

# MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

▲  
ST. LOUIS  
SEPTEMBER  
1932  
▼



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An Aerial View of the  
Downtown Business District  
Peoria, Illinois

# THE VALUE OF CONFIDENCE

THE public's confidence in the stability and sound management of the First National Bank in St. Louis, has made it the largest bank in St. Louis, and the Central West.

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YOU COMPLETE FACILITIES



**CENTRAL REPUBLIC  
BANK**  
AND TRUST COMPANY

*La Salle at Adams*

# How Good Is ONE Good Common Stock?



## WHEN YOU CONSIDER THAT

Between 1900 and 1931, according to a recent compilation:

- More stocks went down than went up
- More stocks joined Bear movements than joined Bull movements
- In no year since 1915 have more than 75% of all stocks gone up
- During nine of the 32 years the chances were more than four to one against picking a stock that would go up. (Only in 1904 and 1909 were these "odds" reversed.)

Yet, the stock market averages during this long period rose 177%.



FEW investors realize the risk they run in trusting their fortunes to one or a few stocks in one or a few industries.

A typical common stock investment might include, for example, 50 shares of American Can, 30 shares of General Foods, 20 shares of Woolworth, 5 shares of American Telephone & Telegraph—all good common stocks. How unbalanced such an investment is will be indicated by the fact that the investor has about 57% of his funds in one company—American Can—and one industry, and representation in only four industries. There is no reason to feel confident that

this one industry and one company will fare better than or as well as the average of American business. Consider, also, the plight of any investor whose holdings in one company are excessive if this one company should pass its dividend.

In building the portfolio of NORTH AMERICAN TRUST SHARES, 1955 and 1956, a Supervised Unit Type Trust—the largest of its kind in the world—a scientific method for common stock diversification was employed. It will interest you. It is fully explained in a booklet called "Building a Portfolio". We shall be glad to send you a copy free of charge on request.

### Deposited Stocks in Each Unit of North American Trust Shares, 1955 Maximum Cumulation Type

As of October 17, 1931, the date of execution of the Trust Agreement, a stock unit consisted of the shares listed at the right. • The deposited stocks in each unit of NORTH AMERICAN TRUST SHARES, 1956 (Maximum Distribution Type) consisted on that date of 1/25 of the number of shares shown.

|   |     |  |     |
|---|-----|--|-----|
| E. I. duPont de Nemours & Company.....    | 200 | Otis Elevator Company.....                     | 200 |
| Eastman Kodak Company.....                | 100 | International Harvester Company.....           | 100 |
| The Procter & Gamble Company.....         | 100 | The American Tobacco Company "B".....          | 100 |
| Union Carbide & Carbon Corporation.....   | 300 | R. J. Reynolds Tobacco Company "B".....        | 200 |
| General Electric Company.....             | 400 | General Motors Corporation.....                | 300 |
| Westinghouse Electric & Mfg. Company..... | 100 | Standard Oil Company (New Jersey).....         | 300 |
| United States Steel Corporation.....      | 100 | Atchison, Topeka & Santa Fe Ry. Co.....        | 100 |
| The Borden Company.....                   | 200 | The New York Central Railroad Company.....     | 100 |
| Corn Products Refining Company.....       | 100 | The Pennsylvania Railroad Company.....         | 100 |
| General Foods Corporation.....            | 100 | Union Pacific Railroad Company.....            | 100 |
| National Biscuit Company.....             | 200 | American Telephone & Electric Corporation..... | 400 |
| Standard Brands Incorporated.....         | 200 | Columbia Gas & Electric Corporation.....       | 100 |
| Drug Incorporated.....                    | 100 | Consolidated Gas Company of New York.....      | 200 |
| Sears, Roebuck & Company.....             | 200 | The North American Company.....                | 200 |
| F. W. Woolworth Company.....              | 200 | Pacific Gas & Electric Company.....            | 200 |
| American Can Company.....                 | 100 | Public Service Corporation of New Jersey.....  | 100 |
| American Rad. & Stand. Sanitary Corp..... | 300 | The United Gas Improvement Company.....        | 300 |

The offering price of NORTH AMERICAN TRUST SHARES is based upon and varies with the actual New York Stock Exchange 100-share lot transaction prices of the underlying stocks during market hours. (Full details of method of calculating offering price are contained in the Offering Circular.)

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NEW ORLEANS



From now until the end of the summer, vacationists, motorists and most tourists will be traveling to Canada, New England and the National Parks. To give an idea of the large sums of money spent by these travelers, we have listed in the center of this page the amounts which were spent by them last year. Combined, these statistics represent a staggering sum. A like sum, it is reasonably expected, will be spent this summer.

At this very time domestic travel is at its height. Tourists, preparing to leave on their vacations with large sums in their possession, represent a wonderful market for banks. Not, of course, for the sale of vacation equipment, transportation, or hotel accommodations, but the financial paper with which these things can best be bought—a financial paper that at the same time gives to the traveler a security and peace of mind that he could never enjoy with so much cash on his person. By this paper is meant *American Express Travelers Cheques!*

At the time of withdrawal of any larger-than-usual amount, the bank teller by a courteous question and suggestion, can turn the withdrawal into a profitable transaction for the bank—a sale of Travelers Cheques.

In this transaction the bank does

**THE  
EVER-  
CHANG-  
-ING  
MARKET  
• FOR •  
TRAVELERS  
CHEQUES**

**Tourists spent  
\$500,000,000  
in NEW ENGLAND  
\$279,238,000  
in CANADA  
3,152,845 people  
visited the  
NATIONAL PARKS**



more than make a profit. IT MAKES FRIENDS.

It supplies its patrons with a form of money which is readily spendable—*American Express Travelers Cheques are accepted everywhere.*

It protects these patrons against loss and theft of their funds, thus insuring carefree vacations—*American Express Travelers Cheques are insured against loss and theft. Should such incidents occur, refunds are made.*

It supplies them with a ready means of identification where they need it most, on their travels—*Through the American Express Travelers Cheques double signature method.*

It procures for its patrons the services of a world-wide travel and financial organization—*Users of American Express Travelers Cheques are entitled to the services of the American Express Company.*

For years past the American Express has urged the prospective travelers of America to buy American Express Travelers Cheques at banks. There is a vast travel market this year awaiting only the timely sales effort on the part of the bank and its employees.

• • • • •  
*Steamship tickets, hotel reservations, itineraries, cruises and tours planned and booked to any part of the world by the American Express Travel Service.*

**AMERICAN EXPRESS TRAVELERS CHEQUES**

TRAVELERS CHEQUES  
AND  
TRAVEL SERVICE

*A Million A Day  
Paid By Chicago Packers  
For Live Stock*

During the five years, 1927 to 1931 inclusive, Chicago meat packers paid more than a billion and a half dollars for cattle, calves, hogs and sheep — an average of more than one million dollars each business day. And in the conduct of their business, representative packers use the commercial banking facilities of the Continental Illinois Bank

**CONTINENTAL ILLINOIS  
BANK AND TRUST  
COMPANY  
CHICAGO**

## "Coming Events"

**B**USINESS may not, as yet, have turned the corner, but business optimism very definitely has, and economists and business writers generally are calling attention to the fact that coming events cast their shadows before them.

The Guaranty Trust Company of New York in the current issue of *The Guaranty Survey* states that business optimism has increased during the past month under the stimulus of rising prices for stocks, bonds and commodities, and that the passing of the panic stage of the depression and the substitution of hope in place of fear as an active agent in business men's minds is an important step toward the solution of the problems before us.

Facts do not warrant the assumption that prosperity is almost upon us, but they do warrant a spirit of optimism and encouragement.

Four weeks in August resulted in only 64 bank failures as compared with 133 for the month of July.

Wholesale commodity prices advanced 1 per cent in July, according to the Bureau of Labor Statistics index, and it is likely that a similar gain will be shown for August.

Increasing quantities of gold are being added to the American monetary reserve.

The Standard Oil Company of New Jersey has expressed satisfaction over the general improvement in the statistical position of the oil industry and the earnings of oil companies.

Myron C. Taylor, chairman of the finance committee of the United States Steel Corporation, has made a statement to the effect that the depression has created a vacuum similar to that created by the destruction of physical property during the war, and that the competitive need for modern equipment and a thorough house cleaning would seem to indicate that a buying movement cannot be long delayed.

While steel production, automobile manufacturing and building construction have made no progress from the ruts in which they have been traveling, sentiment concerning these three business leaders is much improved, and some lines of business, notably the textile industry, have shown actual improvement.

Recent price advances must be ascribed mainly to expectations rather than to actual business improvement, but these expectations do have some basis for justification.

J. J. W.

# Mid-Continent Banker

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THE MID-CONTINENT BANKER is published monthly by the Commerce Publishing Co.  
 DONALD H. CLARK, Editor and Publisher    JAMES J. WENGERT, Associate Publisher  
 HAROLD R. COLBERT, Associate Editor    VERNON T. BARTLETT, Assistant Editor  
 H. J. HOFFMAN, Circulation Manager

408 Olive Street, St. Louis, Missouri  
 Telephone GARfield 2138

CHICAGO OFFICE: A1020 Insurance Exchange Building; Howard W. Clark, vice-president and manager. Telephone HARrison 9369.

MINNEAPOLIS OFFICE: 840 Lumber Exchange Building; Frank S. Lewis, manager. Telephone ATLantic 6458.

Contents copyrighted by the Commerce Publishing Company.

SUBSCRIPTION PRICE: Two years \$5.00; one year \$3.00. Single copies, 40 cents.

Entered as second-class matter at postoffice at St. Louis, Mo. Additional entry as second-class matter at Fulton, Mo. Member Audit Bureau of Circulations, Financial Advertisers Association.

CLARK PUBLICATIONS: Mid-Continent Banker, Life Insurance Selling, The Local Agent, Mid-Western Banker.



For  
Up-To-The-Minute  
St. Louis Facts



# A Glance at Canadian Branch Banking

By H. B. McDOWELL

Vice President, McDowell National Bank  
Sharon, Pennsylvania

THE advocates of branch banking like very much to point to the success of the Canadian and British systems of branch banking, and to the great liquidity and strength of city banks; and they infer that city banks would, if given the opportunity, take over country banks and thus save the country banks from ruin. Of course, it is quite foolish for anyone to think that a good city bank is going to take over a poor country bank unless there is a profit in it for them, or unless they are quite sure that they will not be called upon to dip into their own resources to make good losses existing in the country bank.

## Canadian Monarchical Government

These advocates overlook some very important elements in the whole situation which have great bearing on this question. In the first place the character of the government of England and Canada is quite different from the government of the United States. England being a limited monarchy, lends itself more readily to the concentration of control of business generally, and of banking particularly, at the seat of government; and that form of government limits, to a considerable extent, the effects of political interference. The government of Canada is a modification of the English government, but is again quite different from the government of the United States.

## No Political Pressure

The chief official in Canada is the Governor-General, and he is the direct representative of the Crown and derives his authority from England, and is dependent in no way upon the votes of his Canadian constituents. The voters have a more limited power in Canada, so that in each of these countries there is less likelihood of financial policies being swayed by political interference. The extent of that interference in this country is illustrated by the fact that approximately 10,000 banks have failed—most of which never should have been chartered. New banks were

started in communities already over-banked, because a new set of promoters had pull enough with either state or national authorities to get the charters. The authorities at all times had sufficient authority to refuse charters if they had been free from political pressure. And the fact that centralized control of chartering power has failed, should sound a warning to anyone who thinks that federal centralized control would



Every  
Unit Banker  
Should Read  
This  
Article



succeed. It is quite evident that centralized control of all banking processes would not be free from political influence and the right to establish branches would be abused just as the right to establish banks has heretofore been abused.

## Banking by Prior Lien

Naturally, branch bank advocates overlook entirely the failure of the Home Bank of Canada in 1920 with its more than four hundred branches. And they make no reference to Sections 88 and 89 of the Canadian Law which give a Canadian bank a prior lien on all of the assets of the borrower, and make of the bank a silent partner in the business. This right of priority is a very vital factor in saving losses in Canadian banks; but, of course, it is quite severe on other creditors. We have nothing in our own laws that would give to American branch banking this guarantee against loss, nor is it at all likely that our forty-eight states

would ever agree on this sort of a law. Such a law could not be federally imposed, which marks another very distinct difference between the United States and Canada.

For example: "In Canada a bank may lend money on standing timber and acquire a first lien on this timber. That lien continues through the process of manufacture and it becomes a first lien on pulp wood and then on the paper pulp into which it is ground, and then when it is turned into marketable paper it still has a lien on that paper. The bank security remains intact following each stage of conversion of the original security."

To apply this same ruling in America—a loan to a corporation mining iron ore would attach to that ore through its various processes of manufacture until it found itself in the form of cotton ties around a bale of cotton.

## Hindrances

The hindrance of the Canadian system to local development is illustrated by the fact that Canadian banks do not make any real estate loans and the report for December 31, 1931, indicates that the bulk of their investments are in Dominion and Provincial Government securities. Only a very minor part of their investments are in railroad and industrial securities—while a considerable amount is invested in British and United States Government Bonds. The banks, therefore, are a means of financing Governmental operations; but do not contribute much to industrial and commercial welfare.

The federal government in Canada can impose its will upon the provinces without much restriction; but that cannot be done by the federal government at Washington upon the states of the United States. Some who have watched the processes of recent years may doubt that statement; but fundamentally that is a fact. When one considers this difference in the form of government, it at once becomes apparent that there must be a difference in the

form of banking or other business processes.

In Canada it is possible to have a national banking law and national laws governing business processes; but in this country with a national banking law and forty-eight different laws governing the processes of business, we could have nothing but great confusion.

