of all the circumstances.

"A board of directors of a banking corporation is elected primarily for the management of the corporate affairs; and when the board delegates its authority to the executive officers

and through their carelessness and mismanagement disaster and loss to the stockholders and creditors ensue, the individual members of the board cannot escape liability by showing that they did not know of the unfortunate transactions and were ignorant of the business of the corporation."

There are two main divisions of directors' liability—statutory and common law. Under the statutory may be listed such liabilities as loans in excess of the limit as fixed by law; injury or damage to persons relying on false reports of condition of a bank; dividends paid out of other than net profits, after deducting therefrom all losses and bad debts; payment of dividends or making of loans when reserves with the Federal Reserve Bank are deficient; unlawful, prohibited, or ultra vires transactions and operations.

Under common-law liability may be listed: the making of loans when the security taken is insufficient, certifying or permitting to be certified checks on insufficient or overdrawn accounts; failure to appoint a discount and loan committee, or an examining committee of the directors when required by the by-laws and/or the volume of the bank's business, or a failure to see that such committees function if appointed; failure to audit or examine the affairs and condition of the bank periodically, or to cause same to be audited or examined; fail-

ure to use reasonable efforts to collect slow or doubtful assets. The directors may also be liable for allowing overdrafts; for damages resulting from a failure to charge off assets at the direction of the examiner, or representing such assets to be good after such notice; for losses resulting from failure to require proper bond from officers and employes of the bank.

The directors cannot discharge the duties incident to their office by holding meetings at rare intervals and limiting the business of such meetings to such perfunctory matters as electing officers; and for failure to attend meetings, even though residing at a distance, the directors may be held liable, and they can not shield themselves from liability by pleading ignorance of transactions in which they did not participate, when their ignorance is a result of their negligent inattention.

It is the duty of the Comptroller's office, when a national bank has failed, and there is sufficient cause, to collect for the depositors on the directors' liability. Often the failure of a bank means the financial failure of the directors and there is nothing to collect, but it must be noted in the last three years that we have recovered for the depositors of failed banks from this source over \$2,400,000.—From a recent address delivered at the Convention of the New Jersey Bankers Association.

Prominent St. Louis Banker Dies Suddenly

J. SHEPPARD SMITH, president of the Mississippi Valley Trust Company, St. Louis, and one of the most prominent and best known men in St. Louis business and financial circles, died suddenly last month at La Jolla, California, where he had gone last June following a nervous breakdown in an attempt to regain his health. Death was caused by a heart attack. He was 60 years old.

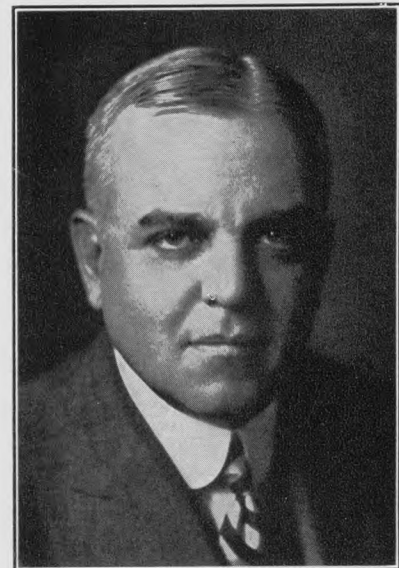
Mr. Smith was a native of St. Louis and a member of one of the city's oldest families. He was a descendant of Pierre Laclede, who, with Auguste Chouteau, founded St. Louis. He was also a descendant of the Marquis de Mun and of Charles Gratiot. He was born February 3, 1871, the son of Dr. Elsworth Smith and Isabelle de Mun Chenie Smith. He was educated in the public schools and at St. Louis University.

Mr. Smith began his business career as a clerk at the old Laclede Bank and in 1889 became associated with the Greeley-Burnham Grocer Company as assistant credit manager. Two years later he was made credit manager, a position he held until 1893, when he participated in the organization of the Scudder-Gale Grocer Company. He served as credit manager for this company until 1902, when he became associated with the late David R. Francis in the firm of Francis, Brother & Company.

In March, 1915, Mr. Smith was elected a vice-president of the Mississippi Valley Trust Company. Six years later he was advanced to the first vice-presidency of the organization, and in January, 1925, was chosen president to succeed the late Breckinridge Jones, who became chairman of the board of directors.

Mr. Smith retained the presidency of the trust company through its mergers with the Merchants-Laclede National Bank and the State National Bank. Under his presidency the institution moved from its old quarters at Fourth and Pine Streets to its present banking rooms in the building at the southwest corner of Broadway and Olive Street, now known as the Mississippi Valley Trust Building.

Mr. Smith has been the recipient of many honors conferred upon him by business associates. In April,



J. SHEPPARD SMITH

1929, he was elected president of the Bankers' Club of St. Louis. In October, 1926, he was made a member of the Executive Council of the Trust Company Division of the American Bankers Association. The most recent recognition of his standing in banking and financial circles came in January of this year when he was elected to the directorate of the Maryland Casualty Company of Baltimore, the first director ever elected from the Middle West.

Mr. Smith also was a director of the Missouri State Life Insurance Company, the Missouri Portland Cement Company and the American Credit Indemnity Company.

Carroll Dean Murphy Appointment

The Bills Corporations comprising Bills Realty, Inc., and the Bills Securities Corporation, distributors and manager of the Chicago Income Trust and the Individual Accumulative Trust, have appointed Carroll Dean Murphy, Inc., advertising agency, Chicago and New York, to handle their advertising.

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. Smith owned twenty shares of stock with a par value of \$100 per share in an Arkansas bank which failed. He also had \$2,000 on deposit in the bank. The Bank Commissioner sued to recover the stockholder's statutory liability and Smith set up his deposit as a set-off to the claim. Is it a valid set-off?

2. Jones gave Jordan a \$10,000 note and a deed of trust on a farm in Texas for a loan of \$10,000. Jones paid \$8,000 and agreed to build a house for Jordan on certain other property with the understanding that Jordan was to cancel the \$2,000 balance, which he did. The agreement to build a house proved to be fraudulent and Jordan sued to set aside the cancellation of the \$2,000 balance but did not offer to return the \$8,000 previously paid him. In an action to set aside a contract it is generally essential that the plaintiff restore or offer to restore the money or property received and Jones defended on that ground. Is the defense good?

3. The Bank Commissioner of Oklahoma sold certain notes of a defunct bank which he had taken over. These notes were sold at public auction and were not warranted. When the purchaser went to collect them he found they had been paid to the representatives of the Bank Commissioner previous to the time he purchased them. He then brought suit at law to recover a money judgment against the Bank Commissioner for the amounts paid on the notes prior to the sale. Can he recover in this way?

4. Norcross, who was aged and infirm, wished to give his wife certain property in Hollywood, California, the title to which stood in his name. He had the deed drawn up

and duly executed and acknowledged it. He thereafter handed it to her and proposed that they take it to her safe deposit box in a nearby bank. For various reasons they were unable to do this and his wife left the deed with him for safekeeping. He died sometime later without returning it to her. His children, who were the wife's stepchildren, sued to have the deed declared void because it was not delivered during the life of the grantor. Should they prevail?

5. A Missouri bank lent to Gordon a sum of money exceeding the amount permitted by statute. It later went broke and the Commissioner of Finance sued to recover the loan. Gordon admitted liability for the part of the loan that was permitted by statute but denied liability for the balance, which represented the portion of the loan that the bank was not permitted by statute to lend him. Is he correct?

6. Williams turned over to Jackson, a real-estate dealer, \$3,000 which he was to use as a down payment on certain real estate in the suburbs of Chicago, Illinois. Instead of making the down payment with the funds turned over to him, Jackson made a general deposit of the funds in his account in a Chicago bank. The bank knowing nothing of the transaction used the deposit to set off a \$3,000 note Jackson owed it. Jackson went into bankruptcy. Williams sued in the state court to recover the deposit on the theory that Jackson held the money as trustee for him and that the bank therefore had no right to apply the fund to Jackson's indebtedness to it. Is he correct?

7. An Ohio bank issued a certificate that Mrs. Barnes had deposited \$5,000 with it which was "payable on return of this certificate

Correct answers to these questions will be found on page 21 of this issue.

properly endorsed six or twelve months after date." The certificate did not state specifically that \$5,000 was payable to "order" or "bearer." A question arose as to whether it conformed to the statutory requirement for a negotiable instrument since the statute requires that an instrument to be negotiable "must be payable to order or bearer." Assuming the certificate fulfilled all other statutory requirements for a negotiable instrument besides the point raised, was the instrument negotiable?

8. A Massachusetts bank was named, by will, trustee of an estate and was authorized to sell the stocks constituting the trust fund and invest the proceeds. It exercised sound discretion in selling some of the stock and reinvesting the proceeds so that it was able to show a profit for the estate amounting to fifty thousand dollars on account of those particular deals. However it became careless with the remainder, did not exercise sound discretion, and lost ten thousand dollars for the estate on account of deals connected with the remainder. The beneficiaries sued for ten thousand dollars and the trust company replied that it had made a fifty-thousand-dollar profit on the first sales or a net profit of forty thousand dollars and that it should not be charged with the ten-thousand-dollar loss. Can the beneficiaries recover?

9. Adelott deposited a hundred-dollar liberty bond for safekeeping in an Iowa bank. Some officer of the bank pledged the bond as security for a loan from another bank. The Iowa bank failed; the bond was applied by the other bank to its loan; and Adelott sued the directors to recover the amount of the bond on the general ground that they were negligent in permitting the bond to be pledged to the other bank. Can she recover on this theory?

10. Arthurs contracted to drill an oil well for the ErI Oil Company in Michigan. He was to be paid in five installments as the work pro-

(Continued on page 25)

Where and How to Increase Bank Revenue

(Continued from page 13)

dle-sized Nebraska bank there are 564 notes under \$500 and the handling cost in this bank was \$1.22 per note. In self-defense the bank should recover that cost and a profit.

Banks have a discount rate of from 6 per cent to 10 per cent depending on territory and demand for funds. It is apparent that small loans from \$25 up to \$500 for 90 days cannot bear a legal rate high enough to cover the handling cost of \$1.22. Therefore a handling, or service charge, of say \$1, should be made on these small notes.

This Nebraska bank has 564 notes under \$500. A charge of \$1 service fee for each 90-day note would bring an increased revenue of \$2,256 and a \$2 fee would double the amount. In the personal loan banks on the Morris Bank Plan the usual note service fee is \$2.50 plus the interest. It would appear that there is no fee a bank can charge more just than a handling charge on small notes. Banks would rather not make small loans at all, so the borrower cannot and will not object to paying the actual cost of the loan with a small profit to the bank. It will be the least objectionable service that can be made.

▲ We now come to a very interesting subject, viz., a service charge on public funds, and let it not be overlooked that there is no more important single question for the bankers of the country to consider than that of the handling of public funds. The banks of this country have an item of expense charged against public funds amounting in the aggregate to a sum running from \$35,000,000 to \$75,000,000 a year and, I take it, there will be no disagreement among us as to the importance of the banks examining into the question of the justification of this expense.

Is it worth, say \$50,000,000 a year, to the banks of the United States to handle the funds of state, county, city and other municipal subdivisions and take the hazard of protecting this money in safe depositories and lending it to the public without any reasonable assurance that they are going to get back the principal and the additional cost of \$50,000,000 in interest and surety bonds, that they are now paying for this privilege?

State statutes hemming in the selection of public depositories have

been enacted during the past half century or more of sharp competition among the banks seeking the use of these funds without knowledge of the cost. Legislators, naturally, concluded that the privilege of handling public funds was a valuable one and that a tax should be levied on the privilege in the form of an interest charge for the use of public funds, so today practically all of the states have some sort of a restriction in the selection of depositories that amounts to almost a prohibitive tax on the banks.

For example, in the state of Nebraska, the law now requires the banks to pay 2 per cent on checking balances in public fund accounts and furnish a surety bond in addition thereto, thus making the first cost of the money to the banks at the very lowest 2 per cent when, as a matter of fact, a checking balance of that character is not entitled to any interest or surety bond at all.

Upon what moral grounds can a public corporation claim a privileged status in a commercial bank? Public money should be deposited in banks on exactly the same terms that private money is deposited and no special privilege of any kind or character should be extended to such funds. If the public desires a privileged status in the way of a surety bond, let the public pay for the surety bond. In other words, it is a rank injustice to the private customer of a bank for the public, through legislative enactments, to force upon the banks a privileged status for public funds, and the bankers of this country should never rest until this privileged status is removed and checking accounts mean exactly the same thing to public officials that they mean to the private citizens.

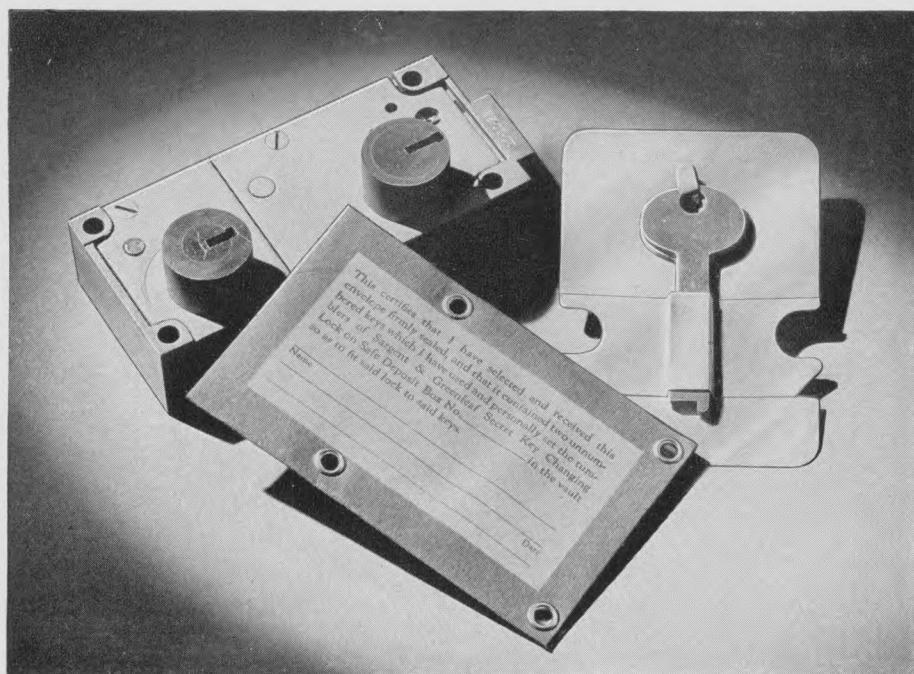
It must be apparent to all that the cure of this situation lies in cooperation among bankers. It cannot be done by a small group of bankers here and there for the reason that their protest would have no weight and effect, as any relief demanded by individual banks here and there would be ignored, because there would always be some banks who would give, through ignorance, the service required by the statutes without protest. Thus cooperation becomes essential.

Nebraska also leads the way in this campaign for fair treatment of banks by County Boards of Supervisors in the matter of paying a service charge on public funds. As a result of this campaign many counties in Nebraska are now collecting a service charge of

\$10 per thousand on daily balances, but it has been a controverted subject difficult to manage for the reason that legal restrictions hem the subject about. Probably a score or more counties are now receiving the regular charge of \$10 per thousand, and the agitation has become so universal in the state that the House of Representatives last month passed a bill authorizing county treasurers and the state treasurer to pay a service charge of not more than \$10 per thousand on daily balances. This bill was passed by a vote of 57 to 26, indicating the conviction of the members of the House of Representatives that the claim of the banks was just. The truth of the matter is, the demand should have been for the repeal of the interest charge entirely and the requirement of a surety bond, unless the public wanted to pay the bill. However, the action of the Legislature is a step in advance and clearly indicates that a victory is in sight.

The united action of the County Bankers Association is essential in presenting the demands of the banks to the county and, whenever any county bankers association decides unanimously with their names on the dotted line, upon a policy touching the care and protection of county funds, they have already solved their problem because it is almost inconceivable that a Board of Supervisors anywhere would hazard the public funds by attempting to care for them in depositories that were not perfectly safe and within the bounds of their home county. There may be isolated cases where this opposition might extend to the point of the county treasurer attempting to secure a depository outside of the county, but in such cases he would undoubtedly be confronted with many difficulties, because no city depository is any keener to donate its services to the public and pay for the privilege than county banks are and they would have an additional excuse in supporting county banks in the fact that they would be discriminating unjustly against their own correspondent customers.

The Dodge County Bankers Association had a unique experience in this particular and it has a feeling that its mode of procedure was responsible for at least 99 per cent of its success. The bankers of Dodge County had agitated for the payment of this service charge for more than a year, making numerous appeals to the Board of Supervisors. After much talk and many opinions were rendered by the county attorney and



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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?

A lock which has been declared pick-proof by Underwriters Laboratories?

A lock which offers more exclusive safety features than all other safe deposit locks combined?

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

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 used by such banks as Bank of America, New York; Union Trust, Detroit; Northwestern National, 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.