"It is interesting to note that in Canada where the consideration of the revision of the Canadian Bank Act is scheduled for 1933, that borrowers are clamoring loudly for some change in their banking system. Their chief objections being the refusal of banks to loan money, and the excessive interest charged on any money loaned. And it is interesting to note that it is found that the unit banking system is often held up as a paragon of what banking ought to be, as far as the interests of the community are concerned. It is pointed out that the people of the United States owe an immense part of their progress and prosperity to the fact that their small community banks have had, and have the interest of their own individual districts at heart."

#### Concerning Frozen Loans

And then our friends who advocate branch banking have been pointing to the great strength and resourcefulness of the city banks, with the inference, of course, that country banks are all poorly managed and weak institutions. They very cleverly cover up the methods by which our city banks have been able to acquire liquidity.

If we take the operations of the Reconstruction Finance Corporation and examine the loans that have been made, we find that almost every time a loan has been made to a railroad, a part of that loan has been used to pay off bank loans. And it is likely that no one will deny that almost all of these bank loans were held by city banks.

In connection with the criticism of country banks we hear a great deal about frozen loans, which makes it fair to ask if anyone can imagine any loan more frozen than a loan to the Wabash Railroad, now in the hands of receivers, and earnings reports showing that little if anything is being earned on any part of its bonded debt. Which would naturally raise a question as to whether any interest was being earned on its presumably secured bank loans? Of course, it is fair to assume that there is no sale for the collateral security back of these loans. I would be tempted

to dare anyone to find a loan more completely frozen in any country bank!

Yet, just recently the Reconstruction Finance Corporation made a loan to the receivers of the Wabash Railroad of \$4,575,000, and all of this money went to pay off loans in city banks. The banks being located in New York, St. Louis, Detroit, Pittsburgh, Kansas City, etc., and when these loans were paid to the banks, the banks were relieved of all further responsibility in connection therewith. If the security offered by the Wabash Railroad fails, the taxpayers will have to pay any loss, because the city banks are not called upon to guarantee the repayment of this loan.

#### R. F. C. and the Country Banks

Now, take the case of a country bank who desires to borrow from the Reconstruction Finance Corporation. They must go to the R. F. C. and pledge certain of their assets and give to the R. F. C. their note, and if the assets fail, then the bank is called upon to pay its note; and they continue with a contingent liability while they have the money. And if the assets fail, the country bank is called upon to pay the loss, instead of passing it on to the taxpayers.

If we would give to country banks the same privilege of unloading frozen loans, as has been given to the city banks, there would be very few failures of country banks. The method, however, that has so far been pursued, seems to be to take the cream of the assets away from country banks and away from the country bank depositors—while at the same time city banks receive relief indirectly by having paid off some of their poorest loans, through loans made directly to the borrowers. According to this method thousands of country banks are charged with borrowing money from the R. F. C. while the R. F. C. reports that city banks have not found it necessary to borrow very much money.

And if this form of indirect relief had not been given to city banks there would be no occasion now to point the finger of scorn at the country banks and point out the extreme liquidity and resourcefulness of city banks, because there would have been just the same difficulty in handling frozen loans in the city as in the country. And this indicates that there has been no expert management demonstrated among city banks; but there has been evolved a system of indirect relief which has enabled

them to make a better showing—even though that showing is better as regards numbers of banks, rather than in the amount of deposits involved in failures.

After all, there is no substitute for individual initiative, nor is there any substitute for home control of local banks, which will not bring to the local community greater handicaps and hazards than any they may have experienced so far. And nothing could be more baneful to the future progress of the country than would be the concentration of wealth and credit in a few hands.

To meet the situation brought about by the advocates of branch banking, which includes those groups and holding companies which are operating in violation of the law in holding stocks of national banks as pointed out by the Lehman Opinion, it has been necessary for the independent unit banks to associate themselves into an organization. Such an organization is now established under the title of the "ASSOCIATION OF INDEPENDENT UNIT BANKS OF AMERICA" with headquarters at Harrisburg, Pa. The managing secretary of the organization is the Honorable Peter G. Cameron, former Secretary of Banking in Pennsylvania, and all independent unit banks should immediately get in touch with Mr. Cameron to see that their names are enrolled so that they may have proper representation in defending the public from the attacks now being made upon them.

¶ **Hugh Bancroft**, publisher of the Wall Street Journal, Barron's and other financial papers, in a recent issue of Barron's, outlined four prerequisites to business recovery as follows:

Wage scales—Which he says must be adjusted to levels not higher than those of 1917, with similar treatment for such related items as salaries and rents;

Taxation—That Federal, State and municipal budgets must be balanced, with expenditures and taxes reduced not less than 25%;

International payments—That repatriation and war debt payments must be completely suspended for a considerable term of years and that final settlement of these obligations must be made in some other way than by the payment of gold or its equivalent;

Tariffs—And that world tariffs as a whole must be revised where they have destroyed international trade without creating equivalent domestic trade.

# Let Europe Pay Her Just and Honest Debts

By D. D. GOODELL

Illinois State Trust Company  
East St. Louis, Illinois

*This is the fifth of a series of articles on this subject written especially for the Mid-Continent Banker by members of the St. Louis Chapter of the American Institute of Banking.*

**I**N a recent message to Senator William A. Borah, President Hoover stated that he wished to make it absolutely clear that the United States had not been consulted regarding any of the agreements reported by the press to have been concluded recently at Lausanne, and that, of course, it is not a party to nor in any way committed to any such agreements. Our President stated further that if it could be interpreted that the agreements were a combined action of our debtors against the United States, then in that event he did not propose that the American people should be pressed into any line of action, or in any way influenced by such a combination, either open or implied.

Meanwhile American industry, American business men stand idly by with little applause for our President's stand. Europe denies combinations and becomes insulted over such an insinuation but by her own admission postpones further negotiations until after our fall election. But La Liberte, the powerful, conservative, nationalistic daily of Paris says of our President's message to Mr. Borah—"Verily, Pontius Pilate was not more cynical or more odious. Does this government which obeys gangsters, which capitulates helpless before thieves and assassins of babies in the cradle, dare to assume such a height of moral authority that it thinks it can dictate to Europe and France? Americans are the only race which passed directly from barbarism to decadence without knowing civilization!"

American business men have evaded the war debt question long enough. Too long have we allowed "La Liberte" expressions to influence our better judgment. We are justified in answering that we do not assume such a height of moral authority that we think we can dictate to Europe and France, but that we hold their IOU's—43 per cent of which has heretofore been canceled—and that the moral obligation of a debtor

to pay far exceeds the moral obligation of a creditor to cancel.

We possibly do not realize what cancellation means to America. We have so often heard from "La Libertes" that cancellation will restore international prosperity, that we actually find ourselves in the position of the ardent fisherman who has told his favorite story so often that he finally believes it himself. Our fisherman position as to the war-debt question is not an unusual one. Being human beings we vote the Republican or Democratic tickets as poll parrots to Dad, without knowledge of platform significance or contents, and whether we wish it or not, the five-day week and recognition of Soviet Russia are not the cure-alls for our difficulties in spite of accepted propaganda to the contrary. Politicians have almost convinced us that beer is our economic salvation, but we know that it is of little economic importance in our recovery and as sure as sunrise and taxes the "Moses of Cancellation" can only eventually work hardships on the American taxpayers.

Let's reverse our policy, hold Europe to the facts, and the facts are these—America loaned money to Europe in good faith. Europe still owes us \$10,063,000,000 after cancellation of 43 per cent of the debt. The sum canceled has heretofore been assumed by the American taxpayers. The unique feature of the situation is that each obligation is a separate and distinct obligation of a people to a people, and that the United States Government is merely trustee under the Liberty Loan issues and is without the right to cancel. The bonds were sold by our government, as trustee, to American investors and must be paid, if not by Europe, then by the American taxpayer.

Based upon our population of 126,000,000 people, if prorated upon a per capita basis cancellation will cost each American citizen \$81 without consideration of interest accrued over the time allotted for payment.

It is rather difficult to visualize the justice to the head of a family of four paying \$324.00 through taxation in order that he might collect his one Liberty Bond which now sells at \$103.00. Our taxpayers have sufficiently contributed to European hostilities. We spent \$36,000,000,000 in the World War. From the date of our declaration of war to the signing of the Armistice that expenditure was at the rate of \$35,000,000 per day, \$25,000 per minute, or a sufficient sum to carry on the Revolutionary War for 1,000 years. All of which was shouldered and paid by our taxpayers toward a cause which was strictly European in its origin.

England owes us \$4,000,000,000, France \$3,300,000,000 and Italy \$1,800,000,000. In short, 92 per cent of the total debt is owing from these three nations. If England is to make her annual payment promptly when due—it constitutes only 7.4 cents on each dollar on the basis of her annual budget, 2.5 cents on each dollar on the basis of her foreign trade and less than 1 cent on each dollar on the basis of her national income. In the case of France, her annual payments constitute only 4.6 of each dollar on the basis of her annual budget—only 2.5 cents of each dollar on the basis of foreign trade and 1.5 cents of each dollar on the basis of national income. In the case of Italy these figures are even less.

England doles \$420,000,000 annually to her people while our unemployed walk the street. The income on her foreign investment of \$20,000,000,000 is \$1,000,000,000 annually. She receives \$250,000,000 annually for hauling the world's ocean-going freight, and \$400,000,000 annually from marine insurance and brokerage charges. These are only a few of the invisible items with which she can

pay and transfer her annual war-debt payment of \$162,000,000.

France has an unlimited capacity to pay—not only does France aspire to become the international banker, but she has the second largest gold reserve in the world. France can pay from the spoils which she received from the World War. The annual income from the Saar Basin and Alsace Lorraine exceed her annual war-debt payment many times over. Scientists have estimated that Alsace Lorraine has sufficient mineral deposits to last the world for approximately seven centuries. It is through the acquisition of Alsace Lorraine that France now occupies second position among the commercial family of nations in the production of iron

ore and steel. In fact her wealth has so increased that her foreign investments total \$10,000,000,000, yielding an annual return of \$500,000,000. Under no condition can France plead inability to pay \$40,000,000 dollars annually to America.

Taxation is the unique feature of the war-debt question. No question of ability to pay can be involved for Europe can pay with ease. Her plea of inability to transfer is of no consequence for she can transfer through invisible items. Tariff walls are of little consequence for the Dingley tariff of 1898 was one of the highest tariffs ever enacted by the United States but imports increased from \$616,000,000 in 1898 to \$1,600,000,000 in 1910. The Fordney-McCumber

Act of 1922 was passed for the express purpose of preventing European countries from deluging our markets but goods poured over the so-called tariff wall. The Hawley-Smoot bill came into existence, yet 60 per cent of all imports are admitted duty free. In normal times the American market can consume high-priced goods and Europe knows it possibly better than America.

Our national wealth is mortgaged and our huge deficit is only temporarily balanced. Some forms of American taxation are nothing short of confiscation. Let's doff our hat to our President for his message to Mr. Borah—let Europe pay her just and honest debts and lower our taxes.

## History of the Service Charge in Missouri

### By C. A. WISDOM

Chairman, Committee on Service Charge, Missouri Bankers Association,  
and Cashier, Farmers & Merchants Bank, Green Ridge, Mo.

THE Committee on Analysis of Accounts came into existence by authority of the Council of Administration of the Missouri Bankers Association in July, 1919, with C. W. Allendoerfer, vice-president of the First National Bank, Kansas City, as chairman. Mr. Allendoerfer served as chairman of this committee until 1922, and during that time analysis was made in certain selected banks of various sizes to determine the gross earnings on different types of accounts and further analysis was made to determine expense of operation. This committee's particular function was to interest bankers in the analysis of their customers' accounts and their own expense of operation. The data compiled showed that a great percentage of accounts were carried at a loss and that net earnings were very low.

From 1922 until 1928 Dale Graham, then with the Mississippi Valley Trust Company, St. Louis, was chairman of the committee. During that time, in 1926, the title of the committee was changed from the Committee on Analysis of Accounts to the Committee on Analysis and Service Charge. The service charge came as a natural consequence from the analysis of accounts and expense. During Mr. Graham's incumbency he prepared much literature of an educational nature and it was distributed among the banks of Missouri and their customers. Through those years the committee continued to em-

phasize analysis and to gather much data of value to banks. In 1924 the committee reported that fifty or more banks in the United States were assessing service charges against small checking accounts. This was the first

This brief history of the Service Charge in Missouri has been prepared by Mr. Wisdom in answer to many inquiries as to when the Service Charge originated in Missouri, the number of banks using it, etc. Mr. Wisdom believes the public is ready and willing to pay Service Charges and that the present is an opportune time to install them.

— Editor's Note.

mention of service charges since the organization of the committee. In 1925, St. Louis banks inaugurated a service charge of \$1.00 on accounts of \$200.00 or less. In 1927 a few counties in Missouri adopted the service charge on unprofitable accounts on a county-wide basis. At the State Convention in May, 1928, the committee was able to report that it had been successful in introducing the service charge and other improved banking practices into more than one hundred fifty banks.

Thus, in these nine years of inten-

sive analytical and educational work, had been laid the foundation for the generally accepted and widely used service charges in vogue in Missouri banks today. From 1928 to the present time the growth of service charges has been very rapid—even more than anticipated or expected—considering the stress under which bankers have had to operate and the many other vital problems requiring their attention.

Owing to Mr. Graham removing from the State the work of this committee was continued from 1928 to 1930 under the very capable leadership of Clyde D. Harris, president of the First National Bank, Cape Girardeau. In the fall of 1928, in answer to a questionnaire sent to all members of the Missouri Bankers Association, one hundred and seventy-six banks reported as using the service charge on unprofitable accounts. The importance of analysis was continually stressed and special emphasis was given to the installation of service charges on unprofitable accounts. Mr. Harris prepared some very valuable literature on these subjects, and articles by him appeared in financial magazines on these and kindred subjects. Fifty-six banks installed the service charge on unprofitable accounts during the fiscal year 1929-30.