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

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Check here if you wish a copy of A Quick Trip Through a Lock Factory.

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others, the Board found itself in great confusion and justified itself in refusing to do anything, so a whole year was wasted in talk, simply because some of the banks were not prepared to do the inevitable, viz., refuse to accept the public funds.

Finally, in December, the Dodge County Bankers Association voted unanimously not to receive any more public funds for deposit upon which interest was to be paid or a surety bond furnished, on and after the 1st day of February, unless, previous thereto, the Board of Supervisors had authorized the payment of their

claims for service charges on public funds as stipulated in their requirements. Following this statement to the Board, the banks went into great detail showing the cost to them of the protection they were furnishing the public funds and the unjust preferred status given to public funds as compared to private customers. The result of this ultimatum to the Board was very gratifying to all parties concerned. The Board itself was favorable to the payment of the service charge (and had been all the time), but no doubt hesitated in taking this unusual course in the face of the stat-

utes and also in face of the opposition of one or two members of the Board. Furthermore, the public upon the reading of the ultimatum of the banks in the newspapers were sold upon the banks' proposition, believing that it was just and right and that the county had no right to claim a special privilege in the banks that could not be granted to the private depositor. When the Board met in January it authorized the payment of the service charge and, so far as known, there has not been a single criticism of any kind offered to the Board's action.

An amusing incident occurred in the County Clerk's office indicating the effect on the public of the demand of the banks which had been printed the evening before in the newspaper. A taxpayer entered the office to obtain a county warrant for \$3, which had been allowed him for services on the election board. The clerk informed him that the warrant had been sent to him six weeks before, whereupon they both agreed that it must have been lost in the mail. The taxpayer then asked for a duplicate warrant to be issued him. The clerk informed him that, according to law, he was unable to issue him a duplicate warrant unless he put up a surety bond of \$35 guaranteeing that the \$3 warrant would not be paid the second time. Upon receipt of this information the taxpayer "hit the ceiling," so to speak, in his indignation and stated that he was damned glad the bankers of the county had enough "guts" to protest against that sort of treatment, which he hoped might lead to the protection of other taxpayers against impositions of that sort.

As to the legality of a service charge on public funds there can be no question. The Board of Supervisors or Commissioners have authority to pay such necessary expenses as are justified in protecting the public and public property. Nor is there any question about the justice of this charge. It is inadequate, in fact, and should have included also the cost of the surety bond, but this is a reference only to the charge and not to the unjust legal requirement that 2 per cent interest be paid on balances in checking accounts.

Professor, in General Science class: "Now then, students, we have come to the conclusion that nothing is impossible."

Student: "Let's see you stick this umbrella down your throat and open it."



A typical pecan orchard near New Orleans

NEW ORLEANS

XLI

Pecans

Louisiana's 1930 pecan crop amounted to 3,750,000 pounds, with a retail value in excess of \$1,250,000.

Louisiana soil is particularly adapted to the growing of pecans. Last year's crop was greater than that of 1929 and the crop this year will be substantially augmented by more than 75,000 young trees which begin to bear this season.

Hibernia Bank & Trust Co.

New Orleans, U. S. A.

Answers to Legal Questions on Page Seventeen

1. No. Stockholders in banks cannot set off their statutory liability against their individual claims on the assets of the insolvent bank since this would operate as a preference to them over all other creditors. The object of the double liability imposed by statute is to realize a fund for the ratable payment of all corporate debts. This fund cannot be realized if those who are creditors of the corporation and are at the same time its stockholders are permitted to offset their credits and liabilities.

2. No. The contention of the defendant is true in a general way only. There is an exception to the rule advanced by him. One seeking the rescission of a transaction on the ground of fraud is not required to make restoration of that which in any event he would be entitled to retain, either by virtue of the contract sought to be set aside or of the original liability. Here Jordan was entitled to the \$8,000 in any event. The contract to build the house was subsequent to it and in no way affected the obligation to pay that sum and accordingly it was not necessary to offer to return it.

3. No. The state bank commissioner is an executive officer of the State of Oklahoma and as such he may not be sued in a court of law and a judgment in such a case cannot be rendered against him which will in any wise affect the assets of a failed state bank in his hands. Public officers have only such authority as is conferred upon them by law and since no statutory provision is made for the return of money collected, as in this case, the commissioner could not legally return the money. However, the court ordering the sale of the notes retained jurisdiction to set the sale aside upon a failure of consideration by reason of the equitable principles involved. The purchaser should seek his remedy along equitable lines rather than at law.

4. No. It is well established that, where a deed has been duly delivered, the fact that the grantee allows it to remain in the custody of the grantor will not invalidate it. Where the formality of the delivery of a deed with the intent of making the same an immediately effective conveyance has been gone through with by the parties thereto, the fact

that, after such delivery, the grantor retains possession of the deed for purposes of its safekeeping does not affect the validity thereof as accomplishing a present transfer of title.

5. No. He is indebted to the bank commissioner for the full amount of the loan. The purpose of the statute forbidding banks to loan any individual an amount aggregating a certain percentum of the capital stock and surplus is to protect the interests of stockholders and creditors, not those of borrowers. The statute does not say such excessive loans are void and unenforceable. It would be against public policy to deny recovery of all the money actually received by Gordon even though part of it was an excess loan.

6. No. In case of a deposit of fiduciary funds to the credit of the depositor, if the bank has no notice or knowledge of the fiduciary character of the funds, according to the prevailing view, it is not deprived of the right to apply the deposit to the individual indebtedness of the depositor. This is the rule in Illinois. If the suit was such that it could have been filed in the federal court or if the facts were laid in some other state, the answer might have been otherwise. The reason for the federal rule, and the rule in some other states, is that Williams could recover because the bank did not change its position as a result of or on the faith of the deposit, and therefore no superior equities were raised in its favor.

7. Yes. The words "payable on return of this certificate properly endorsed" logically mean and necessarily imply that the instrument is payable to the depositor or to her order and accordingly the statutory requirement in question is satisfied. Furthermore there was no specification of a certain payee. The bank agreed to pay the person presenting the certificate providing it was properly endorsed and it would seem that it intended that the certificate be negotiable.

8. Yes. The trustee will not be permitted to offset the loss against the gain. The gain belongs to the estate. The loss is a personal matter chargeable to the trustee on account of his negligence. The trustee will not be allowed to profit per-

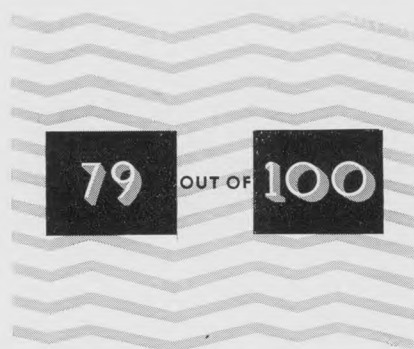
sonally by the rightful property of the estate. A trustee cannot offset a loss for which he is liable by a gain belonging not to him but to the beneficiary.

9. No. The deposit of the bond constituted a bailment and did not constitute a trust matter because the title to the bond did not pass. There was no intention that it should. If a trust had been created a liability on the part of the directors might have been created although this is not certain. In any event, in the present case the directors were not

NOW 79 OF THE 100 LARGEST

BANKS in the United States

use La Monte Safety Paper for their checks—a gain of six leaders since January.



More and more banks are changing to La Monte for its safety, durability and distinction.

George La Monte & Son,
61 Broadway, New York
City. Also branch offices in
Chicago, Cleveland, Kansas
City, St. Louis, Atlanta, Dallas,
San Francisco, and Baltimore.

LA MONTE NATIONAL SAFETY PAPER
FOR CHECKS • Identified by wavy lines

What Do You Want?

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

POSITION WANTED: By young lady who has had six years' experience in country banking. Duties and positions have been those of teller, bookkeeper, stenographer, general bank work and assistant cashier for two years. Four years' active experience with a loan company handling farm loans through the Federal Intermediate Credit Bank. Also two years' experience as a legal stenographer. Twenty-six years of age. Desires position with a chance for advancement. Address G. T. M., care Mid-Continent Banker, 6-31.

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.

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.

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

SITUATION WANTED: Have had ten years' stenographic experience in city bank. Address L. M., care Mid-Continent Banker, 9-31.

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: 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.

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.

WANTED: Connection with a southern bank in a city of 15,000 or more. Have had twenty-five years' experience in large city bank. Will consider buying working interest or will help organize new bank. Address K. T., care of Mid-Continent Banker, 8-31.

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.

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.

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: To buy interest in a good bank carrying executive position, town 500-and-up population, or will take control stock in bank of \$15,000 to \$25,000 capital in organizing a new bank in a good town now without a bank. I have had 25 years' bank experience in all departments of country banking. Best of references. Address X. Y. Z., care Mid-Continent Banker, 10-31.

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

POSITION WANTED: Young man 33 years of age, married, nine years' practical experience in general banking, wishes to make connection with a progressive and growing bank where there is a chance for advancement. Address H. R. G., care Mid-Continent Banker.

Adelott's agents; their only liability to her would have to be based on deceit or deception, which did not exist, rather than negligence. The directors of a bank, in the absence of a statute to the contrary, are not liable to the depositors for negligence. It is to be noted that there is a distinction between the liability of directors to stockholders and their liability to depositors.

10. Yes. Where a deposit is made in a bank with a distinct understanding that it is to be held by the bank for the purpose of furthering a transaction between the depositor and a third person, or where it is made under such circumstances as give rise to a necessary implication that it is made for such purpose, the deposit is impressed with a trust which entitles the depositor to a preference over the general creditors of the bank where it becomes insolvent while holding the deposit.

New Chemical Branch Office in Waldorf-Astoria Hotel

The Chemical Bank and Trust Company, New York, has opened its new office in the Waldorf-Astoria Hotel, bringing together two old institutions with backgrounds of fine tradition and records of consistent progress.

The Chemical Bank, throughout its 107 years of operation has shown a gradual and wholesome growth. Founded in 1824, it has developed into an institution with total resources of over a half billion dollars. The statement of June 30th last showed a capital of \$21,000,000. Surplus of \$40,000,000 and undivided profits of \$4,260,926.38. Deposits amounted to \$379,776,335.54, with total assets of \$520,232,972.06.

The Chemical Bank's Waldorf-Astoria office, to which direct access is available from the lobby of the hotel, is a complete banking unit. Provision has been made for every banking and trust facility, safe deposit vaults on the street level, a Women's Department, night-depository facilities and other features for the convenience of its customers.

In addition to the new Waldorf-Astoria office, the Chemical has eleven branches located conveniently in Manhattan, and one in Brooklyn. The office at Lexington Avenue and 47th Street has been discontinued and its activities transferred to the new Waldorf office.

"It is better to be on the level than to climb upward on a crooked path."

Missouri Group Meetings Well Attended

IN spite of general business conditions and the press of affairs which it would seem might keep convention attendance down, the Missouri Group Meetings of the Missouri Bankers Association sailed on to new heights this year and passed into history with the final meeting in Macon, October 30. At several of the meetings new attendance records were set and the average attendance was over two hundred persons for each of the meetings. Convention places and dates for this year's meetings were: Group One, Macon, October 30; Group Two, Chillicothe, October 29; Group Three, St. Joseph, October 28; Group Four, Boonville, October 20; Group Five, Columbia, October 27; Group Six, Ironton, October 23; Group Seven, Springfield, October 22, and Group Eight, Joplin, October 23.

At each of the meetings Charles B. Mudd, hard working president of the Missouri Association, appeared and delivered a capable address before the convention. His remarks were well received and were timely and wise in their conception. With him was W. F. Keyser, long-time secretary of the Association, who fulfills the duties of that office with precision and deftness. Back of every successful meeting of Missouri bankers is the work of Mr. Keyser, and his activities were apparent in all of the Group Meetings this year, as was also the work of the various Group Chairmen and Group Secretaries. At each meeting place the bankers found a record attendance had been anticipated and every detail of a successful program had been attended to by the local bankers in charge. At most of the meetings musical talent had been provided to furnish entertainment and in every case an excellent luncheon divided the morning's business session from the work of the afternoon.

Conspicuous, also, this year, was the "Flying Squadron," that group of Association officials and bank and investment-house representatives who, during the period of the meetings, live in a special Pullman car and are transported from one meeting to the next in their temporary home. This special Pullman car has been in use for Missouri Group Meetings for many years, and advent and departure of the "Flying Squadron" at each meeting

is looked upon as a part of the regular program. In fact, it usually carries an important part of the program with it, this year including the apparatus for the "broadcasting" of a popular two-act play.

And that brings us to the programs of the various meetings, which it seemed were more attentively attended this year than usual. In fact the Group Meetings assumed a rather serious tone with many country and city bankers eager for the advice emanating from seasoned speakers, and many small groups of bankers gathering in convention halls to discuss—not golf—but banking.

Most of the Groups heard the Honorable S. L. Cantley, Commissioner of Finance of the State of Missouri, discuss the present banking situation and hand out his notes of warning mingled with stronger notes of optimism. At those meetings where Mr. Cantley could not be present, local speakers were substituted.

One of the most effective features of the various programs was the play, "Before and After," written and staged by G. V. Kenton, publicity director of the Mercantile-Commerce Bank and Trust Company in St. Louis, and chairman of the Missouri Bankers Association committee on Education and Public Relations. Mr. Kenton, in his play, emphasized the importance of a bank's conducting educational drives from the standpoint of both immediate return and future returns. His play had seven characters, was "broadcast" by "remote control" and came to the audience through loud speakers. All seven of the characters in the play appeared front stage after the production in the persons of G. V. Kenton and his aide, W. O. Crawford.

Bankers at all meetings awarded President Charles B. Mudd's address and applauded it loudly. Said Mr. Mudd in part:

"If there ever was a time in the history of banking in the United States when financial leadership was needed it is the present. High standards of business ethics, broadmindedness, sound judgment, vision, conservatism are needed today as never before. The banker must have an attitude of respect and reverence for that which represents the patient toil, the willing sacrifice, the self-im-

posed discipline of the people. This is a tremendous responsibility to be assumed by the bankers of America.

"From close study of present conditions in our own state we must conclude that one of the principal reasons for the high mortality rate which has prevailed during the past few years is that there have been too many optimists in the banking business.

Optimism is a virtue which makes a man a good fellow. Likewise it is a weakness which may make one a poor banker. Banks have suffered not only because bankers have been too optimistic but because often they have been too anxious to supply the credit needs of their immediate communities.

"It is unfortunate that one of the finest of all virtues has brought bankers to grief. Loyalty to one's neighbors is a high form of patriotism. Indeed, to extend reasonable credit to home enterprises is one of the obligations of every bank. But to protect its depositors against loss is an even greater obligation.

"The banker of today, however, must continue to have faith in his community, his state and his nation, but he must, more than ever, temper his courage with discretion and wisdom. He must also realize that he is only the custodian of the public's funds. So-called old-fashioned conservative banking has again come into its own and banks of recognized strength and good management are now reaping the benefit of past years of prudent and conservative methods.

New officers for the Groups include: Group Four, chairman, A. W. Nelson, president, Boonville National Bank, Boonville, secretary, C. D. Hayward, cashier, First National Bank, Kansas City; Group Five, chairman, W. O. Crawford, representative, Mercantile-Commerce Bank and Trust Company, St. Louis, secretary, B. C. Hunt, cashier, Columbia Savings Bank, Columbia; Group Seven, chairman, W. T. Harlin, active vice-president, First National Bank, West Plains, secretary, W. L. Cowden, president, Southern Missouri Trust Company, Springfield; Group Eight, chairman, L. P. Kelly, vice-president, Bank of Neosho, secretary, G. W. Weatherly, cashier, First National Bank, Jasper.

A First Glimpse of Japan

(Continued from page 11)

ter in my life, waking up early in the morning to find the sun streaming in from the garden.

A few nights later, at Beppu, on the southern island, we had the pleasure of having dinner at the home of another Japanese student, Kato, whom we had met through our Tokio friend. We taxied to his home out in the hills, four Americans in an American car, but wearing Japanese clothes at Kato's request.

(Travel is simple in Japan—your yadoya furnishes you a kimono you can wear all day and all night, and a clean one will be ready for you in the morning as well as a clean toothbrush.)

We were met at the front door by Kato's aunt, at whose home he was living. She bowed very low and greeted us in Japanese. Behind her were a sister and several cousins. Putting on slippers we entered and had tea, sitting on little cushions in the dining room. The women did not have dinner with us, which followed an hour's stroll through the gar-

den and town. Kato's father sat on a mat at one end of the room, and several more cousins arrived, so it was a family party and most enjoyable. None of them, except the student, could speak English, but a smile is universal language, and a lifted cup means "to your health."

"My father has never before drunk toasts with Americans," Kato explained, "nor have my cousins. They are most pleased to eat and drink with you."

The food was on little individual tables in front of each cushion. I managed the fish and soup quite easily, but when it came to lobster, having nothing but chopsticks, there was only one thing to do and that was American picnic style, which seemed to cause much amusement. Perhaps it was that breach of etiquette, or perhaps one of us failed to respond quickly enough to a toast, as a little later Kato remarked, "Americans aren't as polite as the Japanese."

Perhaps he was right, despite that remark! Anyway we all enjoyed the evening, and when we all bowed and said "sayanora" at the door, Kato and one cousin walked to the cab with us, singing at the tops of their voices "Drink to dear old Maine," all done with good Japanese accent.

A week later, back in Tokio, we attended a very formal tea at the home of Baron Mitsui, one of the five great financiers of Japan. Here in a tremendous American-style house, with a beautiful garden around it, we were entertained delightfully. But the little home at Beppu had the charm of Old Japan and I was glad to learn that Baron Mitsui himself had a simple but beautiful Japanese-style home where he lived most of the time, keeping up this great foreign-style show place for the comfort and convenience of friends.

So Japan has learned to combine the new with the old, and the Japanese haven't forgotten the old philosophy of the Orient that the things which surround one are far less important than the living of life itself.

☐ **Resources** of more than \$214,500,000 are shown in the September 29 statement of condition of the National Shawmut Bank of Boston. Deposits are listed at more than \$160,200,000.

☐ **National City Bank** of New York resources, as shown by the September 29 statement of condition, are more than \$1,802,000,000. Deposits are more than \$1,382,000,000. Capital, surplus and undivided profits exceed \$226,600,000.

Thorough Investment Analysis

calls for many kinds of
specialized knowledge

It utilizes the work of the economist, of the man who specializes in forecasting the effect of the broad economic forces of business activity, money rates, gold supply, foreign trade, etc. It utilizes the work of the man familiar with the commodity markets—the price movements of grains, textiles, metals, fuels—every basic commodity. It utilizes the work of the practical student of sales conditions, purchasing power, advertising and credit conditions. It utilizes the services of the industrial engineer, the electrical engineer, the chemist, the expert accountant and the legal advisor. It utilizes the services of the man who is acquainted with the peculiarities of many individual stocks.

The Brookmire Bankers Service is a sound interpretation of the key forces which retard or accelerate the movement of business activity and security values.

The fee for this service for an entire year, in many cases, does not exceed the price fluctuation of your holdings for a single day.

*For a further description of the
Brookmire Bankers Service, address
Department MCB 17*

Brookmire Economic Service
INCORPORATED

551 Fifth Avenue

New York City

National Credit Corporation Directors

(Continued from page 14)

president, First and Merchants National Bank, Richmond.

District 6—John K. Ottley, president, First National Bank, Atlanta.

District 7—George M. Reynolds, chairman executive committee, Continental Illinois Bank and Trust Company, Chicago.

District 8—Walter W. Smith, president, First National Bank, St. Louis.

District 9—Edward W. Decker, president, Northwestern National Bank, Minneapolis.

District 10—W. S. McLucas, chairman, Commerce Trust Company, Kansas City.

District 11—Nathan Adams, president, First National Bank, Dallas.

District 12—Frank B. Anderson, chairman, The Bank of California National Association, San Francisco.

Officers of the **National Credit Corporation** are:

President, Mortimer N. Buckner, chairman of the board, The New York Trust Company, New York City; vice-presidents, Daniel G. Wing, chairman of the board, The First National Bank of Boston, and Walter W. Smith, president of the First National Bank in St. Louis; secretary-treasurer, Nelson S. Dearmont, assistant vice-president, The New York Trust Company. George M. Reynolds, chairman of the executive committee of the Continental Illinois Bank and Trust Company, Chicago, is chairman of the board of the **National Credit Corporation**.

Legal Questions

(Continued from page 17)

gressed. The company sent a \$12,000 check to a nearby bank with instruction that the proceeds should be deposited in escrow and paid out in accordance with the agreement. The bank failed after some work had been done on the oil well but before any payments had been made from the escrowed fund. It was claimed by Arthurs and the company that they were entitled to a preferred claim against the receiver for the bank for \$12,000. Are they correct?

Haffner Named Executive Vice-President

J. E. Otis, cochairman of the board of directors, announces the appointment of Charles C. Haffner, Jr., as

executive vice-president of the Central Republic Bank and Trust Company, Chicago.

Mr. Haffner, who since January, 1927, has been vice-president and cashier of the Central Republic Bank and Trust Company, came to the bank in 1924 from the Buffalo Trust Company of Buffalo, New York. He is a graduate of Yale University, and served overseas during the World War as Major of Field Artillery.

Mr. Haffner was also Fuel Administrator during the fuel crisis in the City of Buffalo in 1922, under the appointment of Governor Miller.

G. Lyle Fischer Is Now Back in Chicago

G. Lyle Fischer, who, during the past year, has been Eastern Representative of Central Republic Bank and Trust Company, Chicago, with offices in New York City, has returned to Chicago as assistant vice-president in charge of the Service Department of the Banks and Bankers Division.

Mr. Fischer has been succeeded by George J. Smith as Eastern Representative in New York.

Guaranty Trust Company of New York

140 Broadway

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement, September 30, 1931

RESOURCES

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers.....	\$ 350,183,511.56
U. S. Government Bonds and Certificates.....	333,449,818.01
Public Securities.....	40,489,515.35
Stock of the Federal Reserve Bank.....	7,800,000.00
Other Securities.....	37,722,809.53
Loans and Bills Purchased.....	831,796,256.10
Real Estate Bonds and Mortgages.....	1,168,876.07
Items in Transit with Foreign Branches.....	9,642,504.34
Credits Granted on Acceptances.....	79,756,335.51
Bank Buildings.....	14,611,731.29
Accrued Interest and Accounts Receivable.....	10,963,513.51
	\$1,717,584,871.27

LIABILITIES

Capital.....	\$ 90,000,000.00
Surplus Fund.....	170,000,000.00
Undivided Profits.....	38,454,590.33
	\$ 298,454,590.33
Accrued Interest, Miscellaneous Accounts Payable, Reserve for Taxes, etc.....	8,688,206.35
Agreements to Repurchase Securities Sold.....	2,854,000.00
Acceptances.....	79,756,335.51
Liability as Endorser on Acceptances and Foreign Bills.....	47,089,685.81
Deposits.....	\$1,223,445,462.36
Outstanding Checks.....	57,296,590.91
	\$1,717,584,871.27

Advertising Expert Lists Five Business Needs

"These are times when Management must determine whether its workers are idle because of the general business situation or because it has not solved its own problem of making and selling the right goods in the right way."

This is the viewpoint which Carroll D. Murphy, of Carroll Dean Murphy, Inc., advances in the leading article in the current issue of the Illinois Journal of Commerce Magazine.

"Looking towards the upgrade in business, there are five things to which every manager should largely apply himself," says Mr. Murphy:

1. Get his budget in balance.

2. Get a perspective on the business situation.

3. Select his markets in terms of buying power.

4. Reconsider his product in all its relations to trade and consumer.

5. Reconsider and concentrate on his marketing and advertising.

"Advertising now has a twofold meaning. It refers not only to the advertisements that must energize present buying power, but also to experienced outside counsel which develops an advertisable proposition before it applies the force of advertising.

"In this sense, advertising comes very close to management in its present need. With such difficult matters as markets, buying power, size

and appearance of product and package, quality, price, and trade cooperation—with scouting, surveys, plans, objectives, preparedness, unity of sales attack—professional outside advertising counsel concerns itself more effectually than any other force in business."

Hennings Now President of Trust Company Division

Thomas C. Hennings, vice-president of the Mercantile-Commerce Bank and Trust Company, St. Louis, was elected president of the Trust Company Division of the American Bankers Association at the recent annual convention held in Atlantic City.

Judge Hennings, as he is known to his intimate friends, is a former judge of the Circuit Court in St. Louis, having served in that capacity for five years prior to accepting a vice-presi-

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WILL BE MAILED REGULARLY UPON REQUEST

G M A C obligations

enjoy the protective background of highly liquid assets, with credit factors widely diversified in region and enterprise. Long regarded as a national standard for short term investment, they have been purchased by individuals, institutions and thousands of banks the country over.

*available in convenient maturities and
denominations at current discount rates*

GENERAL MOTORS ACCEPTANCE CORPORATION

OFFICES IN PRINCIPAL CITIES

Executive Office - BROADWAY at 57TH STREET - New York City

CAPITAL, SURPLUS AND UNDIVIDED PROFITS
OVER \$80,000,000



THOMAS C. HENNINGS

dency at the Mercantile Trust Company in 1918. He was graduated in law at Washington University, St. Louis, in 1899 and practiced his profession for thirteen years before being elected a judge.

Two other St. Louisans have served as presidents of the Trust Company Division of the American Bankers Association—the late Festus J. Wade and Breckinridge Jones.

Todd Company Announces New Speed Protectograph

The Protectograph Division of the Todd Company, Rochester, N. Y., has announced a new "Protectograph" of interest to banks and business firms

who write dividend and pay-roll checks in quantities.

The new machine is known as the "Todd Blue Streak Protectograph." It is entirely new in appearance and design and produces a ribbon-imprinted and shredded amount line at an average speed of 1,200 checks an hour. The machine is electrically operated and an electrically driven belt carries the checks into the machine, automatically registers them into correct position, and, as they are imprinted with a touch of a trip bar, ejects them into a metal receiver where they are stacked.

Retired St. Louis Banker Dies Suddenly

David C. Biggs, former governor of the Federal Reserve Bank of St. Louis, died suddenly last month at his home in St. Louis following a heart attack. Mr. Biggs had retired



Strauss Portrait

DAVID C. BIGGS

from active business in January, 1929. He was sixty-five years old.

Educated in rural schools and in a business college at Quincy, Illinois, Mr. Biggs, at the age of 21, went to work as clerk in a bank at Curryville, Missouri. Coming to St. Louis in 1891, he entered the employ of the Merchants' National Bank, subsequently the Merchants-Laclede, a component of the present Mississippi Valley Trust Co.

In 1899 he became cashier and credit man of Roberts, Johnson & Rand Shoe Co. and he was treasurer of the International Shoe Co., formed by the merger of this and other shoe manufacturing firms, when he was elected in 1919 as governor of the Eighth Federal Reserve District.

Mr. Biggs was at the head of the reserve bank in the postwar period of adjustment. The \$4,000,000 bank building and three branches costing \$1,000,000, were built during his incumbency. His predecessor in the bank was Rolla Wells and his successor is William McC. Martin.

Another Missouri Bank Takes Steps to Foil Bandits

After experiencing two daylight holdups, the Meramec Valley Bank of Valley Park, Missouri, has installed the same form of protective equipment as that being used by the Normandy State Bank, Overland State Bank, Bank of Manchester, Bank of

Eureka, Wellston Trust Company and others in the St. Louis district.

The protection is incorporated in the bank's fixtures and offers protection on all sides and at the top as well as at windows and doors. Bullet-resisting glass and patented bronze speaking apertures and deal trays and certex steel plate protect all openings and the back of all woodwork, thereby erecting a barrier between the officers and employees of the bank and any bandits who might attempt to make a holdup.

The bullet-resisting equipment was installed by The J. H. Wise Company, Inc., protection engineers, St. Louis.

Nothing is politically right which is morally wrong.—Daniel O'Connell.

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IT is the belief of the sponsors that these new series comply in every respect with the highest standards of fixed trust operation, and combine new features which should place them in an even stronger position of leadership than that enjoyed by the original series of CORPORATE TRUST SHARES.

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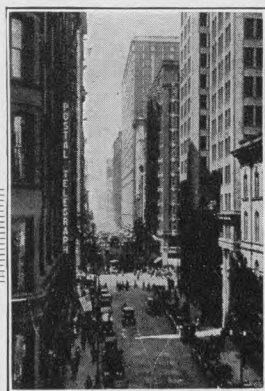
SMITH, BURRIS & CO.

Central Syndicate Managers

120 SOUTH LA SALLE STREET, CHICAGO
DETROIT NEW ORLEANS OMAHA

Olive Street Notes

By JAMES J. WENGERT



Photograph
Copyright
W. C. Persons

¶ Herman Duhme, of D'Oench, Duhme & Co., Inc., and Kelton White, of G. H. Walker & Co., are in charge of transportation arrangements for St. Louis members of the Investment Bankers Association of America who will attend the twentieth annual convention of the Association at White Sulphur Springs, West Virginia, November 7 to 11. The special convention train leaves St. Louis over the Big Four route at 12:12 p. m., Friday, November 6. It is estimated that about fourteen St. Louis investment bankers will make the trip.

¶ A. G. Edwards & Sons announce the association of Charles L. Stone with that firm.

¶ Announcement has been made of the organization of the firm of Wibbing, Goldman & Co. to deal in investment securities. Offices have been established in the Boatmen's Bank Building. Oscar H. Wibbing and I. D. Goldman are the members of the firm. Ames, Emerich & Co., Inc., are correspondents.

¶ Just as this issue goes to press news is received of the death of Oliver J. Anderson, of Oliver J. Anderson & Co. Mr. Anderson was killed in an automobile accident while on a duck-hunting trip.

¶ G. E. Barrett & Co., Inc., announce the appointment of James E.

Wesseling as resident manager and J. H. Bruce as retail sales manager in charge of the St. Louis district office, and G. H. Unruh as representative in northern Missouri.

¶ Horrible examples of ruined government credit abroad should awaken the American people to dangers at home, for our own Federal government now has the largest budget deficit of any nation in the world, says Frazier Jelke & Company in an investment survey released last month. Revenues are being decreased \$250,000,000 a year by the world debt holiday plan and statisticians figure that the surplus of Federal expenditures over revenues for the current fiscal year easily may reach a billion dollars.

"If there is another budget deficit," says the survey, "it will result from the unwillingness of Congress and of the Administration to increase tax burdens until business improves. Opinion in Washington at this time is that the deficit should be made up through the sale of additional government bonds rather than by taxation. Most Congressmen feel that the national debt was retired very rapidly during the late prosperity, and that some reaccumulation in this emergency is reasonable. An important government official is said to have remarked that the government can sell enough bonds 'at a price' to balance the budget. The inference is that, if the deficit is made up through a big bond issue, United States government bonds probably will decline in price.

"No private corporation could borrow to make us deficits year after year without damage to its credit. If the United States government continues to increase the national debt annually, government credit will suffer, government bonds will decline in price, and it will be increasingly difficult to do. No serious damage to national credit need accrue from the temporary funding of a deficit of one hundred million or two hundred million dollars; but to fund a deficit of a billion dollars year after year is another matter. The policy, if persisted in, might bring about in this country a state of affairs similar to that now existing in the financial affairs of numerous foreign nations."

"The outstanding cause of the business demoralization," in the opinion of Frazier Jelke & Company, "is the unprecedented burden of international, national, Federal, state, municipal, corporate, private and personal debt, the repayment of which has been made increasingly difficult by the continuous decline in commodity price levels."



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from \$5,000 to \$25,000

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For years the officers of Cody Trust Company have had the experience of selecting and making individual first mortgages for a number of leading Life Insurance Companies. At the present time we represent eight large companies as loan agents in this territory.

The greatest responsibility of these companies is the safe investment of their cash resources. They choose their mortgage loan correspondents in cities distant from the home office with great care and after the strictest investigation as to character and reliability of these organizations.

We have on hand for our retail and wholesale clientele a list of mortgages ranging in amount from \$5,000 to \$25,000 secured by well-located residential, apartment and business properties similar to the type selected by our various insurance companies. The mortgages are suitable for individuals, estates and trust funds. A discount will be allowed bankers and dealers on the purchase of these mortgages.

CODY TRUST COMPANY

105 SO. LA SALLE STREET

Randolph 6600

CHICAGO

Some Pointers for Your Farm Customers Who Feed Hogs

(Continued from page 9)

Foreign lard demand is rapidly weakening. Our own domestic consumption is low. These factors are now resulting in increasing amounts of pork and lard storage. Not yet are they great (being less than a five years' average), but they are now greater than a year ago. Consequently prices for pork and pork products are falling, and this may tend to check the expansion of hog production for 1932, which is now freely predicted.

When corn prices drop, hog production increases and generally by the time this increased amount of pork is marketed, conditions have changed whereby corn prices have improved. In the fall of 1924, I believe, corn was worth locally one dollar a bushel and farmers at low prices rushed their hogs to market, some of which were only pigs. A year later corn was selling at a much lower price and hogs had rapidly advanced.

The individual producer this month can breed an increased number of sows to farrow next spring or late winter. If market conditions are encouraging this program can be carried to completion. If it seems advisable to curtail production, then any number of these bred sows can be marketed before serious dockage results. In addition it is possible on 80 per cent of the farms where hogs are produced for market, to considerably lower costs of production. Type, housing, care, feeding, sanitation and disease prevention are the big factors in marketing profitable pork.