On account of a temporary impairment in health, Mr. Harris was succeeded as chairman of the Committee

(Continued on page 41)

# How Intermediate Credit Banks Can Serve You

By  
**WOOD NETHERLAND**

**President, Federal Land Bank  
and Federal Intermediate  
Credit Bank, St. Louis**

**T**HE record of the Federal Intermediate Credit Banks shows that since organization they have loaned or discounted in excess of a billion and a quarter dollars and the total charge-off has been only about three-tenths of 1 per cent.

More than 118 cooperative marketing associations, with a total membership of 1,500,000, have been served by these banks since organization.

How can the services of the Intermediate Credit Banks be further extended into the rural communities and assist the individual farmers and thus, indirectly, the country banks? As deposits in country banks have contracted during the past two years, the officers and directors of these banks have become more interested than ever before in agricultural credit corporations and have organized these corporations as valuable allies to their institutions.

For a number of years commercial banks have educated the depositing public to the belief that the lack of rediscounts or the lack of borrowed money by a commercial bank was a badge of merit. This idea was carried to the point where banks advertised with much emphasis in their financial statements that they had "neither rediscounts nor money borrowed." As a result of the program the general public, unfortunately, became educated to a point of viewing the appearance of rediscounts and borrowed money, in a commercial bank statement, as a sign of weakness, when, as a matter of fact, rediscounts and borrowed money by a well-managed bank may well be a badge of merit indicating a desire to render service to the community to the best of its ability. This prejudice has become so deeply lodged in the minds of the depositing public that it is questionable whether or not commercial banks will ever rediscount more than is absolutely necessary, regardless of what facilities are provided therefor.

How, then, can this distribution of credit be accomplished? By credit corporations affiliated with country banks, or by using a portion of the capital stock provided for commercial banks for the purpose of cre-

ating community credit corporations.

Recently much more interest has been manifested than formerly by country banks in establishing agricultural credit corporations. In many instances, the banks in an entire county or in a trade territory embracing several counties have jointly supplied both the capital and the management. This insures competent personnel, trained in the business of granting credit, and assures each stockholder that loans made will be of such high character as not to jeopardize continued operations. It also gives the corporation sufficient volume and profit to secure good management.

The organization of a community credit corporation brings into such a community additional funds from the outside and at the same time permits the local commercial banks to maintain their desired liquidity. A credit corporation, organized in a local community by one or more of its banks, should be just as acceptable in our financial structure as the investment affiliates of our larger commercial banking institutions.

Another factor necessary to amplify the services of the Federal Intermediate Credit Banks to country banks is a more practical and workable arrangement with respect to interest rates. It is, of course, wholly desirable and essential that adequate funds at low rates of interest be always available to agriculture, but that should not let our desire to supply this low-cost credit lead us into the practice of insisting upon such low costs as would not be commensurate with the risk involved. To do so would be to disturb the interest structure of a whole community, gain the antagonism of all financial insti-

tutions operating therein and preclude the ability to accumulate adequate reserves. Moreover, the price of money rises and falls in a manner not dissimilar to that of other commodities, and fluctuates from causes beyond local control. If the Intermediate Credit Banks are to be operated on a sound business basis, their rates must be reasonable. The aim should be to stabilize rates by supplying funds at reasonable levels, but rates that are abnormally low invite dangers equally as potent as rates which are abnormally high.

Adequate profits are necessary to any financial institution if it is to build responsible reserves and remain sound. The first obligation any financial institution owes is that of remaining sound and solvent.

Interest rates cannot be successfully maintained at uniform levels in such a large and diversified country as these United States. Interest rates in various localities are predicated on the cost of doing business and are commensurate with the risk involved, size of loan, distances to be traveled, density of population, and many other factors. Most states have recognized this old and sound economic principle by fixing the maximum interest rates which may be charged, and no system of finance which fails to recognize it can meet with full measure of success. Therefore, it is my conviction that any loan, otherwise eligible, which does not bear an interest rate in contravention of the laws of the state in which the loan originates, should be eligible for discount, with such limitations, of course, as would prohibit excessive charges.

In conclusion, therefore, I would recommend intensive study to be given these two major questions, the solution of which will mark further material progress in extending the usefulness of the Intermediate Credit Bank System, namely: (1) a plan for the further development of the local institution to contact the farmer in the rural community; and (2) such latitude with respect to interest rates as would keep the Federal Intermediate Credit Bank rates commensurate with the risks involved.

# Can You Answer These Ten Legal Questions?

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.** Forest had a deposit in a Missouri bank in his name to which was added the words "Circuit Clerk" which deposit represented collections he had made for court costs, etc., as circuit clerk. He also owed the bank an amount represented by a note equal to the amount of the deposit. The bank failed. He sought to have the note offset against the deposit. Can he do so?

**2.** Under federal statute whenever any person indebted to the United States is insolvent the debts due the United States shall be first satisfied. Warwick was appointed receiver of an Arkansas railroad in the federal court in that state and as such receiver he deposited money in an Arkansas state bank which became insolvent. He sought to have a preferred claim allowed for the deposit and asserted he was entitled to the preferred claim because of the federal statute heretofore referred to. Is he entitled to the preferred claim?

**3.** Marmaluke violated certain Illinois criminal laws connected with banking and was brought on for trial. His attorneys advised the court that he waived trial by jury but the attorneys for the state objected and the trial court held the case should be tried to a jury, which was done. Marmaluke was convicted and he appealed. On appeal his attorneys urged that the trial court erred in requiring him to submit his case to a jury because he, and he alone, rather than the state, had a right to waive same. Did the trial court err?

**4.** An Oklahoma banker owned practically all the stock in a bank serving a small community in that state. He lived in the community and supervised the affairs of the bank. He sold out, and as a part of

the transaction he agreed not to re-engage in the banking business in the United States for five years. Shortly after he sold out he purchased a small bank in the same state some two hundred miles or so from his old bank. His activities in the second bank in no way interfered with the profits of the first bank, nevertheless the purchaser of his shares of the first bank brought an injunction suit to restrain him from engaging in the banking business in violation of his agreement. Should he be restrained from operating the second bank?

**5.** Watson was the president of and a director in an Indiana bank that failed. When a claim was made against him for the double-liability imposed by Indiana law against bank stockholders, he asserted that he had been fraudulently induced to buy the shares of stock upon which the claim was based by representations to the effect that the bank was in a sound financial condition when it really was not in such a condition, and that he therefore was not liable for the claim. Is the defense good?

**6.** Buckley borrowed certain fairly small sums from a Texas bank which he repaid. Thereafter he filed suit to recover the penalty provided by statute for collecting usurious interest, that is, more than 10 per cent per annum. It developed that Buckley had paid more than the legal rate of interest and that the loans had been made in an ordinary way. The bank attempted to justify the charges by claiming they were carrying charges and that it cost as much to make a small loan in overhead, etc., as a large loan and that since small loans were made to Buckley the charges ran the interest up to more than 10 per cent per an-

Correct answers to these questions will be found on page 50 of this issue.

num. Buckley had not agreed that any carrying charges might be made. Can he recover?

**7.** A Tennessee bank employed a solicitor to secure new savings accounts and to make collections on an installment savings plan it had started. The solicitor called to collect an installment on the savings plan from one of the bank's customers and, for some unexplained reason, met her at the door of her home with the brim of his hat drawn down over his eyes so his face could hardly be seen and with a revolver in his hand. She became frightened and fainted and suffered a nervous shock. She sued the bank for damages. Was it liable?

**8.** An Arkansas bank arranged with an automobile dealer in the city in which it was located to finance purchases of automobiles. Maxwell purchased a car from the dealer and as a part of the transaction entered into a contract whereby it was to be paid for on installments. The contract further provided that the installment payments should be made to the bank at the bank. As a practical proposition the contract was not strictly adhered to in that payments were made to the dealer. This was also done in a great many similar transactions. The bank made no objection to this procedure. The dealer remitted all installments to the bank except the last one. When Maxwell made the final payment the dealer took it and absconded. The bank sued Maxwell for same. Can it recover?

**9.** In Oklahoma, as in most all states, it is general law that if a party against whom a cause of action lies absents himself from the state, the statute of limitations does not run against him. Jones, an Oklahoma resident, claimed one-half of a piece of real estate in Oklahoma. Frederick claimed all the property. Frederick lived in St. Louis, Missouri, and was a banker there and rented the property at an annual rental, all of which was paid to him, to a ten-

(Continued on page 48)

# F. A. A. Will Meet at Chicago

AMERICA'S financial advertising experts will gather in Chicago, September 12 to 15, for the 17th Annual Convention of the Financial Advertisers Association. The meeting will be a conference on advertising and new business problems, with a program built to provide material of value in meeting the many current problems of the present day.

Evidence of an intense interest in this opportunity to meet and swap experiences is seen in the large number of reservations received from all parts of the country. Many of the financial advertising managers, who cannot spare time from their regular duties, are going to spend a part of their vacation in attending the meeting.

The Congress Hotel is the headquarters for the meeting, and many of the delegates are expected to arrive on Sunday, the 11th, so as to have a chance to get together, and talk things over before the regular meetings get under way.

The visitors will have a chance to play golf, or to see the middle western metropolis on Monday, after registering in the morning. The annual golf tournament will be held at Olympia Fields, scene of many championship golf tournaments, with three Chicago newspapers. The *Herald and Examiner*, *Daily News* and *Evening American* acting as hosts. The non-golfers and the ladies will be the

guests of the General Outdoor Advertising Company on a sight-seeing tour and luncheon. The tour will cover every part of the city, and will show the visitors that Chicago has a real reason for claiming to be an ideal vacation spot.

In the evening, the first social event will be a cabaret supper dance, with all of the Chicago newspapers acting as the hosts.

On Tuesday morning, business will be the motto right from the start, with a breakfast of the Business Development Department. All of the delegates are invited to attend this get-together session which will be in charge of E. V. Newton, assistant secretary of the Cleveland Trust Company.

At 9:30, Charles H. McMahon, president of the Association, will call the first general session to order. As the first speaker, he will present a Chicagoan of national prominence, Col. Frank Knox, publisher of the *Chicago Daily News*. Col. Knox was selected by President Hoover to head the Anti-Hoarding Campaign last winter, and also has been an active leader in civic affairs in Chicago. He will talk on "Financial Advertising Trends." His long experience in the newspaper field qualifies him to speak on this interesting subject. Prior to his acquisition of an interest in the *Daily News*, he was general manager of the Hearst Newspapers, and before that, publisher of newspapers in New England.

His talk will be followed by talks and discussions on the future of financial advertising, the advertising budget, and the general economic situation.

An interesting exhibit of the old and the new in financial advertising, as well as the best advertising of the past year, will be shown in the exhibit, under the direction of Henry L. Parker, manager, Business Extension Department, Detroit Savings Bank, Detroit, Michigan. The exhibit will include a collection of material which was shown at the first convention in 1915. Tuesday noon will be devoted to the exhibit luncheon, with five speakers devoting four minutes each to exhibit talks.

Tuesday afternoon, the Trust Development Division session will attract all those interested in trust work, while the rest of the delegates will attend a general session which will be in charge of A. E. Bryson,

vice-president, Halsey, Stuart and Company. At the latter session, there will be three talks of wide interest. R. L. Stone, vice-president, First Wisconsin National Bank, Milwaukee, will tell "What the Advertising Man Should Know About Banking," and the other side of the story will be covered by Wirt Wright, president, State Bank and Trust Company, Evanston, who will outline his ideas on "What the Banker Should Know About Advertising." That ought to be an interesting interchange of ideas.

The service charge, it seems, is always with us and its handling is a matter of vital interest to all bankers. Harold Choate, assistant vice-president, Liberty Bank, Buffalo, will cover the subject thoroughly in a talk on "The Service Charge and the Public."

The Trust Development Division will turn its entire attention to current problems in a program under the direction of W. A. Stark, vice-president and trust officer, Fifth Third Union Trust Company, Cincinnati. Problems of vital interest, such as training trust representatives, controlling and directing the activities of trust representatives, enlisting the energies of officers of other departments and directors in securing new trust business, direct mail, and an evaluation of new trust business, will be discussed by trust officers of banks throughout the country. The speakers will include Samuel Witting, Con-



C. H. McMAHON  
President, Financial Advertisers  
Association



PRESTON E. REED  
Executive Secretary, Financial Advertisers Association

tinental Illinois Bank and Trust Company, Chicago; Tracy E. Herrick, The Cleveland Trust Company; Paul P. Pullen, Chicago Title and Trust Company; Harve H. Page, The Northern Trust Company, Chicago; Victor Cullin, Mississippi Valley Trust Company, St. Louis; Leopold A. Chambliss, Fidelity Union Trust Company, Newark; Ernest L. Anderson, Rhode Island Hospital Trust Company, Providence; J. Mills Easton, The Northern Trust Company, Chicago; Thomas J. Kiphart, Fifth Third Union Trust Company, Cincinnati; and Samuel Marsh, First Union Trust and Savings Bank, Chicago.

The night as well as the day will be devoted to business, for there is much to be covered in the short span of the meeting, and at 6 o'clock, Mr. Newton will call the annual dinner of the Business Development Division to order, while Mr. Stark will preside

at the Trust Development Division dinner. George O. Everett, assistant vice-president, First Citizens Bank and Trust Company, Utica, will be the principal speaker at the Business Development session, and his subject will be "The New Business Man—Yesterday, Today and Tomorrow."