Today those swine growers who have carefully followed the results of experiment stations, who have kept in close contact with successful swine men who use their country agricultural agent, and most important of all, who actually practice what they learn or already know are the successful producers of pork. Now, on many farms you will find a type of hog not too rangy nor too chuffy, but one that gains rapidly. The dam of this litter before farrowing was kept in good condition by proper exercise and a correctly balanced ration. At farrowing time she had been scrubbed with soap and water to remove all clinging roundworm eggs. Her farrowing pen had been scrubbed with hot water also to remove worm eggs. Clean bedding had been provided. The pigs were born in a clean pen, suckled clean teats and were kept in a clean place until haul-

ed to a clean pasture. Before grown they had been vaccinated for the prevention of cholera and possibly also for lung and intestinal diseases. The owner of these pigs in addition to corn, ground oats, cracked wheat or other grain feeds, was probably feeding skim milk or some high protein mixture. He was also providing one or two simple minerals that might be deficient in the ration. His forage pasture included either alfalfa, rape or clover. Frequently, probably daily, he counted the herd to see that none were missing. A sick pig was detected the day trouble became noticeable. Plenty of clean drinking water was available and shelter always provided.

To follow approved practices in reducing costs of production means not only much thought, care and labor, but also some outlay in the way of housing, fencing and feeding equipment. Prevention of disease is also an expense. At best there are some losses of pigs at farrowing time. Consequently just how far hog prices can drop before marketing corn as pork becomes unprofitable, is a question. The writer has been on some farms where 20-cent corn fed to hogs worth

five cents or even ten cents per pound, would have been unprofitable. Among many old hog-men there is a rule that one-dollar corn can profitably be fed to ten-cent hogs. This ratio today would indicate that twenty-cent corn could make profitable pork at two cents per pound. Some feeders could do it, others would fail.

Under present conditions farmers must keep in close touch with market supply and demand. If economic conditions show no improvement, hog expansion should be discouraged. This statement seems unnecessary. However, many farmers either do not look ahead or know not how or where they can keep in touch with the pork and lard storage situation, and the export conditions. The tendency now is to greatly expand hog production in 1932. Under conditions as of October first this should not occur if the sale of pork is to continue to show a profit.

☐ Resources of the First National Bank of Philadelphia, as shown by the September 29 statement of condition, are more than \$85,667,000. Deposits are more than \$71,695,000.

Novel Checking Plan Operating Successfully

AN ingenious plan for handling checking accounts for students of Washington University located in University City, Missouri, has been adopted by the University City Bank and Trust Company. The plan involves the issuing of student checks, similar to traveler's checks, which are self-identifying by means of countersignatures.

The checks, which resemble traveler's checks in appearance, are issued to anybody applying for them in books of \$50 each. The checks are all in \$5 denomination. An advertising drive to secure this form of account with students has proved quite successful as the plan is more satisfactory to the student as well as the bank. In case of loss or theft the checks are of no value to the holder unless they are properly countersigned. Any losses the bank might sustain because of forged signatures are covered by insurance. Another advantage for the user of these checks is their immediate acceptability by merchants in the St. Louis area. No longer are students put to the trouble of establishing credit in the many stores in which they trade and no

longer must the merchant take the risk of accepting a bad check.

Student checks cost \$0.25 for \$50 worth or less, and \$0.05 for each ten dollars' worth in excess of fifty dollars. This charge of one-half of one per cent is far more economical to the small depositor than a regular checking account.

This plan is distinctly advantageous to the bank. It completely eliminates the issuing of many small checks and the possibility of overdrafts. While the actual charge for the service is actually less than that on a checking account the difference is more than made up by the lessened amount of work in the bank. Also it has been found that many students who receive an allowance to cover their entire school semester buy several hundred dollars' worth of these checks and make it a really profitable plan for the bank, as the checks are cashed slowly over a period of a half year.

When merchants were informed of this plan by letter and their cooperation asked, they responded immediately by giving it their hearty approval.

Listed Bonds

We are prepared to furnish accurate quotations, and prompt executions of buying or selling orders for listed bonds.

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



Francis, Bro. & Co.

Established 1877

Investment Securities

Fourth & Olive Streets
ST. LOUIS

Kennedy Building
TULSA

CURRENT QUOTATIONS

On 100 Unlisted Bonds as of October 30, 1931

FURNISHED BY EDWARD D. JONES & COMPANY
ST. LOUIS, MISSOURI

Security		Bid	Asked	Security		Bid	Asked
Amer. States Pub. Serv., 5½s, 1948	60	61	Pac. N. W. P. S., 6s, 1940	45	45		
Ashtabula Water, 5s, 1958	85	90	Peabody Coal, 5s, 1953	45	47		
Atlanta Laund., 6½s, 1943	70	75	Port. Gen. Elec., 4s, 1953	86	89		
Bloom. Dec. & Champ., 5s, 1940	69	73	Pub. Serv. of Colo., 6s, 1946	80	83		
Carbide & Carbon Bldg., 6s, 1940	55	60	Pub. Serv. Northern Ill., 5s, 1932	98	99		
Cecil Apts., 7s, St. Louis	20	25	Pub. Serv. Nort. Ill., 5s, 1956	98	99		
Centr. Gas & Elec., 5½s, 1946	53	55	Quincy Rwy., 5s, 1932	97	99		
Cent. W. P. S., 7s, 1932	78	84	Rwy. Exp. Agen., 5s, 1937	95	97		
Chicago Even. Amer., 6s, 1943	73	75	St. Louis Spring. & Peoria, 5s, 1939	70	75		
Cities Service, 5s, 1958	44	47	Sioux City Gas & Elec., 5s, 1950	94	96		
City & Sub. P. S., 5s, 1934	46	50	Sout. Cities P. S., 6s, 1939	38	40		
City Ice Co. K. C., 6s, 1940	45	55	Southern Ice & Util., 5½s, 1932	60	65		
City Lt. & Trac., 5s, 1952	68	72	Stand. Tel., 6s, 1938	63	66		
Com. Edison, 3½s, 1932	98	99	Toledo Lt. & Pr., 5s, 1932	95½	96½		
Comm. Water Service, 6s, 1946	50	60	United Pub. Util., 5½s, 1947	47	48		
Coronado Hotel, 6¼s 6½s	25	35	United Pub. Util., 6s, 1947	50	54		
Corp. Sec., 5s, 1933	57	60	Wash. Gas & Elec., 6s, 1960	55	58		
Cudahy, 5s, 1946	100	101	Wayne Pump, 6s, 1948	38	42		
Cudahy, 5½s, 1937	84	85	Western Power Lt. & Tel., 6s, 1940	60	65		
Dallas Pr. & Lt., 6s, 1949	103½	105½	Western Union Gas & Elec., 5½s, 1955	96	97		
Denver Union Stock Yds., 5s, 1946	98½	100	Rudolf Wurlitzer, 6s, 1938	78	81		
Fed. P. S., 6s, 1947	45	48	Yellow Mfg. Accept., 6½s, 1934	97½	98½		
Fox St. L., 6½s, 1932	16F	18F	Chicago Tax Warr., 6s, 1929-30	95	100		
Godchaux, 7½s, 1941	89	94	Little River D. D. Missouri, 5½s	18F	25F		
W. F. Hall Print., 5½s, 1947	76½	77½	Atlanta J. S. L. B., 5s	30	35		
Hotel Lennox, 6s, 1940	20	25	Bankers J. S. L. B. Cts., 5s	30	35		
Houston Gas & Fuel, 5s, 1932	60	70	Calif. J. S. L. B., 5s	63	68		
Hussman Lig., 6s, 1939	47	50	Chicago J. S. L. B., 4½s	35	40		
Ill. Ken. Bridge, 6½s, 1947	18F	25GF	Chicago J. S. L. B., 4¾s	37	42		
Ideal Cement, 5s, 1943	97	99	Chicago J. S. L. B., 5s	40	45		
Ill. Comm. Tel., 5s, 1960	83	85	Dallas J. S. L. B., 5s	47	50		
Ill. Pr. & Lt., 5s, 1956	84	85	Denver J. S. L. B., 5s	56	58		
Ill. Pr. & Lt., 6s, 1953	94	95	Des Moines J. S. L. B., 5s	41	44		
Ind. Cent. Tel., 5½s, 1948	76	81	Fed. Land Bk. Omaha, 4½s, 1942	85	90		
Iowa Rwy. & Lt., 5, 1946	92	95	First Carolinas J. S. L. B., 5s	28	30		
Iowa South Util., 5½s, 1950	87	88	First Fort Wayne J. S. L. B., 5s	64	68		
Jersey Cent., 4½s, 1931	86	87	First Montgomery J. S. L. B., 5s	45	50		
K. C. P. S., 6s, 1951	33	36	First New Orleans J. S. L. B., 5s	35	40		
Lex. Tel., 6s, 1944	75	77	First Texas J. S. L. B., 5s	44	47		
Long. Bell Lbr., 6s, 1942-3-6	22	23	Fletcher J. S. L. B., 5s	84	92		
Louisville Gas, 6s, 1937	101	103	Fremont J. S. L. B., 4¾s	46	50		
Mengel, 7s, 1934	75	80	Fremont J. S. L. B., 5s	49	53		
Minn. Gen. Elec., 5s, 1934	99¾	101	Ill. Monticello J. S. L. B., 5s	75	85		
Miss. Ill. Bridge, 7s, 1946	35	37	Louisville J. S. L. B., 5s	49	51		
Mo. Pub. Serv., 5s, 1947	72	75	N. Y. J. S. L. B., 5s	39	42		
Mons. Chem., 5½s, 1942	98	100	Oregon Wash. J. S. L. B., 5s	36	38		
Nat'l Gas & Elec., 5½s, 1953	30	35	Phoenix J. S. L. B., 5s	56	60		
Nevada Calif. Elec., 6s, 1941	90	95	St. Louis J. S. L. B., 5s	30	32		
New Jefferson Hotel, 6s, 1942	65	75	Southern Minnesota J. S. L. B., 5s	19	23		
New York Water Serv., 5s, 1951	86	89	Southwest J. S. L. B., 5s	32	36		
Okla. Pr. Hodl., 5¼s, 1943	95	98					

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

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St. Louis Stock Exchange Transactions

	Par Value	October 20 Sale Price	Month's Range of Prices		Sales for Month
			Low	High	
Boatmen's Natl. Bank	100	147	147	160	165
First National Bank	20	53	52	54	1507
Franklin-American Trust	100	.....	130	130	1365
Mercantile-Com. Bank & Tr. Co.	100	155	146	165	1038
Mississippi Valley Trust Co.	100	.....	175	175	10
St. Louis Union Trust Co.	100	.....	400	400	61
United Bank & Trust	100	.....	110	110	10
American Inv. "B"	No Par	.....	6	7	450
Berry Motor	No Par	.....	10	10	30
Brown Shoe, Pfd.	100	.....	118½	119	166
Brown Shoe, Com.	100	36⅝	35	39	871
Burkart Mfg., Pref.	No Par	.....	10	10	495
Burkart Mfg., Com.	No Par	.....	2¾	2¾	30
Century Electric Co.	100	.....	60	60	3
Coca-Cola Bottling Co.	1	.....	16¼	20	1377
Consolidated Lead & Zinc, "A"	No Par	.....	1	1½	495
Corno Mills Co.	No Par	17	16½	19½	757
Curtis Mfg., Com.	5	.....	9	10	15
Dr. Pepper, Com.	No Par	.....	19	25	175
Elder Mfg., 1st Pfd.	100	.....	104¼	105	55
Elder Mfg., "A"	100	.....	57¾	58	200
Elder Mfg., Com.	No Par	.....	12	13	565
Ely & Walker Dry Goods, 1st Pfd.	100	.....	84	84	10
Ely & Walker Dry Goods, Com.	25	12	12	12	1361
Globe-Democrat, Pfd.	100	.....	110	110½	10
Hamilton-Brown Shoe	25	.....	3	3½	285
Hussmann-Ligonier	No Par	.....	2	2	100
Huttig S. & D., Pfd.	100	.....	25	25	10
Hydraulic Pressed Brick, Com.	100	.....	1½	1½	675
International Shoe, Pfd.	100	.....	106	109	325
International Shoe, Com.	No Par	44½	42	45½	4976
Johnson-S.-S. Shoe	No Par	21	19	23	465
Key Boiler Equipt.	No Par	.....	10	10	218
Laclede Gas Light, Pfd.	100	.....	95	95	10
Laclede Steel Co.	20	.....	14½	20	630
Landis Machine, Com.	25	.....	23½	25	155
McQuay-Norris	No Par	.....	34	38	683
Marathon Shoe, Com.	25	.....	5	5	20
Meyer Blanke, Pfd.	100	.....	78¼	78¼	25
Moloney Electric, "A"	No Par	.....	40	40	10
Mo. Portland Cement	25	.....	17½	20	4264
Natl. Candy, 1st Pfd.	100	.....	107	107	14
Natl. Candy, 2nd Pfd.	100	.....	96	97	39
Natl. Candy, Com.	No Par	13	13	16¼	6259
Nicholas Beazley Airplane	5	.....	75c	75c	150
Pedigo-Lake Shoe	No Par	.....	5	5	100
Pickrel Walnut	No Par	.....	6	6	80
Rice-Stix Dry Goods, Com.	No Par	.....	4	5	985
Scruggs-V.-B. D. G., Com.	25	.....	5	5	55
Scullin Steel, Pfd.	No Par	.....	3¾	4	440
Securities Inv., Pfd.	100	.....	104	104	100
Securities Inv., Com.	No Par	.....	25	25	100
Sieloff Packing, Com.	No Par	.....	15	15	50
Southwestern Bell Tel., Pfd.	100	116	110½	122	2601
Stix, Baer & Fuller, Com.	No Par	.....	10	13	586
St. Louis Pub. Serv., Pfd. "A"	No Par	.....	9½	9½	300
St. Louis Pub. Serv., Com.	No Par	1	1½	288
Wagner Electric, Pfd.	15	100¾	104	467
Wagner Electric, Com.	100	10½	9	11	6096

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Through Four Panics

IN the 37 years since its founding, Investors Syndicate has passed through four nation-wide depressions or panics with uninterrupted growth in resources. In 1930 and 1931 it continues its depression-proof progress.

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Capital, Surplus and Reserves
Over \$5,700,000

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FOUNDED 1894

MINNEAPOLIS

BALTIMORE - LOS ANGELES

MONTREAL

Secret Locks Are Installed by Two Mid-Western Banks

The new homes of the Fidelity National Bank of Kansas City, and the First National Bank of Oklahoma City, Oklahoma, will be the first institutions in their respective states to install Sargent & Greenleaf, Secret Key Changing Sealed Key Safe Deposit Locks.

This locking device, which was developed and perfected about eight years ago, is extremely popular in various parts of the country—many institutions both large and small have adopted this system as standard equipment.

The Secret Key Changing Lock is rather unique in many ways. It offers a degree of protection to both the bank and the box renter that is not to be found in the ordinary type of lock. It is simple in construction and easily operated. It is practically foolproof and the renter keys are shipped direct from the lock factory to the banks in sealed, tamper-proof containers so that the box renter himself is the first person to see or touch his keys after they leave the factory.

The Sargent & Greenleaf organization have been pioneers in the lock industry, having developed and perfected Time and Combination Locks

as well as Safe Deposit Locks to their present state of efficiency.

The First National and the Fidelity National Banks will also use the Sargent & Greenleaf Time and Combination Locks in their new vaults.

Hemingway Heads St. Louis Credit Organization

W. L. Hemingway, executive vice-president of Mercantile-Commerce Bank and Trust Company, has been elected chairman of the board of directors of the St. Louis division of the National Credit Corporation, the \$500,000,000 credit agency proposed by President Hoover. R. S. Hawes, vice-president of First National Bank

CHEMICAL BANK & TRUST COMPANY

165 Broadway, New York

STATEMENT OF CONDITION

At the close of business, September 30th, 1931

ASSETS

Cash and Due from Banks.....	\$86,658,404.19
U. S. Bonds and Certificates.....	78,228,844.01
Bankers' Acceptances and Demand Loans.....	47,703,809.77
Short Term Notes.....	19,914,606.56
State Bonds.....	7,178,098.54
Municipal Bonds.....	14,330,097.10
Other Bonds and Investments.....	4,414,425.01
Loans and Discounts.....	140,080,203.07
Banking Houses.....	1,549,169.69
Customers' Liability on Acceptances.....	39,722,846.98
Other Assets.....	3,419,449.45
	<u>\$443,199,954.37</u>

LIABILITIES

Capital Stock.....	\$21,000,000.00	
Surplus.....	40,000,000.00	
Undivided Profits.....	4,799,518.10	\$65,799,518.10
Reserved: Dividend, Taxes, Interest, etc.....	2,303,080.38	
Acceptances Outstanding.....	40,686,143.70	
Acceptances of Other Banks Sold with Our Endorsement.....	4,697,044.98	
Other Liabilities.....	546,169.48	
Deposits:		
Individuals.....	244,688,311.55	
Banks.....	84,479,686.18	<u>329,167,997.73</u>
		<u>\$443,199,954.37</u>

Charter Member New York Clearing House Association



W. L. HEMINGWAY

and head of the Clearing House Association, was elected vice-chairman, and R. R. Tillay, secretary of the Clearing House, secretary and treasurer.

The name of the St. Louis division officially will be: National Credit Association No. 1, of the Eighth Federal Reserve District. Its territory will comprise all that part of Missouri and of Illinois included in the Eighth Federal Reserve District and those sections of Arkansas, Indiana and Kentucky which have established banking relations with the head office, the St. Louis Federal Reserve Bank. Other divisions of the national corporation probably will be organized in the Eighth District in the branch cities of Louisville, Memphis and Little Rock.

A good home-maker must have executive ability, be a good purchasing agent, an economist, and somewhat of a chemist.—Mrs. Thomas A. Edison.

Oliver J. Anderson Killed in Automobile Accident

Oliver J. Anderson, president of Oliver J. Anderson & Co., St. Louis brokerage firm, was killed early Saturday morning, October 24, when an automobile in which he was riding



OLIVER J. ANDERSON

struck an embankment and overturned, pinning him under the machine.

Mr. Anderson was riding in a car driven by Harry Hall Knight, member of the investment firm of Knight, Dysart & Gamble, St. Louis. Other occupants of the car were Harold M. Bixby, president of the St. Louis Aviation Corporation, and Edgar M. Queeny, president of the Monsanto Chemical Works. None of the other occupants of the car were seriously injured.

The accident occurred about a mile west of St. Charles, Missouri, on U. S. Route No. 40, and it is thought that a broken steering rod caused the car to swerve into the embankment and overturn. The occupants of the car were on their way to the Cuivre Club in St. Charles County where they planned to shoot ducks.

Mr. Anderson was 37 years old and was the son of the late Lorenzo E. Anderson. He was born in St. Louis and was graduated from St. Louis University. During the World War he served as an ensign in the Navy, and on his return to St. Louis became associated with his father in Lorenzo E. Anderson and Company, an investment brokerage firm. He withdrew from the firm several years after the death of his father and

formed the Oliver J. Anderson & Company.

He is survived by his widow, Mrs. Jane Bemis Anderson; three children, Martha, 11, Jane, 8, and Oliver J., Jr., 3; and four sisters, Mrs. Edward Bakewell, Jr., Mrs. Robert Gross, Mrs. James Smith, and Sister Marie Lorenzo, of Misereicordi Hospital in Chicago.

Hibernia Bank Club Elects Officers

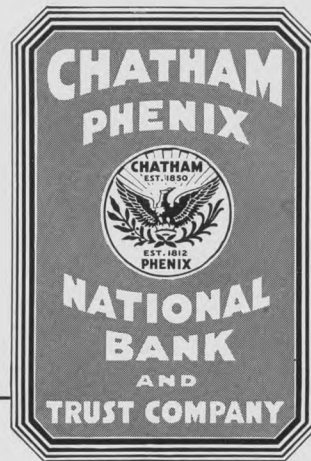
The annual election of officers of the Hibernia Bank Club, an organization composed of the staff of the Hibernia Bank and Trust Company, of New Orleans, was held last month.

William H. Keck of the bank's credit department was named president of the club for the ensuing year. Other posts filled were: vice-president, L. O. Lusch; secretary, Miss Beulah Colomb; treasurer, F. Ruiz.

New members elected to fill vacancies on the board of governors of the club were: William Bancroft, John Morgan, and T. J. Wallbillich.

The outgoing officials are: president, M. Maspero; vice-president, E. P. Schekeler; secretary, Miss Mae Lecler. The treasurer succeeded himself.

The Hibernia Bank Club includes in its membership all of the directors, officers and employees of the bank and the affiliated Hibernia Securities Company.



Charter Member New York Clearing House Association

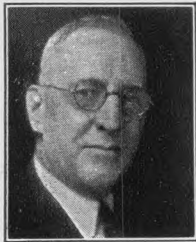
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Illinois Bank News



M. A. GRAETTINGER
Executive Vice-Pres.



PAUL S. ABT
President

OFFICERS ILLINOIS BANKERS ASSOCIATION: Paul S. Abt, vice-president, Southern Illinois National Bank, East St. Louis, president; Paul E. Zimmermann, president, Oak Park Trust and Savings Bank, Oak Park, vice-president; J. Stanley Weis, cashier, National Bank of Mattoon, treasurer; 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 PRESIDENTS: 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. Arthur Eidman, St. Clair National Bank, Belleville; 10. L. K. McAlpin, First National Bank, Metropolis; 11. F. U. Carlborg, State Bank and Trust Co., Evanston.

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. E. P. Easley, First National Bank, Springfield; 8. S. G. Smith, Neat, Condit & Grout, Bankers, Winchester; 9. W. C. Webster, First National Bank, Olney; 10. Ray M. Cook, First National Bank, Christopher; 11. Horace Holmes, First National Bank, Dolton.

☐ **E. N. Baty** announced his resignation last month as executive secretary of the Chicago and Cook County Bankers Association. Mr. Baty has served as active head of the local bankers' organization since June, 1922. His new duties are in an executive capacity with the Household Finance Corporation, the country's largest personal finance company.

☐ **Bullet-resisting** equipment has been installed in the lobby of the Bank of Dwight, Dwight, Illinois. The installation was made by The J. H. Wise Company, protection engineers, St. Louis.

☐ **The interior** of the building of the First National Bank of Mount Carmel, Illinois, is being redecorated.

☐ **The South Lombard Trust and Savings Bank** has taken over the business of the First Trust Bank of Lombard, Illinois.

☐ **The Merchants and Farmers Bank of Sullivan, Illinois**, has taken over the affairs of the Lovington State Bank of Lovington, Illinois. J. A. Webb is president of the Merchants and Farmers Bank and J. F. Gibbon, cashier.

☐ **M. J. Berg**, of Galena, Illinois, has been elected president of the Jo Daviess County Bankers Federation. Mr. Berg succeeds P. M. Rindesbacher, of Stockton.

☐ **Dr. James F. Reid**, sixty-eight, president of the First National Bank of Lebanon and chairman of the board of the First National Bank of East St. Louis, died last month after a long illness.

☐ **Plans for group study classes** of the Peoria County, Illinois, Bankers Association to be directed this win-

ter by Professor Loyal G. Tillotson were made at the first meeting of the Association last month.

☐ **J. M. Nichols**, president of the First National Bank of Englewood, Chicago, has sent us one of those interesting detailed statements of condition issued by his bank. This one, for September 29, divides the assets of the bank into two classifications—liquid and nonliquid. Total liquid assets are listed at \$5,522,486. Non-liquid assets are listed at \$836,515. The bank has a capital of \$200,000 and surplus and profits of \$766,215, making it an "honor roll" bank several times over.

☐ **Resources** of the First National Bank of Waukegan, Illinois, have been increased to \$5,212,970 according to the most recent statement. The reason for this huge increase of \$472,188 over the report of June 30 is in part the closing of two Waukegan banks.

☐ **Emilus C. Jewett**, head of the State Bank of Woodstock, Illinois, for the past fifteen years, died recently.

☐ **Deposits** in the six banks of Elgin, Illinois, on September 29 totaled \$10,579,536 as compared to \$11,422,773 at the close of business June 30.

☐ **J. A. Tabke**, chairman of the board of the American National Bank of Lincoln, Illinois, has retired from active service because of his health. J. A. Price, of Monmouth, has been added to the bank's executive staff as a vice-president.

☐ **A recent** statement of condition of the National Stock Yards National Bank of National City, Illinois, claims total resources to be \$9,810,317.

☐ **The Citizens Banking Company** and the Farmers State Bank of Lawrenceville, Illinois, have merged in-

to one institution headed by Leslie Gee, former president of the Farmers State Bank. C. F. Breen, former president of the Citizens Banking Company, is vice-president and a director of the combined institutions.

☐ **Judge Charles Schaefer** was recently chosen head of the Farmers Bank of Pekin, Illinois.

☐ **The Merchants and Farmers State Bank of Sullivan, Illinois**, has installed a Mosler safe.

☐ **John Foley**, president of the Poplar Grove, Illinois, Bank, has recently been elected vice-president of the Belvidere Bank in Belvidere, Illinois.

☐ **After 22 years** as a bank employe in Jacksonville, Illinois, W. H. Franz has resigned as teller in the Ayers National Bank and has moved with his family to Los Angeles, California.

☐ **William S. Dews** is now assistant cashier of the Wood River National Bank at Wood River, Illinois. Herbert Paton is cashier of the bank, succeeding Joseph Slivka, who resigned.

☐ **C. J. Warner**, after thirty-two years in the banking business, has severed his connection with the Citizens State Bank of Prophetstown, of which he was president. His action was taken because of failing health.

☐ **Charles T. Sewell** has been elected second vice-president and trust officer of the Second National Bank of Belvidere, Illinois. Oliver W. Perry was elected assistant cashier at the same meeting.

☐ **Charles F. McHatton**, president of the Farmers State Bank of Mount Sterling, Illinois, has announced his candidacy for congressman from the new 17th District.

**Mercantile-Commerce Co.
Opens Chicago Office**

Sidney Maestre, president of the Mercantile-Commerce Company of St. Louis, investment organization affiliated with the Mercantile-Commerce Bank and Trust Company of that city, announces the opening of



HOMER H. POTTER

an office of the company in Room 1110, Otis Building, 10 S. La Salle Street, Chicago, with Homer H. Potter in charge.

Mr. Potter, a resident vice-president of the company, is well acquainted in Chicago, having been connected with the Chicago office of the First National Company of Detroit before joining the sales organization of the Mercantile-Commerce Company. He also has had considerable banking experience, having been connected with a bank at Jacksonville, Illinois, for sixteen years and after that with the National Bank of Commerce in St. Louis.

The Mercantile-Commerce Company, which rates as one of the large investment organizations of the country, now has offices in New York, Kansas City, Houston and Dallas, in addition to Chicago.

Combined resources of the First National Bank and the First Union Trust and Savings Bank of Chicago, as shown by the September 29 statement of condition, are more than \$826,000,000. Combined capital, surplus and profits exceed \$75,905,000. Combined deposits are more than

**More Bank Holdups Now
Than Ever Before**

Statistics compiled by The J. H. Wise Company, Inc., protection engineers, St. Louis, show a total of 418 bank holdups during the first nine months of this year as compared with a total of only 275 holdups for the entire year of 1929. Last year there was a total of 528 holdups and the total for 1931 threatens to be even greater.

A compilation of the bank holdups by states during the first nine months of this year indicates the following totals:

Alabama, 1; Arkansas, 7; California, 38; Colorado, 2; Connecticut, 2; Florida, 3; Georgia, 1; Illinois, 35; Indiana, 20; Iowa, 12; Kansas, 20; Kentucky, 10; Louisiana, 11; Mary-

land, 4; Massachusetts, 1; Michigan, 12; Minnesota, 21; Mississippi, 3; Missouri, 41; Montana, 1; Nebraska, 11; New Jersey, 1; New Mexico, 2; New York, 5; North Carolina, 2; North Dakota, 3; Ohio, 26; Oklahoma, 42; Oregon, 2; Pennsylvania, 9; South Carolina, 1; South Dakota, 2; Tennessee, 16; Texas, 19; Virginia, 1; Washington, 2; West Virginia, 2; Wisconsin, 27.

Frank K. Houston, first vice-president of the Chemical Bank and Trust Company, New York, has been elected a director and member of the executive committee of the Gulf, Mobile & Northern Railroad Company.

Friend: "What were your father's last words?"

Friendless: "None. Mother was with him till the end."

Influence

Legend

- Cities and towns in which are located Banks depositing with the American National Bank
- Other banking towns.
- Direct collection facilities with all banking points in Tennessee

Ever increasing influence brings with it ever increasing responsibility of leadership. It is the result of proven integrity and able management.

That six of every ten banks in Tennessee, and a largely increasing number from other

states, bank with the American Banks, is proof of the wide influence of this institution. These contacts provide facilities for the prompt and efficient handling of every business transaction and valuable information on trade and financial conditions in the Central South. You'll find the influence and facilities of the American Banks profitable to you.

The American BANKS

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RESOURCES \$75,000,000

There is A BRANCH CONVENIENT TO YOU

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deral Reserve Bank of St. Louis

INDIANA NOTES

☐ **A suite** of office rooms on the second floor of the First National Bank Building of Peru, Indiana, have been refinished to house supplies now kept in the bank proper.

☐ **The Dubois** County State Bank of Jasper, Indiana, has announced the opening of a branch in Ferdinand.

☐ **The Wabash** Valley Trust Company and the Citizens National Bank of Peru, Indiana, have been merged into an institution to be known as the Wabash Valley Trust Company. Business will be carried on in the Wabash Valley Trust Building, which is being enlarged.

☐ **A statement** of condition of the Monroe County State Bank located at Bloomington, Indiana, shows this institution to have total resources of \$1,695,622, with deposits totaling \$1,493,563.

☐ **The Old** National Bank of Bluffton, Indiana, and the First National Bank are now merged, the resulting institution using the name of The Old First National Bank of Bluffton. The Old National Bank quarters are being occupied and all the assets and

liabilities have been merged, retiring one-half of each bank's capital and surplus. The new institution has a capital of \$100,000 and a surplus of \$50,000.

☐ **With resources** listed at more than \$3,000,000, capital at \$150,000 and surplus at \$15,000, the Jeffersonville First National Bank and the Clark County State Bank opened at Jeffersonville, Indiana, recently, as one institution under the name of the Clark County State Bank. Richard A. McKinley, president of the Clark County State Bank, is president of the merged institutions. The entire personnel of both banks has been retained.

☐ **A recent** report of the condition of the First National Bank of Seymour, Indiana, showed this bank to have total resources of \$1,326,395. The bank, which is capitalized at \$100,000, has surplus and undivided profits amounting to \$110,449.

☐ **The most** recent condensed statement of condition of the Indiana National Bank of Indianapolis, Indiana, showed this institution to have total resources of \$42,922,430. Total capital, surplus and undivided profits are \$4,751,214.

☐ **To give** more protection to the

banks of the community the Grant County, Indiana, Bankers Association has formed a protective association. Seventy-five deputy sheriffs have been sworn in as a vigilante committee to serve in the communities where banks are situated. This protection will be available to all the banks in Grant County.

Trust Company Division Issues New Booklet

The Trust Company Division of the American Bankers Association has just published Insurance Trust Bulletin No. 6 and a new and revised specimen of Unfunded Life Insurance Trust Agreement, both of which have been prepared by the Division's Committee on Insurance Trusts. The bulletin is a short manual of procedure in the handling of matters of joint interest to trust companies and insurance companies. The specimen form of the insurance agreement offers a text improved by the practical experience of the past few years.

Copies of the bulletin may be obtained for 10 cents a copy and copies of the agreement for 15 cents, from the Trust Company Division, American Bankers Association, 22 East 40th Street, New York.

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Fletcher American Company

Indiana's Largest Investment House



AFFILIATED WITH

The Fletcher American National Bank

Largest Bank in Indiana

DETROIT

INDIANAPOLIS

LOUISVILLE

KENTUCKY NOTES

☐ **The First National Bank** of Louisville, Kentucky, now publishes a very interesting and informative employees' paper called the Achievement Club Reporter. The paper contains much information about the bank as well as personal items about the various employees and officers.

☐ **Ira J. Porter** has been elected treasurer of the Louisville Trust Company of Louisville, Kentucky. Mr. Porter was formerly associated with the First State Bank at Pineville and the Guaranty Bank and Trust Company at Lexington. For one year he was president of the Lexington Clearing House Association.

☐ **A recent statement** of condition of the First National Bank of Buffalo, Kentucky, shows this institution to have total resources of \$553,249, with deposits amounting to \$503,227. Charles R. Creal is cashier of this bank.

☐ **The interior** of the Providence Citizens Bank and Trust Company Building of Providence, Kentucky, is being redecorated.

☐ **A. P. Stone**, fifty-eight, vice-president of the Leitchfield, Kentucky, Deposit Bank for fifteen years, died last month.

☐ **The First National Bank** and the Pikeville National Bank of Pikeville, Kentucky, are in a strong financial position, according to a recent report in which total resources of the two banks were listed at \$4,255,091, with cash on hand and other quick assets of over \$1,300,000.

☐ **The Citizens Bank** of Drakesboro, Kentucky, has reopened for business with capital of \$15,000 and surplus of \$3,000. The institution was closed a few months ago to protect depositors.

☐ **The Clark County National Bank** and the Citizens National Bank of Winchester, Kentucky, have merged.

☐ **Mrs. C. E. Hearin**, vice-president of the Farmers National Bank of Clay, Kentucky, was recently elected to the office of vice-president of the American Bankers Association for Kentucky. Mrs. Hearin is the first woman in the United States to hold such a position. She has been active in banking work for twenty years.

☐ **A recent statement** of condition showed the Peoples Bank of Cave

City, Kentucky, to have total assets of \$343,827. Deposits of this bank total \$309,534.

☐ **Hummer E. Orndorff**, popular Kentucky banker, died recently.

☐ **The Bank** of Barlow, Kentucky, has been reopened with total resources of approximately \$165,000. C. M. Parsons is president of the bank and W. E. Abell, cashier.

☐ **John F. McDaniel, Jr.**, cashier of the Farmers National Bank at Cynthiana, Kentucky, has been elected president of the National Bank Section of the Kentucky Bankers Association, and Lisle Baker, of Frankfort, has been elected president of the State Bank Section.