Wednesday will start out with a general session and a trust development departmental, will find all the delegates together at the now famous "One Best Bet Luncheon," and in the afternoon will split again for a continuation of the two morning sessions. H. A. Lyon, advertising manager, Bankers Trust Company, New York, will be in charge of the morning general session, and M. E. Holderness, vice-president, First National Bank, St. Louis, will preside in the afternoon. The subjects covered at these meetings will cover a wide range, and the speakers will include Roy H.

Booth, Jr., National Shawmut Bank, Boston; Allard Smith, executive vice-president, Union Trust Company, Cleveland; Harry L. Haines, manager, Permanent Sales Department, National Newark and Essex Banking Company, Newark; and W. A. Kittredge, R. R. Donnelley & Sons Company, Chicago. Public psychology—and its present-day relationship to selling the services of a bank; the new buying power of the advertising dollar; and how big must an advertisement be today, are among the subjects to be covered.

The trust division will continue its consideration of everyday problems, both at the two meetings and at another dinner. This division is one of the most active in the organization, and it is aiming to utilize all the time possible, in order to give a real cov-

(Continued on page 42)

# Illinois Group Meetings Will Be Held September 7-23

**E**LEVEN group meetings of the Illinois Bankers Association are scheduled to take place from September 7 to September 23 and officers of the Association, group officers and bankers in the cities where the group meetings are to be held are busy now with plans for the programs.

The general theme of the meetings is to be: "Conducting the bank with a view of protection to depositors and profit to stockholders." Programs have not been completed but the subjects to be discussed will be the same at each of the meetings.

At Group Eleven, F. R. Curda, personal trust officer of the Central Republic Bank and Trust Company, Chicago, and member of the executive council of the American Institute of Banking, will lead a discussion on "Management Training." At all other group meetings this same discussion will be led by Irvin J. Green, president of the State Savings Loan and Trust Company, Quincy, and chairman of the committee on education, Illinois Bankers Association.

At groups eleven, one, two, three, four and five, John J. Anton, vice-president of the First National Bank, Chicago, and chairman of the committee on bank management, Illinois Bankers Association, will lead the discussion on "Profitable Operation."

At groups six, seven, eight, nine and



PAUL E. ZIMMERMANN  
Vice-chairman, Oak Park Trust and Savings Bank, and President of the Illinois Bankers Association

ten, the same discussion will be led by J. Stanley Weis, cashier of the National Bank of Mattoon, and member of the committee on bank management, Illinois Bankers Association.

M. A. Graettinger, executive vice-president of the Illinois Bankers Association, will lead a discussion at all meetings on the subject "Legislation and Supervision."

A discussion of "Credit Fundamentals" will be led by G. C. Gridley, vice-president, First Lake County National Bank, Libertyville.

Paul E. Zimmermann, president of the Illinois Bankers Association, will speak at each meeting on the subject "Benefiting by Experience." J. E. Mitchell, vice-president of the Illinois Bankers Association, will speak on the subject "Modernizing the Association Organization."

A complete schedule for the group meetings follows:

|              |              |   |
|--------------|--------------|---|
| September 7  | Group Eleven | River Forest Country Club Near Elmhurst |
| September 12 | Cook County  | Kankakee                                |
| September 13 | Group Five   | Galesburg                               |
| September 14 | Group Two    | Rock Island                             |
| September 15 | Group One    | Rockford                                |
| September 16 | Group Three  | Aurora                                  |
| September 19 | Group Four   | Urbana                                  |
| September 20 | Group Six    | Taylorville                             |
| September 21 | Group Seven  | McLeansboro                             |
| September 22 | Group Ten    | Waterloo                                |
| September 23 | Group Nine   | Quincy                                  |
|              | Group Eight  |   |



**B**ANKS are invited to investigate the facilities of *The Federal Intermediate Credit Bank of St. Louis* for the rediscounting of agricultural and live stock loans, as well as the advantages in setting up agricultural credit corporations for this purpose to supplement existing credit facilities.



FEDERAL INTERMEDIATE CREDIT BANK  
OF ST. LOUIS  
ST. LOUIS, MISSOURI

OLIVER J. LLOYD  
*Vice-President & Secretary*

WOOD NETHERLAND  
*President*

WALTER H. LAND  
*Vice-President & Treasurer*

JOSEPH R. COSGROVE  
*Manager*

*Short-term, tax-exempt Federal Intermediate Credit Bank debentures afford an excellent medium for the investment of secondary reserves of banking institutions.*

FULL INFORMATION UPON REQUEST

# Group Eight Meets at Quincy

**M**EMBERS of the Quincy, Illinois, Clearing House Association, the Association of Commerce and citizens of Quincy are looking forward with pleasure to the annual meeting of Group Eight of the Illinois Bankers Association to be held in their city on September 23.

They are proud of their city, located "In the Heart of the Great Valley." Consider its location, read its history, study its progress and you will know the story of the romance and adventure of the great Mid-West.

The modern department store stands where once the Indians bartered in their crude tepees, the busy factory manufactures its products where the early settlers rudely put together their simple wares; steel rails and roads of concrete follow the trails of the first hardy explorers, and man has fashioned parks and playgrounds of the beauty spots along the Father of Waters where the hopeful Mound Builders once buried their dead. Industry, trade and transportation, mills, stores and locomotives, stone, steel and concrete have wrought with more imagination than the slender weave of poetry or fiction.

In this story of the magic of the great Mid-West, Quincy, Illinois, has a most essential and most interesting chapter. It was here that the Great Emancipator proved the redoubtable foe of Stephen Douglas in one of their memorable debates.

One hundred years ago the Indian trading post on the east bank of the Mississippi was undergoing its first transformation into an abode of white men, the beginning of the series of changes which made it the modern city that it is today.

Father Marquette, the French missionary, passing down the great river about July of 1673, was probably the first white man to look upon the bluffs where the city of Quincy later was to be located. General Zebulon

trading village that was located on Quincy's present town site. In May, 1819, Willard Keyes passed down the river on a raft of lumber but did not locate here at that time. In 1821, John Wood first visited the site of Quincy and was so pleased with the location that he erected a cabin here, though not at first within the original town. The first settlers were John Wood, Willard Keyes, who returned to the place he had seen from the river several years before, Jeremiah Rose and Asa Tyrer.

Quincy is located on a picturesque bluff overlooking the Mississippi, bounded by Illinois and Missouri lands, garden spots of the world.

The hub of a rich agricultural, manufacturing and commercial section. Near the center of population of the United States.

At the Junction of three great states—Illinois, Iowa and Missouri, in the low-priced Hydro-Electric power zone.

More than 40,000 population in a trade territory of 325,000 persons.

Healthful climate with no extremes of heat or cold.

Many miles of parks noted throughout the country for their natural beauty, many of them overlooking the Father of Waters.

City of attractive homes, with 65 per cent of its citizens owners of homes.

Excellent school system, with a new



Pike, under a commission of the United States Government to locate forts along the Mississippi from St. Louis to the Falls of St. Anthony, must have tarried in the Indian and



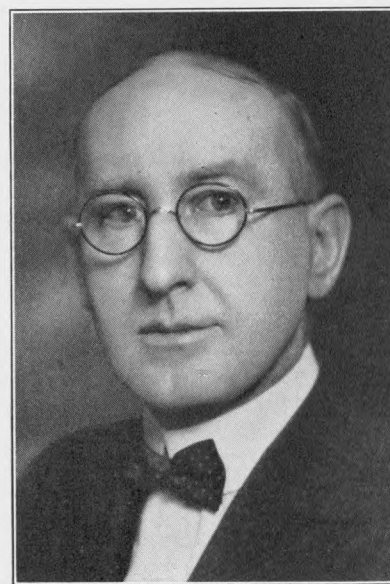
J. C. WHITEFIELD

Cashier, Broadway Bank of Quincy, and president of the Quincy Clearing House Association.



EARL ADAMS

Vice-president, State Savings Loan and Trust Company, Quincy, and vice-president, Quincy Clearing House Association.



JOHN H. SIECKMANN

Vice-president and cashier, Mercantile Trust and Savings Bank, Quincy, and secretary, Quincy Clearing House Association

million-dollar high school, twelve grade schools, seven parochial schools, Quincy College, Gem City Business College, two academies, schools of music and art, Chaddock Boys' School, etc.; placing Quincy in the front rank in educational facilities.

Many places of amusement of high character. Commodious theaters, picture houses, amusement parks, four golf links. Hunting, fishing, boating, camping and picnic groves; summer resorts in every direction.

Many miles of new paving. Entrances to city all well paved.

City-owned water system furnishing water of celebrated purity.

Banks among the best in the country. Bank clearings last year \$40,500,000. Stability and ample resources of banks assure to business protection and progress.

Retail stores in Quincy metropolitan in every respect. With trade areas covering a radius of 75 to 100 miles, giving more than 400,000 potential customers.

Impressive group of civic and public buildings, including the State Soldiers' and Sailors' Home, Armory, Chamber of Commerce, Y. M. C. A., the Elks' Home, Eagles, Knights of Columbus, Public Library, Post Office, City Hall, Court House and a magnificent home for the Western Catholic Union.

Widely known jobbing center for hardwares, groceries, notions, stoves and dyes.

One daily newspaper with circulation of more than thirty-five thousand.

Practically no indebtedness.

Per capita wealth \$1,689.11; per capita debt \$4.61.

The tax rate is \$3.46 per \$100.00.

Manufacturing interests in highest rank in the country. Quincy-made products being sold throughout the United States, Canada, Mexico and foreign countries.

Quincy is the only city, with the exception of St. Louis, in the middle of the United States giving annual outdoor opera. This year the Civic Opera Chorus, under the direction of Marvin W. Krieger, is presenting the world-famous opera, "Spring Maid," in a beautiful outdoor setting. The cast is made up of local talent which goes into training during the entire year for the production of each opera. These operas are rapidly becoming popular throughout the entire Middle West.

Quincy's latest progressive acquisitions include her new Memorial Bridge, spanning the Mississippi and

(Continued on page 21)

# QUINCY WELCOMES Group Eight BANKERS

In a spirit of mutual helpfulness progressive bankers of Group Eight of the Illinois Bankers Association will meet in Quincy, September 23, for their annual meeting.

Much good will come from this meeting. Many problems of mutual interest will be discussed.

Group meetings represent a fine form of cooperative effort. Their open discussions are of inestimable value to bankers.

Every effort is being made to insure a large attendance at this meeting and we feel that every banker who attends will return home with the feeling that this has been one of the finest meetings in the history of Group Eight—from the standpoint of both pleasure and real profit.

Quincy will be honored by your presence—and the banks of Quincy will count it a pleasure to serve you then and at all times.

## Quincy Clearing House Banks and Trust Companies

BROADWAY BANK OF QUINCY  
BROADWAY STATE SAVINGS BANK  
ILLINOIS STATE BANK  
MERCANTILE TRUST & SAVINGS BANK  
SOUTHSIDE STATE SAVINGS BANK  
STATE SAVINGS LOAN & TRUST COMPANY  
STATE STREET BANK & TRUST COMPANY

Quincy, Illinois

# Group Six Will Meet at Urbana Country Club, September 19

**I**N the spacious, cool clubhouse of the Urbana Golf and Country Club, which is tucked away among beautiful trees, members of Group Six, Illinois Bankers Association, will hold their annual meeting on September 19. Scarcely more than a century ago on these same grounds friendly Indians camped and Indian trails led over the prairies in several directions. These Indians proved good neighbors until the Blackhawk war caused such a scare that they were invited to move along, which they did.

This early Indian tradition shares with interest the many stories about the vis-

its of Abraham Lincoln to Urbana during the days when he was a lawyer on the Sixth Circuit of Illinois. Lincoln came often to Urbana. There

are many markers of his visits here, including the famous Lincoln statue by Lorado Taft, the noted sculptor. It was in the Twin Cities that Lincoln was first suggested editorially as being of Presidential caliber. It was also here that his first campaign pictures were taken. It was Lincoln who signed the "Morrill Act," which made possible the location of the Illinois Industrial University, later the University of Illinois, on the prairies between the then small cities of Champaign and Urbana. That was sixty-five years ago.

Today, only the initiated know where the boundary line



Natural History Building, University of Illinois, Urbana

## W E L C O M E !

Members of **GROUP SIX**  
of  
**Illinois Bankers Association**

☐ It will soon be our pleasure to welcome many of you to the Annual Meeting of *Group Six* at the *Twin Cities* of Champaign and Urbana. That welcome will be only a short time before the *Centennial of Champaign County and Urbana*. It will have a background of 100 years, during which time thousands upon thousands of visiting groups have experienced the friendly, sincere hospitality of this community. It will be a real pleasure and privilege to be host to Group Six.

☐ *The date*—Monday, September 19, 1932, 10:30 a. m. to 5:00 p. m. ☐ *The place*—Urbana Golf and Country Club. ☐ *The program*—One of best Group Six has planned in years. ☐ *The theme*—"Conducting the Bank with a View of Protection to Depositors and Profit to Stockholders." ☐ *The entertainment*—Wait, we want to surprise you. ☐ *The sights*—You will have a chance to see the University of Illinois and numerous other attractions. ☐ *Why you should come*—It will make you a better Banker.

**TAKE A DAY OFF — COME TO THE TWIN CITIES SEPTEMBER 19.**

**CHAMPAIGN AND URBANA CLEARING HOUSE ASS'N.**

between the two cities is located. Cooperation and advancement are the order of the day. An excellent example of this is found in the way in which bankers of both cities are working together for the success of the meeting on September 19. The theme will be "Conducting the Bank With a View of Protection to Depositors and Profit to Stockholders." Almost 200 bankers are expected to enjoy the hospitality of their fellow bankers of Champaign and Urbana.

It is going to be a busy day, but it is expected that practically every visitor will find time to visit the campus of the University of Illinois, where may be found more students than on any single campus in America. On that campus are located ninety buildings, fields of grain, shops, laboratories, classrooms, libraries, and all the facilities that go to make one of the greatest universities in America.

Surrounding the campus are the beautiful structures of university organizations, fraternity houses predominating upon the Champaign side and sororities on the Urbana side.

Nearby the Urbana Golf and Country Club is located the Urbana outdoor swimming pool, "Illinois' finest," and Crystal Lake Park, a beautiful park of 110 acres of shrubs, oaks, grass, and water easily made accessible by restful drives.

For those who wish to play golf, the Urbana course will be available all day with a green fee of \$1.00. Members of Group 6, who play Hole No. 7, will soon realize why it has become nationally famous as one of the ideal "holes" of the country.

Charles F. Loeb, who has charge of the local arrangements at Urbana, is preparing a brief program of entertainment for the luncheon that promises to be remembered for a long time to come.

## Group Eight Meets at Quincy

(Continued from page 19)

giving to the nation a short and all-paved route from east to west, and her new and well appointed hotel. This year's goal of achievement is a modern water terminal. Quincy enjoys three airports capable of receiving ships of any size.

Quincy welcomes the traveler, the business man, and industries seeking outlet to the Central West because of its advantageous rates to the extreme west and all seaboard distributing centers.

Quincy welcomes you.

# Group Seven Will Meet at Taylorville, September 20

**T**HE Christian County Bankers Federation with Frank Mulberry, of Mt. Auburn, Illinois, as their chairman are making plans to entertain the Bankers of Group Seven at Taylorville, Illinois, September 20.

Taylorville is the center of a rich agricultural and industrial community and has a population of 10,000.

The Peabody Coal Company, operating four mines in the Taylorville district, employs around two thousand men; the Hopper Paper Company, manufacturers of high-grade paper, employs around two hundred people; the Bradford Raincoat Company, manufacturers of raincoats, employs around twenty people; Funk Brothers Seed Company and Soy Bean Mill employs twenty, the Chicago and Illinois Midland Railway Shops, one hundred fifty men, the Central Illinois Public Service Company employs fifty people; the Tips Tool Company, manufacturers of tools for maintenance of electric power lines, employs twen-

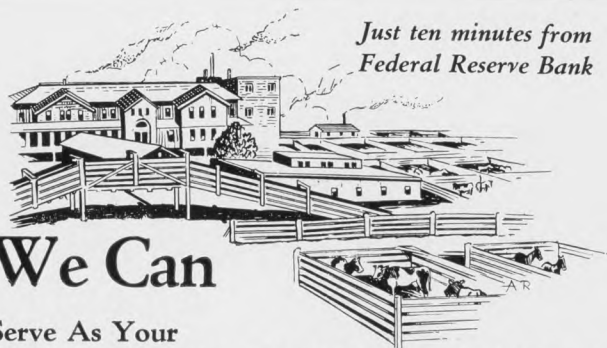
ty-five people and the district office of the Illinois Consolidated Telephone Company employs thirty-seven men and women.

The city has four building and loan associations and three banks, the Farmers National Bank, The First Trust and Savings Bank and the Corn Belt Joint Stock Land Bank.

The Country Club with its splendid clubhouse and golf course and Manners Park, a modern park and playground of approximately fifty-five acres, afford ample space for recreation.

With its excellent railroad facilities consisting of the Wabash, Baltimore & Ohio and The Chicago and Illinois Midland, and with its hard-road facilities, consisting of Routes 24, 48 and 106, Taylorville should be an ideal city for this meeting in September.

The Ten Commandments and the Golden Rule remain the two best business broadcasts ever written.—Exchange.



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## The National Stock Yards National Bank

OF NATIONAL CITY

NATIONAL STOCK YARDS

ILLINOIS

# Group Two Meets at Galesburg

**B**ANKERS of Group Two of the Illinois Bankers Association will hold a meeting in Galesburg, Illinois, September 13. They will convene at the Soangetaha Club, which is one of the most delightful country clubs in the state. The City of Galesburg takes great pleasure in having bankers of Group Two come to their substantial city and pride in having this opportunity of presenting the many outstanding valuable and delightful features and facilities that make up this community's assets.

The late Edward Bok, famous author, listed Galesburg and published his statement to the effect that Galesburg, in his judgment, "was an ideal American city; one of the four best cities in the United States in which to live." It is this kind of a community that will welcome the bankers for their meeting on September 13.

Speaking of Galesburg as a substantial community, no greater evidence can be given of this than to point to the fact that it has never experienced a bank failure. It has at the present time, three substantial banking institutions and four

building and loan associations whose total assets are more than \$23,000,000.

The founding of Galesburg dates back to 1837 and was accomplished by a group of New Yorkers whose purpose was to establish an educational community. They founded



*Galesburg Club, Galesburg, Illinois*

Knox College and Galesburg which has grown to be not only a city of education but also a railroad center, an industrial city and an agricultural and marketing center.

While Galesburg originally was well known for its educational facilities and still is, it also is now well known because of its superior transportation facilities. The rail-

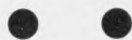
roads are Galesburg's largest industry, this being the division headquarters of the C. B. & Q. R. R. Co., employing in normal times some 3,000 people. The facilities of the C. B. & Q. R. R. Co. include modern electrified switching yards having a capacity for switching more than 12,000 cars daily and one of the largest and best equipped tie-treating and wood-preserving plants in the country.

Galesburg is also served by the Santa Fe Railroad Company on its double-track main line from Chicago to Kansas City and California. This company also has at Galesburg extensive switching yards and coal and water service and a number of employes to handle their business at this place.

Numerous paved highways leading into Galesburg and a well-located, well-equipped, large airport of 137 acres are facilities for the other modes of travel.

Galesburg is an industrial city of some 50 diversified industries which successfully and effectively operate there with economy and convenience by reason of Galesburg's ideal loca-

We invite the Members of Group No. 2  
to  
**GALESBURG**  
September thirteenth, Nineteen Thirty-two



FIRST GALESBURG NATIONAL BANK  
and TRUST COMPANY

tion and splendid manufacturing facilities. In normal times, Galesburg has a total industrial payroll of over \$10,000,000.

Galesburg's retail section both in size and character of business is comparable to cities of much larger size. All lines of merchandise are well represented. Galesburg is particularly noted for its retail stores and serves a large trading territory. By reason of its good geographical location and substantial trading territory and its excellent shipping facilities, Galesburg is logically a very desirable location for jobbers and wholesalers.

Galesburg is an agricultural community being located in the midst of a very productive grain area. In Knox County alone, of which Galesburg is the county seat, some 6,000,000 bushels of corn are raised yearly. Other crops of grain such as oats, wheat, barley and rye and timothy, clover and alfalfa hay are successfully raised. Galesburg because of good facilities is a marketing center. Considerable livestock, principally cattle and hogs, is raised in this community and the dairy and poultry business is also a large industry.

An outstanding reason that makes Galesburg a most delightful and ideal city in which to live is without doubt its wonderful recreation facilities. Both winter and summer, Galesburg offers many interesting and delightful places of recreation and entertainment. It boasts of its country clubs which are located in beautiful surroundings, both the Soangetaha Club and the Knox County Country Club being located by large lakes. At Lincoln Park one finds splendid picnic grounds and an 18-hole municipal golf links as well as playgrounds. This park is joined by Lake Storey, which also provides wonderful picnic facilities and has one of the finest swimming beaches and bathing pavilions found anywhere. While Galesburg is an inland town, it has five lakes, which everyone will agree is not only unusual but remarkable.

Then everyone is attracted to the large, beautiful roof garden which Galesburg can rightfully boast of as being considered one of the finest in the state. Very few cities of comparative size can boast of a business men's club as can Galesburg in the large, spacious Galesburg Club Building which is so beautifully located. The Elks Club, Masonic Club rooms, the Knights of Columbus, the Eagles, Y. M. C. A., the Moose, the local American Legion post and the Odd Fellows all have either fine buildings

or commodious clubrooms, nicely equipped, offering the usual club facilities.

Galesburg's theaters, too, are centers of attractive entertainments, having moving pictures and vaudeville.

The grounds surrounding the buildings of Knox College as well as the Lombard Junior High can rightfully be classed as beautiful parks. And speaking of Knox College, it is with much pride that Galesburg can lay claim to being historically famous because of the Lincoln-Douglas Debate which was held here in 1858 at Knox College.

Galesburg also directs visitors' attention to its splendid public utili-

ties' facilities; to its beautiful homes, public buildings and churches. Most of all Galesburg is proud of its people who are possessed of a progressive spirit which has instituted the fundamentals of the city's successful development and expansion.

The Galesburg Chamber of Commerce, representing the business, professional and civic interests of the community, extends a most hearty welcome to the bankers of Group Two of the Illinois Bankers Association. It is their wish that your meeting will be successful throughout and that you will enjoy their beautiful, substantial and friendly city.

## New Lincoln Statue to Be Erected at Fort Wayne

**T**HE Lincoln National Life Insurance Company's heroic bronze statue—"Abraham Lincoln, the Hoosier Youth"—will be formally dedicated at Fort Wayne in mid-September, Franklin B. Mead, executive vice-president, has announced.

Since the founding of the Company, Lincoln Life officers have had before them the desire to honor appropriately the memory and ideals of the man after whom the Company is named. The present statue marks the culmination of these plans.

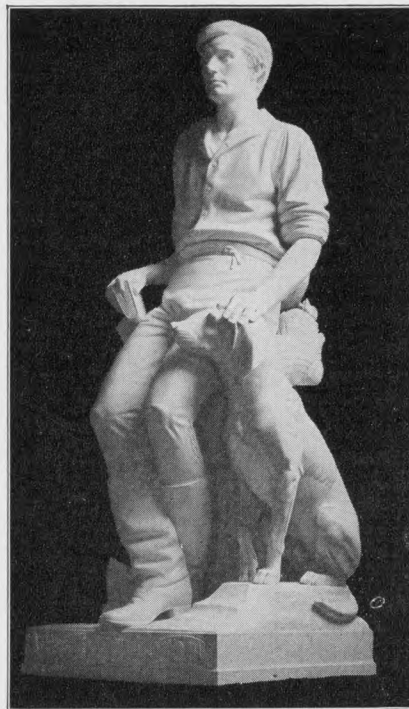
From the time Lincoln was seven

years old until he reached the age of twenty-one, he made his home in a community near Rockport, Indiana. Therefore, it was deemed proper by those Company officers in charge of the statue to depict Lincoln as he appeared during his days in Indiana. After a careful study of all the outstanding sculptors of the time, Paul Manship, in 1928 was awarded the commission for this memorial.

This bronze, which will be erected in the entrance court of the Home Office building of the Company in Fort Wayne, shows Lincoln at the age of 21, as a lithe, clean-limbed young frontiersman. He is dressed in a leather shirt, breeches, and boots. A typical hound dog of the period is at his feet. An axe, symbol of his Indiana occupation of railsplitter, is at his right.

The dedication of such an outstanding and unusual Lincoln memorial as this one will be an event of wide importance and recognition. Many celebrities from the fields of politics, national, state and local; history; literature and civic efforts will be present. Although the time of the dedication is set for mid-September, the actual date has yet to be announced.

For the occasion, Mr. Mead is preparing a brochure on the bronze statues of Lincoln throughout the world. Not only is this the first time these have been brought together in a single treatise, but the work will be a masterpiece of the printer's craft, done by one of the best houses in the country; all the statues will be illustrated by a special process and the paper and binding will be especially selected for this purpose.



New bronze statue of Lincoln being erected by the Lincoln National Life Insurance Co., Fort Wayne, Indiana.

## Bankers of Group One Will Meet at Rock Island

**R**OCK ISLAND will be host to the members of Group One, Illinois Bankers Association, Wednesday, September 14.

Rock Island occupies a most unique position among the cities of the Middle West in that it is the center of a group of eight municipalities located in two states within a six-mile radius of the City of Rock Island and having a combined population of about two hundred thousand people. The largest of the cities of this group are Rock Island, Moline and East Moline, Illinois, and Davenport, Iowa.

Rock Island, the county seat of Rock Island County, is located on the banks of the Mississippi River one hundred and eighty miles west of Chicago and within a night's ride of Minneapolis, St. Paul, Milwaukee, Omaha, St. Louis, Kansas City, Indianapolis, Des Moines and other large centers of distribution and consumption.

The City of Rock Island boasts a location of unusual beauty. About half of its residential district lies up-

on a wooded bluff rising to a height of one hundred feet above the river, and the rest of the city, including its mercantile and industrial districts, occupies a level plane sloping gently to the Mississippi on the north and west, while its park-like city limits to the south are bordered by the beautiful and historic Rock River.

Few cities in America are as rich in their historical associations as is the City of Rock Island, it having had direct contact with all the more important historical episodes of the nation.

Rock Island is well and favorably known as a diversified industrial center, being the home of ninety-three manufacturing industries engaged in the manufacture of various commodities. Rock Island is also the home of fifty-eight wholesale and jobbing institutions. Rock Island is moreover the heart of a large thriving agricultural community devoted mainly to the production of staple crops, livestock products, dairying, fruit raising and market gardening.

Rock Island is strategically located upon three trunk-line railway systems, the C. R. I. & P., C. M. St. P. & P., and the C. B. & Q. Rock Island moreover is served by a network of hard-surfaced paved highways which radiate in every direction. In addition, Rock Island enjoys waterway transportation via the Mississippi River between Minneapolis and New Orleans, also via the Illinois River, Hennepin Canal and the Mississippi River between Chicago and Minneapolis.

Rock Island boasts of two strong banking institutions which have been closely and most intimately associated with the industrial growth and development in the City of Rock Island and its entire trade area. They are the Rock Island Bank and Trust Company and the pioneer financial institution of Rock Island, the State Bank of Rock Island established eighty years ago.