☐ **W. P. Kincheloe**, managing director of the Louisville branch of the Federal Reserve Bank of St. Louis, announced his resignation recently to enter private business in Louisville.

☐ **A recent statement** of the Farmers National Bank of Glasgow, Kentucky, claims total assets of this institution to be \$1,967,919. Capital stock of this bank is \$100,000 and surplus and undivided profits amount to \$131,825.

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Enclosed find my dollar bill (or check) for a two-year subscription to **THE LOCAL AGENT**, starting with the current issue.
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ARKANSAS NOTES

☐ **The Bank** of Montgomery County in Mount Ida, Arkansas, was damaged by fire recently.

☐ **A group** of Harrison, Arkansas, business men and capitalists soon will file an application with the State Banking Department for a charter to establish a new bank in this bankless town. J. W. Bass will be the largest stockholder in the new institution, but will not undertake to hold a controlling interest. J. M. Wagley, who is liquidating the two banks which closed here September 1, expects to be a stockholder. The new bank will be capitalized at \$50,000, with a surplus of \$5,000.

☐ **A recent** statement of the First National Bank of Fordyce, Arkansas, shows this institution to have total assets of \$1,050,867, with capital stock, surplus and profits amounting to \$151,615. J. A. Abernathy is president of this bank and C. L. Talbot, cashier.

☐ **A recent** statement of the Farmers State Bank of Rogers, Arkansas, showed this institution to have total resources of \$416,727. This bank is capitalized at \$50,000 and has deposits of \$302,544. J. F. Patterson is president and F. E. Miller, vice-president and cashier.

☐ **W. B. East**, vice-president of the Citizens National Bank, Arkadelphia, Arkansas, has been notified by the Kentucky-Arkansas Oil Company that the test now drilling near that city has been named the W. B. East No. 1. Mr. East is owner of the land on which the test is being drilled.

Industrial Corporations Show Improved Liquid Condition

Improvement in the liquid position of industrial corporations at June 30, 1931, over the midyear showing of 1930 and 1929 is disclosed in an analysis and comparison, made by Ernst & Ernst, accountants, of the published balance sheets of 162 companies, in fifteen industrial groups and miscellaneous, whose statements are comparable for the three years.

The study shows that, in the aggregate, the 162 companies raised their composite current ratio (current assets to current liabilities) from 4.73:1 as of June 30, 1929, to 5.49:1 as of June 30, 1930, and to 6.93:1 as of June 30, 1931.

Bank Management

A case book by Franklin Ebersole, Professor of Finance, Harvard Graduate School of Business Administration. Published by McGraw-Hill Book Co., Inc., New York. 636 pages. Price, \$5.00.

This is a Harvard problem book aimed essentially to provide factual illustrations of every important problem that must be faced and properly solved for successful bank management. With few exceptions, the cases are all taken from actual banking practice and proceed, within each section of the book, from the simple to the more complex.

Initial attention is given to the important problem of making sound loans and investments. Maintaining a proper degree of liquidity is next brought out, before the question of development and expansion is considered. The procedure and problems in trust management and in organizing a new bank receive special treatment.

Questions of general administrative character, and cooperative and governmental supervision and control, are discussed in the concluding sections.



SALMON P. CHASE • Secretary of the Treasury under LINCOLN

THE
CHASE NATIONAL BANK
of the City of New York

Capital \$148,000,000 . . . Surplus \$148,000,000

Deposits (September 29, 1931) • \$1,670,000,000

ALBERT H. WIGGIN
Chairman Governing Board

JOHN MCHUGH
Chairman
Executive Committee

CHARLES S. MCCAIN
Chairman
Board of Directors

WINTHROP W. ALDRICH
President

Affiliations

CHASE SECURITIES CORPORATION

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THE CHASE BANK

THE EQUITABLE TRUST COMPANY OF NEW YORK

THE CHASE NATIONAL EXECUTORS AND TRUSTEES CORPORATION, LTD. (London)

ALABAMA NOTES

☐ **A merger** of two banks was effected at Andalusia last week when the officers and directors of the First National Bank, and the Andalusia National Bank, voted to consolidate. The total capital of the new bank is \$300,000.

The new institution bears the name of the Andalusia National Bank, and has quarters in the seven-story building formerly occupied by the First National. Officers elected for the consolidated bank are as follows: C. A. O'Neal, chairman, board of directors; T. E. Henderson, vice-chairman, board of directors; P. N. McLeod, president; C. S. O'Neal, E. L. Moore, and D. E. Fletcher, vice-presidents; C. D. Bean, cashier, and P. L. Payne, assistant cashier.

☐ **Extensive remodeling** and enlarging of the banking room of the Traders and Farmers Bank of Haleyville, Alabama, is now under way. This bank is the oldest financial institution in Winston County.

☐ **Resources** of the Birmingham Trust and Savings Company, Birmingham, Alabama, as shown by the September 29th statement of condition, are more than \$19,605,000 and deposits are more than \$17,016,000. The bank has capital, surplus and profits of more than \$2,497,000.

☐ **The Farmers** and Merchants and the First National Banks of Enterprise, Alabama, were merged recently under the name of the Farmers and Merchants National Bank. The concern has resources of over \$1,500,000.

The officers of the bank are: L. H. Sessions, president; J. L. Warren, vice-president; V. O. Warren, vice-president; J. H. Sessions, vice-president.

LOUISIANA NOTES

☐ **W. L. Young** has been elected president of the City Savings Bank and Trust Company of Shreveport, Louisiana, to succeed Andrew Querbes, who was chosen temporary president a few weeks ago following the resignation of George N. Richardson. L. H. Baker, formerly vice-president and cashier of the City Savings Bank and Trust Company, was elected to succeed W. L. Young as trust officer of the First National Bank.

☐ **A recent** statement of the Whitney Banks of New Orleans showed this organization to have total resources of \$83,543,054. Total capital, surplus and undivided profits amount to \$9,485,374.

☐ **The New Orleans** Chapter of the American Institute of Banking now offers among its courses one in Bank Management.

☐ **Bank debits** in New Orleans showed a loss of only 9.3 per cent for the first nine months of 1931 as compared with the corresponding period of 1930, according to the Research Department of the New Orleans Association of Commerce. The total for this year was \$2,417,876,000 as compared with \$2,665,703,000 in 1930.

New Orleans and Richmond, Virginia, were tied for the smallest percentage of loss during the period. Losses in other southern cities ranged

from 15.4 per cent to 31.5 per cent with an average loss in all leading southern cities of 19.7 per cent.

Loss in bank debits does not necessarily represent a loss in volume of business, it is pointed out by the Research Department. Lower prices during the period of comparison account for a part, if not all, of the loss.

MISSISSIPPI NOTES

☐ **W. B. McCluney**, president of the Peoples Bank of Crystal Springs, Mississippi, since its organization, has tendered his resignation. W. W. Price, for years connected with the Lotterhos and Huber Company, has succeeded him. Ill health was given as the cause for Mr. McCluney's retirement from the active direction of the bank's affairs.

☐ **At the** regular annual meeting of the stockholders of the Bank of Scooba, Mississippi, the two heads of the bank, J. L. Robison, president, and J. H. Horton, cashier, were congratulated for the splendid progress the bank has made during its first year of existence.

Early Maturity

Customer—I came in to see about a note for a woman that matures in sixty days.

Cashier (who idolizes Jimmy Walker)—Listen, fella, I know the girls grow up quicker than they used to, but don't tell me any of them can mature that fast.

Content is the philosopher's stone that turns all it touches into gold.

100 YEARS
of Banking

Ask for our interesting
new book «100 Years.»



The **CANAL**
BANK AND TRUST Co.
of New Orleans Established March 5, 1831

OKLAHOMA NOTES

¶ **Announcement** of the sale of the entire stock and assets of the Enid Bank and Trust Company of Enid, Oklahoma, to the other three banks of Enid has been made. The company had approximately \$1,100,000 in deposits, \$550,000 in loans and discounts, and \$400,000 in capital and surplus. Directors said the sale was prompted by the serious illness of O. J. Fleming, directing head of the bank.

¶ **R. K. Wooten** has been elected president of the First National Bank of Lindsay, Oklahoma, to succeed the late B. P. Smith.

¶ **A recent** financial statement of the First National Bank and Trust Company of Tulsa, Oklahoma, showed this institution to have total assets of \$29,175,449, capital stock of \$2,500,000, and a surplus fund of \$1,000,000.

¶ **A recent** statement of the First State Bank of Anglers, Oklahoma, claimed total resources of this bank to be \$436,921. The bank, which is capitalized at \$50,000, has a surplus fund of \$11,470. James A. Holt is cashier.

¶ **A recent** statement of the Exchange National Bank of Tulsa, Oklahoma, shows this institution to have total resources of \$48,235,990. Deposits amount to \$41,308,369 and capital and surplus to \$4,500,000.

¶ **The Security State Bank** of Clinton, Oklahoma, has purchased the State Bank of Bessie, and records of this bank have been moved to Clinton. All deposits and obligations will be paid by the Security National Bank. I. J. Loewen, cashier of the Bessie Bank, becomes one of the staff of the Clinton bank. He has been in active charge of the former for some years.

Officers of the Clinton bank are: C. G. Welch, chairman of the board; L. E. Coleman, president; J. D. Simpson, vice-president; and Elbert Maddox, assistant cashier.

¶ **Omer K. Benedict**, vice-president of the First National Bank and Trust Company, Tulsa, Oklahoma, has resigned as president of the Tulsa Chamber of Commerce.

¶ **Total assets** of the First National Bank and Trust Company of Muskogee, Oklahoma, are \$6,522,186. Deposits of this bank total \$5,251,924.

¶ **The American Bank and Trust Company** of Ardmore, Oklahoma, has

announced the resignation of its vice-president, O. H. Wolverton, who is entering the loan and investment business.

¶ **The First National Bank** of Heavener, Oklahoma, announces the election of Charles Hampton, formerly cashier of the Farmers State Bank of Quinton, Oklahoma, as cashier.

¶ **Banks of Oklahoma** must surrender their insurance departments by April 30, 1932, according to W. M. Murdock, secretary of the State Insurance Board. This is in accordance with a rule set by the State Insurance Board.

¶ **R. I. Helton** has announced the opening of a new bank at Grandfield, Oklahoma, to be known as the First State Bank, which will occupy the building formerly used by the Tillman County Bank. Mrs. R. I. Helton will be the president, Frank Lawrence the vice-president, and Mr. Helton will be cashier.

¶ **D. Currin**, active vice-president of the First National Bank at Durant, Oklahoma, has been elected a director of the Oklahoma Chamber of Commerce.

Chase Bank Profits Well in Excess of Dividends

Indicated profits of the Chase National Bank of New York for the past three months were well in excess of dividend requirements, according to the statement of condition as of September 29 made public in response to the call of the Comptroller of the Currency. After provision for the quarter's dividend requirements of \$7,400,000 and an increase in reserves of \$1,821,000 during the period, the statement showed a gain in undivided profits of \$1,569,000 over the June 30 figures. Total undivided profits as of September 29 amounted to \$30,150,000 and total reserves to \$16,540,000. Total capital funds on that date were \$326,000,000.

Total resources of the bank, as shown in its latest statement, are approximately \$2,215,000,000, while deposits stand at \$1,670,000,000. Among its resources, the bank lists cash and due from banks, \$391,336,000; U. S. Government securities of \$234,846,000; and loans and discounts of \$1,203,000,000.

Somebody asked a college professor how science helped business, and he replied, "What would the suspender business amount to without the law of gravitation?"



*"The
Roast Chicken
is Very Good Sir"*

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"AGLOW WITH FRIENDLINESS"

Missouri Bank News



CHARLES B. MUDD
President

OFFICERS MISSOURI BANKERS ASSOCIATION: President, Chas. B. Mudd, cashier, First National Bank, St. Charles; vice-president, M. E. Holderness, vice-president, First National Bank, St. Louis; treasurer, W. E. Carter, president, Bank of Carthage, Carthage; secretary, W. F. Keyser, Sedalia; assistant secretary, E. P. Neef, Sedalia.

GROUP CHAIRMEN: 1. H. E. Hiller, cashier, Exchange Bank, Kahoka; 2. A. V. Spillman, vice-president, Home Exchange Bank, Jamesport; 3. Geo. W. Boettner, president, Bank of Atchison County, Rockport; 4. Otto Hale, cashier, Carroll County Trust Company, Carrollton; 5. S. M. Sharp, cashier, Mexico Savings Bank, Mexico; 6. J. M. Wright, cashier, Bank of Doniphan, Doniphan; 7. F. M. Hart, vice-president, Peoples National Bank, Seymour; 8. W. F. Rhodes, cashier, Bank of Eldorado Springs, Eldorado Springs.

GROUP SECRETARIES: 1. A. G. Elam, cashier, Perry State Bank, Perry; 2. W. E. Austin, assistant cashier, Trenton National Bank, Trenton; 3. G. F. Moser, cashier, Farmers Bank, Osborn; 4. A. W. Nelson, president, Boonville National Bank, Boonville; 5. W. O. Crawford, Mercantile-Commerce Bank and Trust Company, St. Louis; 6. A. L. Schwab, assistant cashier, Bank of Ironton, Ironton; 7. W. T. Harlin, cashier, First National Bank, West Plains; 8. L. P. Kelly, vice-president, Bank of Neosho, Neosho.



W. F. KEYSER
Secretary

☐ **The Committee** on Education of the Missouri Bankers Association met recently in St. Louis and planned its 1931-32 program. G. V. Kenton, director of publicity of the Mercantile-Commerce Bank and Trust Company, chairman of the committee, presided at the meeting. After luncheon the visiting bankers were guests of Mr. Kenton at a ball game. In addition to the committee, officers of the Association were in attendance, including Charles B. Mudd, president, cashier of the First National Bank, St. Charles; M. E. Holderness, vice-president of the Association and vice-president First National Bank in St. Louis; W. E. Carter, treasurer, president Bank of Carthage, and W. F. Keyser, secretary.

☐ **The Fidelity Bank Singers** of Kansas City, a double sextette composed of six men's and six women's voices furnished a musical program for the Kansas Group Meeting at Osage City, Kansas, October 19. All of these singers are from the personnel of the Fidelity National Bank and Trust Company and its allied Fidelity companies.

☐ **G. W. Reed** has been elected president of the Gentry County Bank of Albany, Missouri, to fill the vacancy made by the death of Claude N. Comstock.

☐ **Consolidation** of the Farmers Savings Bank and the Clifton Hill Banking Company of Clifton Hill, Missouri, has been announced. The Farmers Savings Bank by purchasing the Clifton Hill Banking Company increased its capital to \$15,000, its total resources to \$140,000 and its total deposits to \$90,000. Lon McCorkle is president of the institution.

☐ **Max Andriano**, cashier of the First National Bank of St. Joseph, Missouri, has been chosen a vice-president and John J. McGuire of Chicago has been named cashier to succeed him.

☐ **A recent** statement of financial condition of the Citizens Bank of Warrensburg, Missouri, claims total resources of this institution to be \$970,661. The bank has total capital stock of \$100,000 and deposits amounting to \$725,987.

☐ **Plans** for the organization of a new banking institution at LaMonte, Missouri, are being formulated. C. A. Wisdom, cashier of the Farmers Bank of Green Ridge, is head of the proposed enterprise. The plans are contingent upon the failure of the old bank to reorganize.

☐ **The most** recent statement of the Clay County State Bank of Excelsior Springs, Missouri, shows this institution to have total resources of \$1,306,089. Deposits of the bank total \$1,148,273, capital is \$10,000 and surplus and undivided profits amount to \$109,815. E. H. Cravena is cashier.

☐ **Charleston, Missouri**, may have a new bank in the near future. All of the stock has been subscribed for an institution with capital of \$25,000 and a \$5,000 surplus.

☐ **The Farmers Trust Company** of Lees Summit has acquired the Citizens Bank of Lees Summit, Missouri, and the merged banks are operating in the Farmers Trust Company home. W. W. Browning, president of the combined institutions, said total resources of the new bank are approximately \$400,000.

☐ **A recent** statement of condition of the Merchants Bank of Kansas City, Missouri, shows this institution to have total resources of \$2,704,443. Deposits total \$2,350,185 and capital, surplus and undivided profits \$350,829.

☐ **The presidency** of the Missouri Valley Trust Company of St. Joseph, Missouri, left vacant by the death of Frank Boder, has been filled by

William A. Evans, vice-president. E. V. Kirkpatrick, formerly secretary-treasurer, is now vice-president; Leo Knaebel, a teller, is secretary, and Al P. Shaff, another teller, is treasurer.

☐ **The most** recent combined statement of the Fidelity National Bank and Trust Company and the Fidelity Savings Trust Company of Kansas City, Missouri, showed these institutions to have total resources of \$62,800,854. Total capitalization is \$4,500,000 and total deposits amount to \$55,308,787.