Among the points of interest to the visitor we mention the Rock Island Arsenal, the largest institution of its kind in the world owned by the United States Government, occupying an area of 896 acres and representing an investment of \$359,288,850. Among the points of interest on

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*Capital and Surplus over \$30,000,000*



the Arsenal are the National Cemetery, National Museum and the Confederate Cemetery where more than 2,000 southern soldiers lie buried.

Another place of historic significance is the Black Hawk State Park now owned by the State of Illinois, known as the Black Hawk Watch Tower, for the possession of which was fought the last Indian War of the old original Northwest Territory.

**A. E. Hammerschmidt**, vice-president and cashier of the Genoa State Bank, Genoa, Illinois, resigned recently because of ill health. John M. Butzow, assistant cashier, has assumed Mr. Hammerschmidt's duties.

**I. M. Goldstein**, vice-president of the Citizens State Bank, Milford, Illinois, has been reelected chairman of the Iroquois County Bankers Federation. Other officers are E. S. Martin, Watseka, vice-chairman; G. M. Thomas, Donovan, secretary-treasurer; and Warren Davis, Milford, member of the executive committee of Group Five of the Illinois Bankers Association.

**William J. Rathje** has been named chairman of the board of the Mid-City Trust and Savings Bank, Chicago, Illinois. Ben Mills has been named president of the bank and David B. Kennedy has been named executive vice-president.

## Waterloo Is Meeting Place for Group Nine Bankers

**B**ANKERS of Group Nine of the Illinois Bankers Association will hold their annual meeting at Waterloo on September 22, and every member of the Group is urged to attend the meeting and enjoy the hospitality of one of the most attractive and progressive little cities in Southern Illinois.

Although Waterloo is situated in an agricultural community, it has the advantage of some thriving industries and as a consequence has suffered less from the current depression than most other places.

The Waterloo Milk Company is one of the important industries of Waterloo. It is a large company with branches in St. Louis, East St. Louis, Red Bud, Sparta and Chester. This company buys a large volume of milk from farmers and sells it in other communities. In addition, the company does a large business in butter, ice cream, etc.

The Monroe Milling Company does a large business in the manufacture of flour and feed. Their flour is of the best and finds a large and ready sale, especially among those who are looking for something special in the

line of pastries. No better wheat is grown than that produced in Monroe County.

Three banks serve the community—the First National, State Bank of Waterloo, and the Commercial State Bank—each with assets of more than half a million. The First National Bank is also a Government Depository. The Waterloo Building and Loan Association has assets well over a half million.

The lodges have halls of their own, and the Country Club has a beautiful lake and clubhouse, and a golf course near by.

Besides being a grain and milk community Waterloo is a fruit center. Peaches from this vicinity took some of the premiums at the St. Louis World Fair in 1904.

Waterloo has been the home of two Governors, a United States Senator, a Congressman and a State Treasurer. It is on Route Three which follows the Old Kaskia Trail from Waterloo to Cahokia. This trail was traversed by George Rogers Clarke in his conquest of the Northwest Territory. Route Three is the Scenic Route of Egypt.



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## Illinois Bank News



M. A. GRAETTINGER  
Executive Vice-Pres.



PAUL E. ZIMMERMANN  
President

**OFFICERS ILLINOIS BANKERS ASSOCIATION:** President, Paul E. Zimmermann, vice-chairman, Oak Park Trust and Savings Bank, Oak Park; vice-president, J. E. Mitchell, vice-president and cashier, First National Bank, Carbondale; treasurer, T. S. Robinson, assistant cashier, Continental Illinois Bank and Trust Company, Chicago; executive vice-president, M. A. Graettinger, 33 North La Salle Street, Chicago; treasurer, J. A. Tubbs, president, National Bank of Monmouth; secretary, O. S. Jennings, 33 North La Salle Street, Chicago.

**GROUP PRESIDENTS:** 1. K. T. Anderson, State Bank of Rock Island, Rock Island; 2. S. Nirdlinger, First Galesburg National Bank and Trust Company, Galesburg; 3. H. N. Johnston, cashier, Holcomb State Bank, Holcomb; 4. Roy F. Wright, First Lake County National Bank, Libertyville; 5. T. E. McNamara, Union National Bank, Streator; 6. J. D. Morse, Morse State Bank, Gifford; 7. C. W. Pritchett, State Bank of Niantic, Niantic; 8. S. G. Smith, Neat, Condit and Grout, Bankers, Winchester; 9. J. F. Schmidt, First National Bank, Waterloo; 10. L. K. McAlpin, First National Bank, Metropolis; 11. F. U. Carlborg, State Bank and Trust Company, Evanston.

**GROUP SECRETARIES:** 1. L. B. Wilson, Rock Island Bank and Trust Company, Rock Island; 2. John B. Fleming, Bank of Peoria, Peoria; 3. G. M. Poley, Stillman Valley Bank, Stillman Valley; 4. ; 5. F. H. Herr, Citizens Bank, Chatsworth; 6. Wade A. Holton, First National Bank, Sidell; 7. John J. Ward, Shelby County State Bank, Shelbyville; 8. H. K. Chenoweth, Ayers National Bank, Jacksonville; 9. H. A. Fox, First National Bank, Allendale; 10. ; 11. Albert C. Roos, Roosevelt Trust and Savings Bank, Forest Park.

At a meeting of the Montgomery County Bankers Association held in Hillsboro, Illinois, the following officers were chosen for the ensuing year: President, Elmer Truitt, president of the Nokomis National Bank of Nokomis; vice-president, J. E. McDavid, president of the First National Bank of Raymond; secretary and treasurer, Joseph A. Sullivan, cashier, Montgomery County Loan and Trust Company Bank, Hillsboro.

Directors of the Hinsdale State Bank and the First National Bank of Hinsdale, Illinois, have consolidated the two institutions. The new bank is known as the First Hinsdale National Bank. William H. Regnery, president of the Western Shade Company, is chairman of the consolidated bank and C. E. Raymond of J. Walter Thompson and Company, president.

Combined deposits of the banks approximate \$1,100,000 and the resources are around \$2,000,000.

The Perry County, Illinois, Bankers Federation held its annual election of officers for the 1932-33 season at a recent meeting of the organization held at the First National Bank at Du Quoin. A. J. Guerrettaz, of the Du Quoin State Bank, was elected chairman, and W. A. Bommerschein and Charles N. Guy, of the First National Bank, Pinckneyville, were elected vice-chairman and secretary and treasurer, respectively. C. H. Dintelman, of the Murphy-Wall State Bank and Trust Company, Pinckneyville, was named a member of the group executive committee.

C. A. Rohlen, of the Swedish-American National Bank, Rockford, was elected president of the Winnebago County, Illinois, Bankers Federation at the annual meeting, and

F. W. Howe, of the Cherry Valley State Bank, Cherry Valley, was elected vice-president; Edward P. Shotliff, of the Rockton State Bank, Rockton, secretary and treasurer; and L. C. Reddington, of the Citizens State Bank at Durand, was appointed member of the group executive committee.

The following officers for the year 1932-33 were elected by the Mercer County, Illinois, Bankers Federation at its annual meeting in Aledo: H. B. Schroyer, of the Farmers State Bank, New Windsor, chairman; H. R. Kid-doo, of the Joy State Bank, Joy, vice-chairman, and A. D. Greer, of the State Bank of Seaton, secretary and treasurer. Mr. Schroyer was also named member of the group executive committee.

George Aylesworth of the Farmers National Bank, Prophetstown, was elected chairman of the Whiteside County, Illinois, Bankers Federation at the annual meeting at Elks Club in Sterling. E. E. Machamer, of the Fulton State Bank, Fulton, became vice-chairman, and J. H. Linn, of the First Sterling National Bank, member of the group executive committee.

The annual meeting of the De Kalb County, Illinois, Bankers Federation was held at De Kalb, and the following persons were elected officers for 1932-33: John Butzow, Genoa, chairman; F. H. Parks, De Kalb, vice-chairman; E. W. Hupp, Somo-nauk, secretary and treasurer, and C. D. Thornton, De Kalb, member of the group executive committee.

The following bankers were elected officers of the Livingston County, Illinois, Bankers Federation at the annual meeting at Dwight: C. R.

Veris, of the Fairbury State Bank, Fairbury, chairman; W. W. Holloway, of the Farmers State Bank of Wing, vice-chairman; Marion Pritchard, of the National Bank of Pontiac, secretary and treasurer, and H. J. West, of the Bank of Dwight, member of the group executive committee.

H. J. Brannan, of the First State Bank, Beardstown, was elected chairman of the Cass County, Illinois, Bankers Federation at the annual meeting of the organization held in Beardstown. A. C. Hart, of the First National Bank, Arenzville, was elected vice-chairman; F. J. Fitzgerald, of the Farmers State Bank, Ashland, secretary and treasurer, and E. Miller Dunn, of the First National Bank, Beardstown, a member of group executive committee.

The following officers were elected by the Lawrence County, Illinois, Bankers Federation at its annual meeting held at Lawrenceville: L. G. Gee, of the Farmers State Bank, Lawrenceville, chairman; H. W. Madding, of the First National Bank, Bridgeport, vice-chairman; E. H. Atkins, of the First National Bank, Lawrenceville, secretary and treasurer, and Mr. Gee also a member of the group executive committee.

H. F. Stickler, of the Commercial Trust and Savings Bank, Lomax, was elected chairman of the Henderson County, Illinois, Bankers Federation at the annual meeting at the State Bank of Stronghurst in Stronghurst. Other officers elected were: Vice-chairman, H. C. Painter, of the State Bank of Stronghurst; secretary and treasurer, Waldo Erickson, of the Raritan State Bank, Raritan, and member of the group executive committee, D. Prescott, of the State Bank of Stronghurst.

☐ **The Union County, Illinois, Bankers Federation** elected officers for 1932-33 at the annual meeting held at Anna. W. P. Harper, of the Anna State Bank, was elected chairman and member of the group executive committee; G. R. Corlis, of the Anna National Bank, was elected vice-chairman, and M. C. Lockard, of the First National Bank of Cobden, secretary and treasurer.

☐ **The following officers** were elected for 1932-33 by the Monroe County, Illinois, Bankers Federation at the annual meeting held at Valmeyer: Chairman, H. N. Kunz, of the First National Bank, Columbia; vice-chairman, Philip Kelin, of the Farmers State Bank, here; secretary, J. F. Schmidt, of the First National Bank, Waterloo; treasurer, L. W. Bode, of the State Bank of Waterloo; and member of the group executive committee, Mr. Kunz.

☐ **The annual meeting** of the Knox County, Illinois, Bankers Federation was held at Galesburg, with seven banks represented. The following officers were elected: Chairman, C. E. Frankenberger, of the Rio State Bank, Rio; vice-chairman, H. F. Nichols, of the Abingdon Bank and Trust Company, Abingdon; secretary and treasurer, Lambert Peterson, of the Bank of Galesburg, and member of the group executive committee,

H. G. Etnire, of the Farmers National Bank, Knoxville.

☐ **Four Illinois bankers** who helped organize the Illinois Bankers Association, 41 years ago, have been elected honorary members of the Association. They are: M. H. Greenebaum, president of the Illinois State Savings Bank, Pontiac; T. W. Hall, president of the First National Bank, Carmi, Illinois; Edward D. Keys, president of the Ridgely-Farmers State Bank, Springfield, Illinois; and W. D. Heath, now receiver for a closed Chicago bank.

☐ **Excessive heat** recently caused the vault door at the Union National Bank, Macomb, Illinois, to swell until it could not be opened. An expert was called from Chicago to open the vault.

☐ **W. S. Dulaney** has been appointed sales representative for the Peoria branch of the Illinois Midwest Joint Stock Land Bank of Edwardsville. Offices have been opened in the Commercial Merchants National Bank Building at Peoria.

☐ **W. O. Matthew**, vice-president of the State Bank of Blue Mound and recently appointed temporary Macon County treasurer, has resigned his position at the bank to comply with state laws governing bonding of county officers.

☐ **F. J. Greenfield**, vice-president of the Forreston State Bank, Forreston, Illinois, died recently at his home near Forreston. Mr. Greenfield was 62 years old.

☐ **The Rock River Community Bank** has been opened at Byron, Illinois. J. A. Kadel, of Rock Falls, is cashier.

☐ **The First National Bank, Libertyville, Illinois**, has changed its title to "The First Lake County National Bank of Libertyville."

☐ **V. A. Dieter**, chairman of the board of directors of the Reuss State Bank, Naperville, Illinois, died recently at the age of 80.

☐ **Glenn Graddock**, cashier of the First National Bank, Morrison, Illinois, spent an hour in jail at Rochelle, Illinois, because he tendered a silver dollar to a filling-station attendant in payment for gasoline. The filling-station attendant had never seen a silver dollar and thought it was counterfeit.

☐ **The Pullman Trust and Savings Bank, Chicago, Illinois**, has acquired the business of the Burnside Trust and Savings Bank, Chicago. The Pullman Trust and Savings Bank has taken over all assets and assumed all deposit liabilities of the Burnside Trust and Savings Bank.

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\$2.50  
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## INDIANA NOTES

☐ **Revision of Indiana's laws** relating to the government of banks, building and loan associations and other types of financial institutions to strengthen the rights of depositors and shareholders will be undertaken at the 1933 session of the Indiana General Assembly according to announcement recently before the 36th annual meeting of the Indiana State Bar Association.

☐ **Karl Schatz**, in charge of the note and collection department of the National City Bank, Evansville, Indiana, has been selected president of the Evansville Chapter of the American Institute of Banking, and Cletus Kaiser has been made vice-president.

☐ **Kurt A. Feiertag**, president of the A. I. B. Chapter; George Waldschmidt, vice-president of the Lincoln National Bank and Trust Company, and Harry G. Hogan, president of the Dime Trust and Savings Bank of Fort Wayne, Indiana, were members of the reception committee to welcome Dr. S. I. Miller to a recent dinner meeting which was sponsored by the American Institute of Banking and the Fort Wayne, Indiana, Association of Credit Men. His

talk was on "Economic Reconstruction or Tuning in With Prosperity," and was broadcast over Radio Station WOWO.

☐ **Paul N. Bogart**, executive vice-president of the First-McKeen National Bank and Trust Company of Terre Haute, Indiana, and president of the board of managers of the Rose Polytechnic Institute, had the honorary degree of Doctor of Laws conferred on him by that institution.

☐ **Lewis R. Elkins**, for the past twelve years a national bank examiner in the Eighth Federal Reserve District, served by the Federal Reserve Bank of St. Louis, has been elected by the board of directors of the old National Bank in Evansville, Indiana, as cashier, to succeed John O. Davis, who is resigning because of ill health.

☐ **Education and banking business** are linked together in the large outdoor poster service advertising being conducted by the Terre Haute Trust Company, Terre Haute, Indiana.

☐ **The R. T. Bowen and Company Bank**, a private institution at Delphi, Indiana, with more than \$1,000,000 on deposit, mailed checks recently to complete payment in full to every depositor. The bank was closed for

liquidation after Mr. Bowen died three months ago.

☐ **Evans Woollen**, president of the Fletcher Trust Company, Indianapolis, has been named head of the national finance committee of the Democratic campaign organization.

☐ **The Citizens State Bank**, Noblesville, Indiana, has reopened.

☐ **Incorporation papers** have been filed by the Friendship State Bank, Friendship, Indiana. Incorporators are Harry F. Wortman, president; and Bruce E. Loring, cashier.

☐ **Arthur V. Brown**, president of the Union Trust Company, Indianapolis, Indiana, has been elected president of the Indiana National Bank to succeed Frank B. Stalnaker, who died recently.

☐ **Rex F. Robbins**, cashier of the First National Bank, Clinton, Indiana, died recently following an emergency operation for appendicitis.

☐ **Dr. I. M. Sanders** has been named president of the Citizens Third National Bank, Greensburg, Indiana. Dr. Sanders succeeds the late Morgan L. Miers.

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Without Bath  
\$1.50  
1. upwards

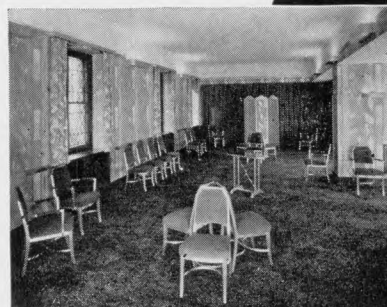
Real luxury at low cost.  
Finest Food in Coffee Shop  
and Dining Room, served  
at extremely moderate  
"Fixed Prices."

*Our garage attendant takes  
your car as you arrive and  
gives it the best of care.*

THEODORE F. STELTEN MGR.

# MINNEAPOLIS

4<sup>TH</sup> STREET AT HENNEPIN AVE.



new

# BISMARCK

## HOTEL

### CHICAGO

RANDOLPH AT LA SALLE

## KENTUCKY NOTES

☐ **Claude Davis** has been elected cashier of the Dixie State Bank at Walton, Kentucky. Mr. Davis has been one of the state bank examiners and is well known to the banking fraternity of northern Kentucky.

☐ **High-tension** wires are part of the new bandit-proof equipment just installed by the O. B. McClintock Company of Minneapolis, in the First National Bank of Pikeville, Kentucky.

The entire equipment consists of bullet-resistant glass, bullet-proof steel, revolving bandit-proof deposit receivers at all wickets, electrically controlled locks on all doors entering the work space, an elaborate system of electric signals, and the high tension wires to prevent climbing over the fixtures.

☐ **The First National Bank** of Louisville, Kentucky, which recently advertised a banking-by-mail service for persons located in towns without banking facilities, in a later advertisement shows that quite a number of persons in bankless towns have availed themselves of the privilege offered, and which is only offered to

residents of towns without banks. It is not the purpose of the bank to interfere in any way with banks situated in rural towns, and it has stated in its copy that such banks are entitled to the support of the people in such towns, and the First National is not willing to interfere with such relations.

☐ **J. Welch Rochester** has resigned as cashier of the Lincoln County National Bank of Stanford, Kentucky, where he served twelve years. On advice of his physician he is retiring to his farm in the Crab Orchard section.

☐ **W. E. McNeil**, president of the McNeil Business College, Barbourville, Kentucky, has been elected cashier of the First State Bank of that city. Mr. McNeil is a former state bank examiner and was at one time cashier of the First National Bank of Barbourville.

☐ **J. L. Spalding**, for the past twenty years connected with the Farmers National Bank, Lebanon, Kentucky, has resigned his position as cashier of that institution. T. E. Spragens, formerly assistant cashier, has succeeded Mr. Spalding as cashier.

☐ **Plans are** under way for the organization of a new bank at Whitesburg, Kentucky. John A. Webb, merchant, is slated to head the new institution.

☐ **The State National Bank**, Maysville, Kentucky, has installed a safe to receive deposits after banking hours.

☐ **R. D. Jeter**, of Campbellsville, Kentucky, has been appointed a state bank examiner for a four-year term by James R. Dorman, Commissioner of Banking and Securities.

☐ **The Paintsville National Bank**, Paintsville, Kentucky, has installed bandit- and bullet-resisting equipment in its lobby in order to protect employes of the institution as well as the funds of the bank from any kind of daylight holdup or robbery. The equipment consists of steel doors and panels, bullet-proof glass, high-tension wires and an alarm system.

☐ **Resources of** the Lincoln Bank and Trust Company, Louisville, Kentucky, are now more than \$9,129,000, according to the last published statement. Deposits of the bank are more than \$7,826,000. Capital is \$750,000 and surplus and profits \$468,000.

## ACCOMMODATING



*Louisville, Kentucky*



ASK ANY KENTUCKY BANKER

## DO YOU KNOW

What brought on previous great depressions and how they were cured?  
 Whether business cycles can be controlled?  
 What significance war debts and reparations have?  
 If inflation can bring about relief?  
 Why this country fared so badly through foreign investments?  
 What the outlook for democracy really is?

### The Answers—

to the foregoing questions and hundreds of others will be found in that commendable and clearly written book by Lloyd M. Graves—

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 AND BEYOND**  
 \$2.00 per copy

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Address \_\_\_\_\_

Town and State \_\_\_\_\_

## TENNESSEE NOTES

☐ **Carl Wasson Lindsay**, assistant cashier of the First National Bank at Rockwood, Tennessee, was recently married to Miss Mildred Lamb.

☐ **Robert F. Miller**, president of the Brighton Savings Bank, Brighton, Tennessee, has been elected as the president of the local Lions' Club for an additional six months.

☐ **Charles Nelson**, vice-president of the Nashville and American Trust

Company, Nashville, Tennessee, was recently elected a director of the Nashville, Chattanooga and St. Louis Railroad, succeeding the late W. O. Palmer. Thomas R. Preston, president of the Hamilton National Bank, Chattanooga, is a director and attended the meeting of the board.

☐ **Miss Mattie Bell Smith**, who for some years past has been an assistant to the cashier of the Newbern State Bank, Newbern, Tennessee, was married recently to Almond Goss, of Newbern.

☐ **C. W. Bailey**, president of the First

National Bank of Clarksville, Tennessee, has been elected president of the Tennessee Taxpayers Association.

☐ **Homer L. Grigsby**, vice-president of the Commerce Union Bank, Nashville, Tennessee, and former Superintendent of Banking in Tennessee, died recently following an attack of indigestion. Mr. Grigsby had been in the best of health. He was fifty years old.

☐ **A petition** is being circulated by depositors and stockholders of the Farmers and Merchants Bank, Newbern, Tennessee, calling for a two-year period of freezing the deposits. If a majority of the depositors accept this proposition, it is planned to reopen the bank soon. The Farmers and Merchants Bank was Newbern's oldest banking institution, organized in 1900 with a capital stock of \$25,000.

☐ **Service charges** on all accounts with an average balance of \$50 or more have been abandoned by the First-Citizens National Bank, Dyersburg, Tennessee. The charge had been in effect for two years.

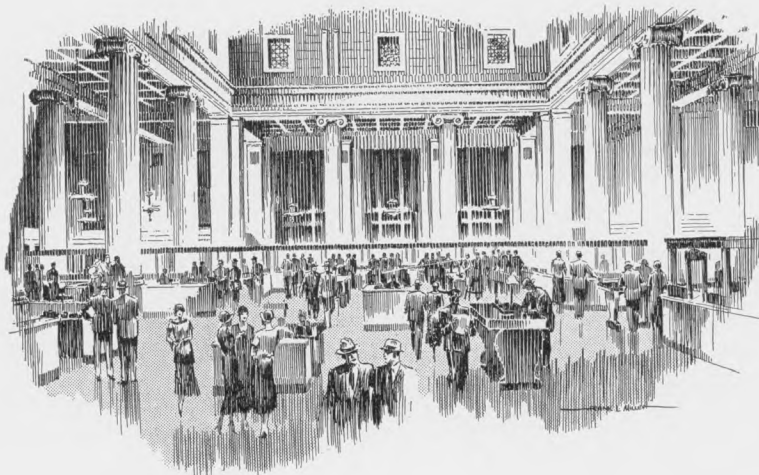
☐ **W. C. Rainey**, formerly assistant cashier of the First State Bank and Trust Company, Paris, Tennessee, has been appointed deputy trustee of Henry County, Tennessee.

☐ **T. D. Brabson**, president of the First National Bank, Greenville, Tennessee, has been elected president of the recently organized East Tennessee Taxpayers Association, comprising fourteen counties of East Tennessee.

☐ **The Memphis office** of the Reconstruction Finance Corporation was closed last month and the work formerly done in the Memphis office is being divided between the Nashville and Little Rock offices.

☐ **George W. Owen, Jr.**, assistant cashier of the East Tennessee National Bank, Knoxville, Tennessee, has been given an executive position with the southern branch of the Reconstruction Finance Corporation at New Orleans.

☐ **The Third National Bank**, Nashville, Tennessee, recently celebrated its fifth anniversary. In five years, the deposits of this institution have increased from a little over a million dollars to more than six and a half million dollars. Total resources of the bank are now more than \$7,683,000. Capital, surplus and profits amount to more than \$808,000.



**S**IXTY thousand customers know that this time-tested institution protects its deposits with \$5,000,000 of invested capital.

**Bank of Commerce**  
and  
**Trust Company**  
Memphis

INVESTED CAPITAL \$ 5, 000, 000. 00

**OKLAHOMA NOTES**

☐ **John Knox**, who has been vice-president of the Tradesmen's National Bank in Oklahoma City since 1929, has resigned to enter private business. E. A. Walker, president of the bank, said no successor had as yet been named.

☐ **Savings deposits** in eight national and state banks in Oklahoma City, Oklahoma, increased approximately \$500,000 from December 31 to June 30, the respective totals being \$12,211,463.48 and \$11,698,415.03.

Deposits shown on the June 30 condition reports total \$70,275,547.91, and loans and discounts \$31,316,171.17, compared with deposits of \$85,187,523.52, and loans and discounts of \$46,932,049.22 on June 30, 1931. Total savings one year ago were \$15,178,907.54.

☐ **J. C. Eagen**, formerly assistant manager of the State Reconstruction Finance Corporation, has assumed duties as head of the corporation, following the national board's order relieving C. E. Daniel, manager of the Oklahoma branch of the Federal Reserve Bank, of the post.

☐ **D. W. Hogan, Jr.**, has become cashier of the City National Bank and Trust Company of Oklahoma City, Oklahoma.

☐ **The Bank of McAlester**, McAlester, Oklahoma, has increased its capital stock from \$25,000 to \$50,000.

☐ **Total deposits** of the American National Bank of Sapulpa, Oklahoma, are \$1,321,007, and of the First National Bank and Trust Company of Muskogee, Oklahoma, \$6,379,639, according to June 30 statements.

☐ **B. L. Scott**, assistant cashier of the Liberty National Bank, Oklahoma City, Oklahoma, has been elected cashier of that institution, succeeding W. H. Griffith, who resigned recently. Mr. Scott is only 28 years old.

☐ **C. M. Browder**, vice-president of the Oklahoma National Bank, Duncan, Oklahoma, has sold his interest in that institution to J. A. Blarjdes, its president, and has retired.

☐ **W. E. Harber**, president of the First National Bank, Seminole, Oklahoma, has been elected a director of the State Chamber of Commerce.

☐ **West Holland**, for many years cashier of the First National Bank, Brinkman, Oklahoma, has been elected to the board of directors of the First National Bank, Mangum, Oklahoma.

☐ **R. N. Armstrong**, cashier of the Bank of Crescent, Crescent, Oklahoma, has been elected president of that institution. Mrs. Armstrong has been elected cashier, succeeding her husband.

☐ **N. R. Graham**, vice-president of the Exchange National Bank of Tulsa, Oklahoma, told members of the

Tulsa Rotary Club that the tide of depression had already turned and that Tulsa had hit low ebb four months ago.

☐ **W. E. Hightower**, vice-president of the First National Bank at Oklahoma City, Oklahoma, has received three notes recently in which threats were made to kidnap his two children unless he paid \$3,000.

English Prof.: "I want your sentences to be so clear that they can be understood by the most stupid person—then I can tell what you mean."—Arizona Kitty-Kat.