☐ **Ogden Risley**, secretary and treasurer of the Excelsior Trust Company of Excelsior Springs, Missouri, has been elected president of the Clay County Bankers Association. Risley succeeds A. B. Crawford of the First National Bank of Liberty. Other officers elected were: Milton Isley, Holt Farmers Bank, vice-president; Louis B. Daughtery, Commercial Bank, Liberty, secretary-treasurer.

☐ **A recent** statement of the University City Bank and Trust Company of University City, Missouri, shows this institution to have total resources of \$985,722, capital stock of \$100,000, and surplus and undivided profits of \$34,840.

☐ **Oliver F. Richards**, vice-president of the Mercantile Commerce Bank and Trust Company, St. Louis, has been appointed chairman of the special Gifts Division of St. Louis' tenth annual Community Fund campaign.

☐ **J. L. Phillips** has accepted the position of cashier of the Bank of Belton, Missouri.

☐ **The First National Bank** of Independence, Missouri, shows total resources of \$1,568,228, and deposits of \$1,262,448, in its most recent statement. J. H. Peters is cashier of this institution.

☐ **A recent** statement of the Tootle-Lacy National Bank of St. Joseph, Missouri, claims total resources of this institution to be \$6,186,996. Deposits total \$5,760,054.

☐ **According to** the last financial statement submitted by the Vandeventer National Bank of St. Louis, Missouri, total assets of this institution are \$2,182,599. This bank is capitalized at \$250,000 and has deposits amounting to \$1,657,521.

☐ **A recent** statement of the Bank of Urich, Urich, Missouri, claimed total resources of that institution to be \$278,815. The bank is capitalized at \$20,000 and has surplus and undivided profits amounting to \$21,778.

☐ **J. L. Rehme**, president of the Lafayette-South Side Bank and Trust Company of St. Louis, announces the appointment of Mr. Alvin A. Welp as sales representative of the Bond Department. Mr. Welp was formerly connected with the Laclede Insurance Agency Company.

☐ **A recent** statement of the First Bank and Trust Company of Macon, Missouri, shows this institution to have total assets of \$1,016,177. The bank is capitalized at \$100,000 and has surplus and undivided profits of more than \$27,000. There is also a reserve for contingencies fund totaling over \$11,500.

☐ **G. T. Smothers**, formerly cashier of the National Bank and Trust Company, at North Kansas City, Missouri, has moved to Jefferson City, Missouri. Mr. Smothers is now executive vice-president of the First National Bank, at Jefferson City.

☐ **The Farmers Bank** of Anderson, Missouri, has purchased the building formerly occupied by the State Bank of Anderson.

☐ **The Farmers Bank** of Cameron, Missouri, has completed the installation of additional sections of safety boxes in its fireproof vaults.

☐ **E. W. House**, for the last ten years cashier of the Bank of Brunswick, Missouri, has resigned and his place has been taken by D. E. Grotjan.

☐ **William F. Haines**, secretary of the St. Louis Union Trust Company, died recently after a heart stroke.

☐ **W. L. Rehfeld**, assistant vice-president of the Mercantile-Commerce Bank and Trust Company, attended the two-day convention of the Kentucky Bankers Association held in Louisville last month.

HOW many, many reasons there are these days for **QUICK** collection of transit items!

Our correspondents have found that our 24-hour operation of transit is tremendously useful to them.

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Commerce Trust Company

KANSAS CITY



FIDELITY BANK
BUILDING

The Old Town Clock

December 31, 1883, the bell of the town clock, bought by public subscription, was hung and tested. At midnight it rang in the New Year from the belfry of the Post Office and Federal Building at Ninth and Walnut, Kansas City, Mo.

In 1904, the Fidelity Trust Company, needing larger quarters, moved into the Post Office Building which it had bought and remodeled into a bank building.

In 1930, having outgrown that building and several additions that had been made, the historic old building was torn down, and in its place stands the 32-story Fidelity Bank Building.

The lofty twin towers are occupied by the historic old bell and town clock, and thus the Fidelity still remains, and will for generations remain, the bank "Under the Old Town Clock."

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and Trust Company**

Capital and Surplus
Five Million

**Fidelity National
Corporation**

Investment Division

KANSAS CITY, MO.

KANSAS NOTES

☞ **E. V. Wood**, who was formerly in the Farmers National Bank of Burlington, Kansas, has been elected cashier of the Citizens National Bank of Emporia.

☞ **G. H. Branch** has resigned from the vice-presidency of the Russell-Farmers State Bank of Russell, Kansas.

☞ **The Brownell State Bank** of Brownell, Kansas, has been taken over by the Farmers State and the First State Banks at Ransom and the Citizens State Bank of McCracken and is being liquidated.

☞ **The Peoples State Bank** of Chapman, Kansas, has consolidated with the Chapman State Bank.

☞ **A recent statement** of condition of the National Bank of Chetopa, Kansas, shows this institution to have total resources of \$254,989, with deposits amounting to \$209,506.

☞ **J. R. Burrow**, widely known Kansas banker, died September 30. He was until recently president of the Central National Bank and the Central Trust Company of Topeka. He was also head of a number of western Kansas banks.

☞ **Plans for** the organization of the Armourdale State Bank of Kansas City, Kansas, have been abandoned.

☞ **At a meeting** of the board of directors of the First National Bank of Sterling, Kansas, A. L. Burgert was elected president and E. W. Farrell, cashier.

☞ **The Wakarusa State Bank** of Wakarusa, Kansas, has merged with the Guaranty State Bank of Topeka.

☞ **Following a recent merger** the Farmers State Bank of Bennington, Kansas, and the Bennington State Bank are now operating as one institution.

☞ **The Bank of Moundridge**, Kansas, recently merged with the Citizens State Bank of Moundridge.

☞ **C. S. Prater** has been elevated to the presidency of the Council Grove National Bank at Council Grove, Kansas. He succeeds his father, A. H. Prater, who has been the directing head of the institution for many years.

☞ **J. J. Butterfield**, for years cashier, is now president of the Farmers and Merchants State Bank at Derby,

Kansas, and his son, E. P. Butterfield, former assistant cashier, is moved up to the cashier's office.

Fidelity Bank Building Nears Completion



Pictured above is the new home of the Fidelity National Bank and Trust Company of Kansas City as it appeared last month. Work on the exterior of the building is virtually completed and it is expected that work on the interior will be completed before the first of the year.

"I understand," began the large, scrappy-looking ward politician, "dat youse had a piece in your paper callin' me a thief."

"You have been misinformed, sir," said the editor, calmly; "this paper publishes only news."—Cleveland Leader.

TEXAS NOTES

☐ **Formal announcement** of the purchase of the assets of the First State Bank of Corsicana, Texas, by the State National Bank of the same city has been made by I. N. Cerf, president of the latter institution.

☐ **Jack Trolinger**, former cashier of the First National Bank of Mercedes, Texas, has resigned that position to become cashier of the American State Bank and Trust Company of Edinburg.

☐ **The Laredo National Bank** and the First National Bank of Laredo, Texas, have merged into a powerful financial institution. B. M. Alexander is president and A. L. Vidaurri, cashier, of the combined institutions.

☐ **The City National Bank** of Cleburne, Texas, has practically completed an improvement project which materially enlarges facilities of the institution in taking care of business.

☐ **France Baker**, former president of the Citizens National Bank of Lubbock, Texas, has accepted a position as vice-president of the First National Bank of Lockney.

☐ **Charles J. O'Connor**, banker of Dallas, has assumed his duties as president of the State Trust and Savings Bank. He succeeds T. K. Irwin.

☐ **Following the merger** of the Commercial State Bank at Ranger, Texas, with the Citizens State Bank, O. D. Dillingham, of Abilene, was named president.

☐ **M. V. Bradshaw, Sr.**, has been elected active vice-president of the First State Bank of Marlin, Texas, to succeed the late J. A. Dunkum.

☐ **The First National Bank** of Hale Center, Texas, has moved into its new building.

☐ **T. C. Peffer**, who has been associated with the First National Bank of Spearman, Texas, for more than a year and who has had two years' previous banking experience in the First National Bank of Wichita, Kansas, has been named vice-president and general manager of the First National Bank of Spearman.

☐ **The Commercial State Bank** of El Campo, Texas, has opened for business in its remodeled home.

☐ **A recent statement** of condition of the South Texas Commercial National Bank of Houston, Texas, showed this institution to have total as-

sets of \$30,198,670, with deposits amounting to \$26,809,984.

☐ **W. H. Patrick**, president of the First National Bank at Clarendon, Texas, was elected president of the Panhandle Old Settlers Association September 23. Of the 700 old settlers registered it was learned that over half had lived in the Panhandle 40 years or more. A residence of 25 years was required for membership.

☐ **T. J. Caldwell**, vice-president of the Union National Bank of Houston, Texas, headed a delegation of Houston business men who attended the Southern Foreign Trade Conference at New Orleans, September 28-29.

Reward Given Banker Who Foiled Holdup Men

Raymond Ramsey, 37-year-old assistant cashier of the East Side Bank of Commerce, Kansas City, Mo., whose courage in dueling with a bandit September 16 not only resulted in the capture of the robber but saved the bank all the \$4,000 taken in the holdup, has received a check for \$500 as a reward for his bravery. The check represents the gratitude of insurance companies which were the gainers by Ramsey's heroism.

The check was presented by Cliff C. Jones of R. B. Jones & Sons insurance firm, Kansas City. In presenting the check, Mr. Jones explained that he also represented the office of Thomas McGee & Sons.

The Commerce Banks in Kansas City carry a 3-million-dollar blanket policy, officially known as a bankers' blanket bond, which covers every form of loss to the organization. The coverage ranges from the smallest embezzlement by the lowliest employee of the Commerce Trust Company to any major embezzlement by a higher official.

It also covers losses by holdup, safe cracking, burglary, and all forms of theft, by violence or otherwise. The 3-million-dollar joint bond was issued through the office of Thomas McGee & Sons and R. B. Jones & Sons.

A. B. A. Issues Corporate Fiduciary Directory

A directory of corporate fiduciary associations has been issued by the Trust Division, American Bankers Association. All but fourteen states are represented by the sixty-four city, county or state corporate fiduciary associations that have been organized and which are functioning

actively, the directory says. The activities of these organizations have taken the form of conferences and meetings; preparation and adherence to uniform fee schedules and statements of principles, or working agreements, covering relationships with attorneys; cooperation with life underwriters in the development of life insurance trusts; promotion of desirable legislation; study and standardization of general operating practice; cooperative advertising campaigns.

Copies of the directory may be obtained from the Trust Division, American Bankers Association, 22 East 40th Street, New York City.

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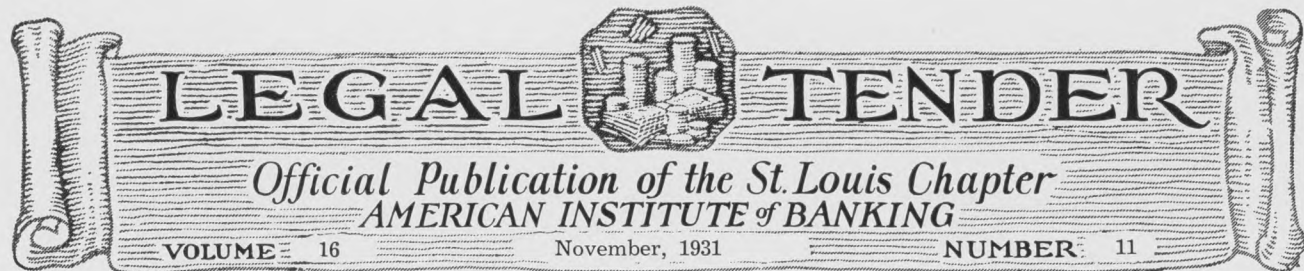
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LEGAL TENDER

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

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E. C. SIBLEY, Editor, Mississippi Valley Trust Co. FRANK RYAN, President, Mississippi Valley Trust Co. 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.

The Forum Program

By VANCE L. SAILOR

Chairman, Forum Committee

Tentative plans of the Forum Committee contemplate four meetings for the coming season. The first of these meetings will probably be held on November 5 at the Melbourne Hotel. According to present plans the subject for discussion at that meeting will be "Collateral Loans." Definite arrangements have not been completed for any speaker, but the Committee is negotiating with two prospects, either one of whom will assure the success of the meeting.

At the first meeting a list of subjects will be submitted to those in attendance and the subjects for all meetings will be selected by popular vote. This follows the plan successfully initiated last year by Mr. Schacht and his committee.

One of the remaining three meetings will be held before Christmas. In that event and if interest in the series continues at a high tide, a fifth meeting may be attempted later in the spring. The decision on this matter, as in the case of selection of subjects, will be left to the members of the Forum, it being the Committee's thought that the wishes of the general membership should be followed as closely as possible.

Last year some felt that it would be more convenient to hold the meetings away from the downtown area. The Committee, therefore, decided to hold the first meeting at the Melbourne Hotel where a private dining room can be obtained with dinner at \$1.25 per plate. Whether the remaining meetings will be held at the Melbourne Hotel or down town will be left to a vote of those in attendance at the first meeting.

Many interesting and timely subjects have already been suggested for discussion, and it is felt that a highly successful season is assured. The

Committee welcomes suggestions from any of the members relative to subjects for future meetings. Such suggestions may be filed with the Chapter secretary or chairman of the Forum Committee.

Dinner Dance to Be Held at Century Boat Club

By E. H. BROCKMEYER

Chairman, Entertainment Committee

The chapter dinner dance to be held at the Century Boat Club on Saturday, November 14, will no doubt be one of the most important social events of the season.

A notice giving full details concerning this party is now in the hands of all members, and it is hoped that there will be a large attendance. Every member of the chapter should attend the dinner, as it affords an opportunity to spend a very enjoyable evening at a cost that is most reasonable.

The Century Boat Club, beautifully situated on the bluffs overlooking the river, is one of the truly notable social clubs of our city.

An excellent dinner with our friends of the chapter, good music and a beautiful ballroom. What more could we ask?

Decide now that you will be one of those who will enjoy the first dinner dance of the season.

Debating, Public Speaking and Dramatics

On Thursday, October 15, at 5:30 p. m., in Room 318 of the Merchants-Laclede Building, approximately forty candidates rallied to the call of the Debate and Dramatic season—about thirty of whom at the end of the meeting evidenced a desire to stick with the squad throughout the sea-

son, fifteen for debating and fifteen for dramatics.

The chairman presided and brief addresses were made by members Riedell, Goodell, Gregory, Roberson, Streiff, Wise, and Hughes of the Committee, each touching on a separate phase of the program outlined for the year. Every debate candidate signified his intent to put forth every effort to send a winning team to Los Angeles for the final competition during the Convention but, notwithstanding the designated goal, it was unanimously felt that the interests of the inexperienced members should first be served.

The judges this year who will determine the members of each team to represent the Chapter will be Dr. Lippincott, of Washington University, the coach; Robert Kerr, of the First National Bank, Forum Committee; and E. C. Sibley, of the Mississippi Valley Trust Company, chairman of the Committee. The tryouts were scheduled for October 30 in the same room on the question, "Resolved, That the Inter-Allied War Debts Should Be Cancelled."

Other questions which will probably be debated during the year are, "Compulsory Unemployment Insurance," "Free Trade," "Federal Department of Education," "Five-Day Week," "Independence of the Philippines," "Branch Banking," and "Federal Control of Utilities." The local opponents outlined for the season include the following: Washington University, St. Louis University, Westminster Presbyterian Church, Junior Chamber of Commerce, Junior Advertising Club, Y. M. C. A., Y. M. H. A., The Principia, the Credit Men's Association, and the Second Presbyterian Church. In all probability our interchapter opponents will be Nashville, Kansas City, Fort Wayne, and Cincinnati. A debate to be conducted exclusively in German is also under consideration.

LEGAL TENDER

All those interested who have not yet rallied to the call are urged to present themselves at later meetings, since everybody who signifies his interest is guaranteed participation in some debate during the current year.

The discussion then moved on to Dramatics, a subcommittee having consisted of members Wise, Shea and Sibley. The services of Miss Gertrude Knott, executive secretary of the Dramatic League of St. Louis, have been secured, and she was present to deliver an unusually informative and inspiring address on the possibilities which Dramatics offer to the American Institute of Banking. Try-outs for this activity were designated for the following Thursday, October 22, in Room 318, at 5 p. m.

Among the one-act plays under consideration are "The Valiant," of Hall and Middlemas, "Ile," by Eugene O'Neill, and "The Shewing Up of Blanco Posnet," by Bernard Shaw. In all probability two or three one-act plays will be given throughout the season rather than one full-length play, in view of the fact that this will be the first Dramatic season for the St. Louis Chapter.

All those interested in this activity are also urged to communicate with the chairman of the Debate and Public Speaking Committee.

The Bag of Tools

By FRANK N. HALL

Vice-President, American Institute of Banking

Minus tools man could make little progress on this planet. Two factors which separate human beings from the lower animals are the power to reason and possession of an ability to use tools. We might still be dwelling in caves and tree tops if we had no tools with which to fashion materials into useful commodities. Tools have been a growth and evolution, as have all the other things which have elevated the human race and produced civilization.

Learning the use of such tools as we may have and acquiring knowledge which will enable us to grasp facilities and opportunities constitute the fundamental elements of success in life, regardless of what careers or activities we elect to pursue. When we are born into this world and have ordinary brain equipment, the period of learning begins. The infant gains

the ability to crawl on hands and knees, which accomplishment is in a way its first tool or facility. From that initial stage of locomotion, it presently, and with travail, learns to walk; later, with growing confidence, it stands firmly on its feet and can even run.

However, the first stages must be covered ere confidence can be acquired in the later developments. This same process extends through all life, particularly in the matter of banking and other business careers. It is necessary to grasp the simple and fundamental things before success can be achieved in the higher ones. In the gradual task of becoming acquainted with each step, the American Institute of Banking constitutes a valuable, almost indispensable aid. Through its years of existence it has furnished bank men and bank women with the correct tools for successful completion of each particular function. It continues to do so, and the great hope of the present administration is that these tools will be accepted and used to an even greater extent than in the past.

The majority of beginners in banking, and even those who have been in banks for several years, fail to realize fully what a wonderful opportunity for learning the Institute offers, or what they miss by not taking advantage of this financial university. Frequently this lack of realization is the result of ignorance of what the Institute really is and what it does for its members. There is no excuse for such ignorance. In every banking institution of any size in the country there are Institute members who would be glad to impart full knowledge of its activities to such as desire to take advantage of them. If you intend to make banking your profession or permanent occupation in life, get in touch with the Institute.

This organization of the best younger element in the banking and financial world stands ready to serve. It

will furnish any applicant with a book of rules, a blueprint, and a bag of tools wherewith to shape his or her future. What is done with this equipment depends on the individual. The finished product must be the handiwork of the individual, and whether it is good, excellent, fair, or poor depends upon the units of effort and perseverance exerted. Reverting to the case of the infant who may try to stand and walk without assistance—disaster and failure are frequently the sequel of these solo efforts. Assistance and guidance are needed, and they help to bridge over many a trying period.

One splendid feature of the Institute's activities is that it supplies opportunities for continuous study and advancement. The lessons do not stop when the primer has been mastered, but higher fields of learning are spread out for all ages and degrees of the banking fraternity. Philosophically, it is not well to mature; there must be continual progress. There is a well known adage, "As long as you are green, you will grow." Still, if we remain green too long, there is the contingency of being cut down and stored away in the loft.

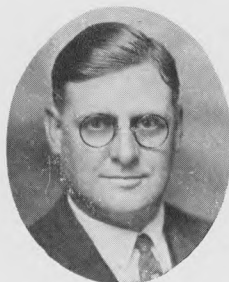
Just now when the autumn classes are beginning, when there is a stir and buzz of activity in the classrooms, and when the instructors are preparing to impart useful facts, we should harken to the school bell and, carrying our bag of tools, try to make our careers what they should be, when we look upon the finished product of our endeavors.

*Isn't it strange that princes and kings,
And clowns that caper in circus rings,
And human beings like you and me,
Are workers for eternity?*

*Each is given a bag of tools,
A shapeless mass and a book of rules;
And each must make, ere life has
flown,*

A stumbling block or a stepping-stone.

Thus it is with ourselves. Success is in the offing if there is just the courage, energy, and character to reach out and take it. And speaking of the bag of tools, there is no more valuable tool in the whole collection than confidence. Lacking that, there is no such thing as success. One may lack confidence in two distinct ways: First, he may lack confidence in himself; second, he may lack the confidence of others. To acquire it yourself, it is necessary to exert ini-



FRANK N. HALL

tiative. Become well acquainted with what you undertake to do, and you will not be easily shaken or turned aside. Preparedness is the mother and father of confidence. Frequently our associates lose confidence in us because of the fact that we ourselves are lacking in that element, shaky, and undecided. There is nothing the world admires more than a forceful character, one who radiates the spirit of his undertaking and is not afraid to back his judgments promptly with quick action. Better make some mistakes than vacillate. The milk-weak individual makes scant progress in the battle of life.

In the banking business it should be the earnest endeavor of every individual so to live and conduct himself as to inspire confidence. This is particularly true during the present period in the banking history of the world. The habits and actions of every person engaged in banking, whether porter or president, should be such as to inspire confidence and faith in the profession. Avoid talking too much, especially of details with which you are not well acquainted. Learn the facts and spread them when they are favorable, and do what you can to correct them when they are not.

The character and technique of our business have undergone radical changes during the past ten or fifteen years. It is no longer a "sit and take it" proposition but a "go out and get it" campaign. Competition is an element which has strongly entered into banking affairs and has resulted in many changed policies and practices. We live in these times and must adjust ourselves accordingly. However, regardless of time or competition or any other influence, knowledge, honesty, and square dealing constitute the most valuable tools which can be yielded by a man in banking or any other business.

The organized chapters of the American Institute of Banking, through their education features and character of membership, can and will exert a beneficial influence in this readjustment period.

Random Exchange Notes

National Bulletin: Frank Hall has a stimulating article on the unlimited attractions that Los Angeles affords as a convention city next year.

New Haven: Chapter had a big rally and dance on September 16.

Des Moines: UNDIVIDED PROFITS announces a big field day at Greenwood Park to be held in November.

Omaha: Fontenelle Park will be the scene of a big get-together, also the month of November.

Richmond: RICHCAP has come out in a new dress—one of the most stunning we have seen.

Philadelphia: Members of the Chapter had a big time at their annual Hallowe'en frolic on October 28.

Membership Report

The St. Louis Chapter reported to the National Office on October 20 a total of 748 members. This is not the final figure, of course, many members being added each year long after this time.

In view of general conditions, this

may be considered as a fairly satisfactory report. Our consuls are still busy with the task of bringing in members both old and new and it is expected that the total membership of the chapter will be well above 800 in the present year.

There is not one member of our chapter who does not know someone who might logically be expected to be interested in our organization. Let us make it our job to induce such as these to join. In this final drive let us all try to secure at least one new member for our chapter.

Offer Two New Series of Corporate Trust Shares

TWO new series of Corporate Trust Shares have been released for public offering by Administrative and Research Corporation of New York.

One of the new series is called Series AA, and will be of the so-called "distributive type," similar in operation to the original series of Corporate Trust Shares, which led all other fixed trusts in volume of share sales during 1930 and to date in 1931. The other series will be of the capital accumulation type, and is called the Accumulative Series. Both new series have a portfolio of 30 leading common stocks.

The new shares will sell at a price level slightly under the price of the old. In each unit of the new series there are 16 shares each of 30 companies, or a total of 480 shares, whereas the old series had 4 shares of 28 companies, a total of 112 shares.

An outstanding feature of the new Corporate Trust Share series is the method by which stocks may be eliminated from the portfolio. Instead of permitting the sponsors unbridled discretion as to when a stock may be removed from the portfolio, the new Corporate Trust Shares operates under a set of predetermined fixed provisions. No stock is eligible for elimination unless and until one or another of certain situations arise, and even then, if the situation does not warrant, the stock need not be removed from the list. The situations under which a stock may be eliminated are all specifically set forth in the trust agreement.

Other features of the new Corporate Trust Shares series include such services as putting the shareholder on record as to the amount of his semiannual distributions through

newspaper publication of amounts to be distributed. Also newspaper publication is required of notice of any reinvestment rights which may be granted from time to time.

The trust agreement provides that for the convenience of cashing coupons, paying agents other than the trustee may be appointed in cities outside of New York and requires that shareholders be given notice of the names and locations of any such paying agents through newspaper publication twice a year at coupon payment dates. Another important supplemental service has to do with income-tax data for shareholders. In the new series of Corporate Trust Shares, shareholders will have available, not later than February 15th of each year, data with respect to the trusts' distributions to assist them in preparing their current income-tax statements. Income-tax data is also made available to shareholders at such time as they may liquidate their holdings through the trustee. Again, income-tax data is made available at the time of general termination of the trust.

In the original series of Corporate Trust Shares some of these supplemental services were provided voluntarily by the sponsors, but in the new series, these services become a definite part of the trust service and are provided for in the trust agreement.

The new series of Corporate Trust Shares are being offered by a national group of investment houses and banks, numbering over a thousand. Offering will shortly be made in several European countries. The Chase National Bank of the City of New York is trustee on both issues.

School Savings Meet Test

School savings in the United States during the past year successfully met their greatest test of adverse times, increasing the area of operations and affording financial succor to families whose incomes have been reduced, it is shown in the annual national report on school savings banking issued by the Savings Division of the American Bankers Association.

"School savings during the year closed June 30, 1931, had their greatest test and demonstrated their possible service," W. Espey Albig, deputy manager of the association in charge of the division, says in the report. "In 14,628 schools throughout the country 4,482,634 children deposited \$26,783,610. Eighteen more schools have school savings than last year, the number of children utilizing school savings is 115,097 smaller and money deposited less by \$2,329,453."

He points out that these figures show that the number of schools, as compared with last year, where savings may be deposited by children and they may have instruction in the meaning and use of money, has increased, while the number of pupils depositing decreased by only .025 per cent and deposits by only 8 per cent, despite widespread unemployment.

INDEX TO ADVERTISERS

American Banks, Nashville	35
Audit Bureau of Circulations, Chicago ...	4
Bank of New South Wales, Sydney, Aus.	38
Berkowitz Envelope Co., Kansas City ...	45
Brookmire Economic Service, New York	24
Canal Bank & Trust Co., New Orleans ...	40
Cen. Republic Bank & Trust Co., Chicago	3
Chase National Bank, New York	39
Chatham Phenix Nat. Bk. & Tr. Co., N. Y.	33
Chemical Bank & Trust Co., New York ..	32
Cody Trust Co., Chicago	28
Commerce Trust Co., Kansas City	43
Continental Ill. Bank & Trust Co., Chicago	5
Fidelity Nat. Bk. & Tr. Co., Kansas City	44
First National Bank, Memphis	38
First National Co., St. Louis	2
Fletcher American Co., Indianapolis	36
Francis Bro. & Co., St. Louis	30
General Motors Acceptance Corp., N. Y.	26
Guaranty Trust Co. of New York, N. Y.	25
Hanchett Bond Co., Chicago	31
Hibernia Bank & Trust Co., New Orleans	20
Hotel Fort Shelby, Detroit	41
Investors Syndicate, Minneapolis	31
Jones & Co., Edward D., St. Louis	31
LaMonte & Son, George, New York	21
Mercantile-Com. Bk. & Tr. Co., St. Louis	52
Mercantile-Commerce Co., St. Louis	6
Midland Bank, London, England	30
Mississippi Valley Trust Co., St. Louis ...	8
National Shawmut Bank, Boston, Mass ..	37
Piccadilly Hotel, New York	45
Sargent & Greenleaf, Inc., Rochester, N. Y.	19
Smith, Burris & Co., Chicago	27
Union Trust Co., Cleveland	51
FRASER Ad Page	22

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

Of Mid-Continent Banker published monthly at St. Louis, Missouri, for October 1, 1931. State of Missouri, City of St. Louis—ss.

Before me, a notary public in and for the state and county aforesaid, personally appeared James J. Wengert, who, having been duly sworn according to law, deposes and says that he is the business manager of the Mid-Continent Banker, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, Donald H. Clark, 408 Olive Street, St. Louis, Mo.

Editor, Donald H. Clark, 408 Olive Street, St. Louis, Mo.

Associate Publisher, James J. Wengert, 408 Olive Street, St. Louis, Mo.

Associate Editor, Harold R. Colbert, 408 Olive Street, St. Louis, Mo.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

Commerce Publishing Company; Donald H. Clark, 408 Olive Street, St. Louis, Mo.; James J. Wengert, 408 Olive Street, St. Louis, Mo.; Harold R. Colbert, 408 Olive Street, St. Louis, Mo.; Howard W. Clark, A-1020 Insurance Exchange, Chicago, Ill.; Vernon T. Bartlett, 408 Olive Street, St. Louis, Mo.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

JAMES J. WENGERT,
Associate Publisher and Business Manager.

Sworn to and subscribed before me this 29th day of September, 1931.

(Seal.) CATHERINE M. BARRETT,
Notary Public.

(My commission expires January 24, 1934.)



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Sidelights on Financial News

¶ **William Murdoch**, secretary of the State Insurance Board of Oklahoma, has issued an ultimatum to "sideline insurance salesmen" in which it is decreed that after May 1, 1932, no officer of any bank or investment company in Oklahoma will be permitted to sell insurance. Mr. Murdoch, among other things, complained that he knew of instances where bankers have advised depositors against the purchase of insurance and then sold them privately.



¶ **Officials** of the Mercantile State Bank of Philadelphia have announced that they are sick and tired of carrying on business for the benefit of robbers and would discontinue their bank on December 15, after liquidating the business. Robbers have nicked the bank twice this year. Once for \$5,700 and another time for \$965.



¶ **Florida now** has a law designed to protect solvent banks from runs. The new law provides that, with the approval of the State Comptroller, any state bank may limit withdrawals by its depositors to 20 per cent. The law was passed on the grounds that state banks being permitted to place 80 per cent of their deposits in time loans, carrying only 20 per cent as a working reserve, should be protected from abnormal demands.



¶ **It has come at last!** The speak-easy bank! But don't get excited, because it isn't a bank where you whisper a request for a loan. It's this way: The First State Bank of Fox River Grove, Illinois, is weary of holdups. Two of them were enough, so now the officers of the bank lock themselves inside and before they permit anyone in the bank they look through a peephole and size up the prospective customer. Strangers are required to give plenty of identification before the door is unlocked for them—and that goes double for bank examiners.



¶ **John E. Huhn**, president of the Liberty Bank and Trust Company of Louisville, Kentucky, is advising the wise spending of money as a means of slaying "Old Man Depression." We quote from his last letter to stock-

the regular monthly dividend check of the bank:

"If the conservative public should spend more liberally now, when the best values can be obtained, it would help to set the wheels of industry turning more rapidly and restore to employment many now out of work. It seems that it is almost a duty to buy now—not only the bare necessities, but even to make more substantial investments, such as desired in a home, remodeling and painting of same, buying furniture, etc., where such things are needed.

"We as bankers have naturally encouraged saving and we still believe that everyone should have a substantial cash reserve; but, at this particular time, we believe it is our duty to encourage wise and careful spending."



¶ **Reopening** a bank under a new charter within an hour and a half after notice of its closing had been posted on the door is the record of the American Bank and Trust Company of New Albany, Indiana. One morning last month the bank failed to open at 9 o'clock and a notice was posted on the door announcing that the bank had been closed by the directors for the protection of depositors. Meanwhile Samuel J. Elsby, president of the bank, had left at 5 o'clock that morning for Indianapolis, and at 10:30 a. m. he telephoned his son, Samuel J. Elsby, Jr., and other officers of the bank that a new charter had been granted by the State Banking Department. The new bank, known as the American Bank, was designated as the liquidating agent of the old bank, and opened immediately under its new charter.



¶ **Mercantile-Commerce** Bank and Trust Company, St. Louis, put out a full-page newspaper advertisement last month and people are still talking about it. The advertisement ran under the caption—"Read All of This or None"—and went on to describe the pathetic economic conditions, not only of this country, but of the entire world. After the reader had been taken through five paragraphs of this, he was informed that what he had just read was not written yesterday but was a verbatim reprint of an editorial which appeared in Harper's Weekly on October 10, 1857.

From there on, the advertisement read as follows:

"1857 . . . the same year saw the opening of the bank which is now called 'Mercantile-Commerce.' July of that year was normal. September marked the beginning of depression. This editorial appeared in October. Seventeen months later, in March of 1859, business was back at normal again.

"Of our own troubles no man can see the end.' They said it in 1857, and it has been said many times, before and since. Depressions have occurred in American business since the Revolutionary War, and every one has looked black, and seemed unending.

"Every one has been followed by recovery—and prosperity."



¶ **Fred I. Kent**, director of the Bankers Trust Co., New York, and chairman of the Commerce and Marine Commission of the American Bankers Association, won a hearty round of applause in his address at the recent A. B. A. convention in Atlantic City when he suggested a "moratorium on politics."



¶ **T. B. McGrath, Jr.**, the Chicago banker who wrote all customers of his Mayfair State Savings Bank and told them to come and get their money because the bank wasn't making any money and he intended closing it, has the unique distinction of being one of the few bankers who voluntarily quit because of the frozen confidence of customers and not the frozen assets of the bank. Mr. McGrath voiced the opinion that there wasn't any use in running a bank when the customers kept their money in safe deposit boxes and came in to take out two or three dollars at a time.



¶ **Allan Hoover**, younger son of President Hoover, has started to work as a clerk in the Security First National Bank of Los Angeles. Harry M. Robinson, chairman of the board of directors of the bank and a personal friend of the President, said that young Allan has started at the bottom at his own desire.

A stout woman drove up to a filling station—"I want two quarts of oil," she said.

"What kind, heavy?" asked the attendant.

"Say, young man, don't get fresh with me," was the indignant response.



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