SALMON P. CHASE - Secretary of the Treasury under LINCOLN

THE  
**CHASE NATIONAL BANK**  
*of the City of New York*

Capital . . . . . \$148,000,000  
Surplus . . . . . 100,000,000  
Deposits (June 30, 1932) . . . . . 1,302,000,000

ALBERT H. WIGGIN  
*Chairman  
Governing Board*

CHARLES S. McCAIN  
*Chairman  
Board of Directors*

WINTHROP W. ALDRICH  
*Vice Chairman Governing Board  
and President*

JOHN McHUGH  
*Chairman  
Executive Committee*

The Chase National Bank invites the accounts of banks, bankers, firms, corporations and individuals.

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**MISSISSIPPI NOTES**


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¶ **Dr. M. W. Swartz**, who for the past nine years has been vice-president and active head of the Southern Building and Loan Association, Jackson, Mississippi, has resigned that position to become the president of the newly organized Peoples Bank of Indianola. Dr. Swartz was formerly in college work, having been connected with some of the leading educational institutions of the South. For a number of years he was president of Women's College of Alabama, located at Montgomery.

¶ **J. W. Slaughter**, president of the First Columbus National Bank at Columbus, Mississippi, had his car stolen recently. It was found the next morning in front of the American Legion hut at Carrollton, Alabama, about 30 miles away. There had been a dance at the hut the night before.

¶ **The Bank** of Shannon, Shannon, Mississippi, which closed December, 1930, at the time of the suspension of the Peoples Bank and Trust Company, with which it was affiliated, has resumed business. Officers of the new bank are: Dr. M. A. Cowden, president; Dr. R. G. Dabbs, vice-president; and W. C. Webb, cashier. A feeling of strong optimism in the entire area around Shannon was created by the bank opening.

¶ **H. H. Graves**, president, announces that immediate efforts will be made to reorganize the First National Bank of Waynesboro, Mississippi, which was placed in the hands of the comptroller on July 5. The last statement showed \$700,000 on deposit. A freezing of time deposits several months ago failed to avert the closing.

¶ **Mississippi** had a most encouraging bank record for the first half of 1932, the banking department at Jackson has announced.

Thirteen banks have reopened during the first six months of the year, and the state has suffered but seven failures during the same period.

This, the banking department says, is the best record of any state which has been adversely affected by banking failures during the year.

¶ **Governor Conner** has called upon G. M. McWilliams, president of the Mississippi Bankers Association, Lieutenant Governor Dennis Murphree and Speaker Thomas L. Bailey to appoint, under the authority of

House Concurrent Resolution No. 45, laws of 1932, members of the commission authorized by the legislature to make a study of banking conditions.

This commission will be composed of three house members appointed by the speaker, two senators appointed by the lieutenant governor, five executive officials of state banks appointed by the president of the Mississippi Bankers Association, and five representative business men appointed by the governor.

This commission is charged with the important duty of studying banking conditions and laws and of making recommendations to the next regular or special legislative session with reference to the organization of the state banking department.

Governor Conner said:

"It is necessary that confidence be restored in our banking system, and many people believe that material changes in this system and the laws must be effected. At the same time, we must proceed with these reforms cautiously and intelligently."

¶ **Arrangements** have been made to move the Bank of Seminary, Seminary, Mississippi, to Collins, Mississippi, where the building formerly used by the Bank of Collins will be used as a place of business.

¶ **Plans** are under way for a new bank at Gulfport, Mississippi. Capital and surplus for the proposed new institution will total \$60,000.

¶ **The Peoples Bank**, Indianola, Mississippi, opened for business recently.

¶ **The First National Bank**, Canton, Mississippi, was damaged slightly by fire recently.

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¶ *The annual Bull Frog Derby has just been held at Angels Camp, California. Last year's champion, jumping under the moniker Budweiser was in rare form. Budweiser with spring in his step and full of hops gazed disdainfully on a field of alien amphibians from North Carolina, Virginia and way stations—and jumped—and what a jump. Thirteen feet and three inches. His last year's record was twelve feet—but this is leap year.*

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Some men are so narrow they will lend a friend an umbrella in fair weather and set up a holler for it when it rains.—Jacksonville (Fla.) Times-Union.

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**LOUISIANA NOTES**


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¶ **W. D. Davis**, since last February manager of the New Orleans office of the Reconstruction Finance Corporation, has resigned. Mr. Davis was formerly vice-president and trust officer of the Capital National Bank, Jackson, Mississippi.

¶ **G. N. Richardson** has resigned as president of the Calcasieu National Bank, Lake Charles, Louisiana, and Frank Roberts, formerly chairman of the board, has been named as his successor. J. R. Nail has been elected a vice-president of the bank.

¶ **The Avoyelles Trust and Savings Bank** has opened with offices in Marksville and Bunkie, Louisiana, to resume the business of the closed Citizens and Trust Company.

¶ **City Savings Bank and Trust Company**, De Ridder, Louisiana, shows total resources of more than \$400,000 in its June 30 statement of condition. Deposits are more than \$308,000, and capital and surplus are more than \$57,700. P. W. West is president of the bank; J. B. Jones and Dr. R. L. Love, vice-presidents; H. H. Pye, cashier; and P. E. Green, assistant cashier.

¶ **Jacob Embry**, of Dallas, Texas, has been elected a vice-president of the Commercial National Bank, Shreveport, Louisiana.

¶ **Frank P. Stubbs, Jr.**, assistant trust officer of the Hibernia Bank and Trust Company, New Orleans, Louisiana, for the past five years, has resigned to accept a similar position with the Commercial National Bank, Shreveport, Louisiana.

¶ **John M. Breard**, vice-president and cashier of the Central Savings Bank and Trust Company, Monroe, Louisiana, has accepted an appointment by Governor Allen as one of the directors of the state unemployment relief committee named to administer the \$12,000,000 loan sought by Louisiana from the Federal Government.

¶ **Ben Johnson**, president of the Commercial National Bank, Shreveport, Louisiana, has gone to Washington for temporary service in connection with the work of the Reconstruction Finance Corporation. Mr. Johnson has been serving as a member of the advisory committee of the R. F. C. for the states of Louisiana and Mississippi.



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## TEXAS NOTES

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☐ **The Republic Bank and Trust Company**, Austin, Texas, announced recently the acquisition of the Texas Bank and Trust Company. The newly merged institution has in excess of \$3,000,000 in resources.

Eldred McKinnon and Walter Bremond, president and vice-president, respectively, of the Republic Bank, will continue in those official capacities. Sam Sparks, president of the Texas Bank and Trust Company, announced his retirement.

☐ **Resources of Dallas, Texas**, banks totaled \$170,042,330.25, and deposits \$135,395,696.86 in the June 30 bank call issued by the Comptroller of the Currency and State Banking Commissioner James Shaw.

☐ **Ray Nesbitt**, vice-president of the First National Bank in Dallas, Texas, will be chairman for North Texas in the 1932 national radio audition.

☐ **The American National Bank of Beaumont**, Beaumont, Texas, capital \$250,000, and the City National Bank of Beaumont, consolidated recently under the charter and title of "The American National Bank of Beaumont," with capital stock of \$400,000, and surplus of \$200,000.

☐ **The First National Bank in Decatur**, Texas, has received its charter. It has capital of \$50,000. President, W. T. Waggoner, and cashier, E. P. Gibson.

☐ **The South Texas Bank and Trust Company**, which is now being organized from among the old depositors of the defunct City-Central Bank and Trust Company, has opened officially as a new banking institution.

Officials of the new bank and of the Central Securities Company will own all the stock in the bank.

☐ **The First Liberty National Bank Building** has been completed at Liberty, Texas.

The J. E. Johnson Construction Company of Houston and Waco, Texas, were the contractors, and the plans were drawn by Cornel G. Curtis, Houston architect.

The First Liberty National Bank is a conversion of the Liberty State Bank, which was organized by B. G. Riviere and associates in 1913.

Officers: Mr. Riviere, president; Valory Brown, active vice-president; D. J. Harrison, vice-president; Wendell Smith, cashier; and Joseph Riviere, Jr., assistant cashier.

☐ **The Panhandle Bankers Associa-**

tion elected L. B. Steel, of Dalhart, Texas, president.

The selection of the next meeting place was left to the directors.

Other officers elected were: C. A. Gilmer, of Spearman, first vice-president; Frank Paine, of Panhandle, second vice-president; Deles Vicars, Pampa, secretary; and Thomas E. Noel, of Memphis, treasurer.

The association voted a \$1,000 donation to the Historical Society Museum of Canyon.

☐ **R. W. McAfee** has been promoted from second vice-president to first vice-president of the State National Bank of El Paso, Texas, to succeed the late George Flory.

☐ **Jose Tweedy**, director of the First

National Bank of San Angelo, Texas, has been elected president of the First Mortgage Loan Company, a company organized by the stockholders of the First National Bank and its capital stock paid for from the surplus of the First National.

☐ **J. R. Cooper**, sixty-eight, president of the First National Bank of Streetman, Texas, died recently.

☐ **Total resources** of the South Texas Commercial National Bank of Houston, Texas, according to the June 30 statement are \$29,129,688.

☐ **L. M. Baze**, of Melvin, Texas, has been elected cashier of the Sanderson State Bank, Sanderson, Texas. He succeeds H. R. Laurence, resigned.

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OUR OFFERING LIST  
WILL BE MAILED REGULARLY UPON REQUEST

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# G M A C obligations

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*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

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## Missouri Bank News



MARVIN E. HOLDERNESS  
President

**OFFICERS MISSOURI BANKERS ASSOCIATION:** President, Marvin E. Holderness, vice-president of the First National Bank in St. Louis; vice-president, W. E. Carter, president of the Bank of Carthage, Carthage; treasurer, W. W. Alexander, secretary of the Trenton Trust Company, Trenton; secretary, W. F. Keyser, Sedalia; assistant secretary, E. P. Neef, Sedalia.

**GROUP CHAIRMEN:** 1. L. A. Miller, president, First Bank and Trust Company, Macon; 2. W. E. Austin, assistant cashier, Trenton National Bank, Trenton; 3. George F. Moser, cashier, Farmers Bank, Osborn; 4. Charles D. Hayward, cashier, First National Bank, Kansas City; 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, vice-president, First National Bank, West Plains; 8. L. P. Kelly, vice-president, Bank of Neosho, Neosho.

**GROUP SECRETARIES:** 1. H. C. Surbeck, president, La Plata State Bank, La Plata; 2. Norris W. Phillips, cashier, Browning Savings Bank, Browning; 3. W. M. C. Dawson, cashier, Citizens Bank, Grant City; 4. J. P. Huston, assistant cashier, Wood & Huston Bank, Marshall; 5. B. C. Hunt, cashier, Columbia Savings Bank, Columbia; 6. J. C. Welman, cashier, Bank of Kennett, Kennett; 7. W. L. Cowden, president, Southern Missouri Trust Company, Springfield; 8. G. W. Weatherly, cashier, First National Bank, Jasper.



W. F. KEYSER  
Secretary

☐ **F. Lee Major**, vice-president of the Boatmen's National Bank, St. Louis, has been named a member of the finance committee of the American Bankers Association. Mr. Major is a member of the executive council of the A. B. A. and a former vice-president of the A. B. A. for Missouri.

☐ **Preparations are** being made for the installation of another fireproof vault at the Callaway Bank, Fulton, Missouri.

☐ **Dr. J. B. Biggs** has been named a vice-president of the Farmers Bank, Bowling Green, Missouri, to fill the vacancy caused by the death of Ed Hume.

☐ **John W. Black** is the new assistant cashier of the Bank of El Dorado Springs at El Dorado Springs, Missouri.

☐ **George A. Nelson**, president of the Burnes National Bank, St. Joseph, Missouri, since 1924, and a St. Joseph banker for nearly forty years, died suddenly on August 1, following an operation for appendicitis. Mr. Burnes has been succeeded by Charles J. Schenecker, for many years a member of the board of directors of this institution.

☐ **The Citizens Bank**, Warrensburg, Missouri, has installed a seven-ton vault door to guard the entrance to the bank's safe deposit vault.

☐ **The interior** of the Peoples Bank Building at Miller, Missouri, is being redecorated.

☐ **The Alba Bank**, Alba, Missouri, has completed an installation of bandit- and bullet-resisting equipment.

☐ **Ray R. Karraker**, cashier of the St. Louis National Bank, St. Louis, Missouri, died recently at De Paul

Hospital in St. Louis following an illness of ten days. He was 41 years old.

Mr. Karraker entered the banking business at Carbondale, Illinois, and later worked for a Chicago bank before coming to the Central National Bank of St. Louis. He had been cashier of the St. Louis National Bank for about ten years.

☐ **Joseph L. Rehme**, president of the Lafayette-South Side Bank and Trust Company, St. Louis, has announced that at a recent meeting of the directors Arthur E. Wright, president of the Manufacturers Railway Company of St. Louis and W. F. Davis, president of the St. Louis & O'Fallon Coal Company, were elected members of the board.

☐ **John R. Shepley**, vice-president of the St. Louis Union Trust Company, St. Louis, Missouri, has been elected president of the Paris Medicine Company.

☐ **The Blue Springs State Bank**, Blue Springs, Missouri, has opened for business with a capital of \$15,000 and surplus of \$15,000. The new bank is taking over the deposits of the Citizens State Bank of Blue Springs. Officers of the bank are: E. E. Montgomery, president; W. I. Thomason and W. T. McWilliams, vice-presidents; and R. W. McGuire, cashier.

☐ **Herman F. Rein**, assistant cashier of the First National Bank, St. Louis, Missouri, and connected with St. Louis banking institutions for the past thirty-seven years, died recently.

☐ **The recent** statement of condition of the Citizens Bank, Warrensburg, Missouri, shows total resources of \$953,055, with deposits of more than

\$706,000. The bank is an "honor roll" institution with capital of \$100,000 and surplus and profits of more than \$130,000.

☐ **W. P. McKnight**, vice-president of the Citizens Bank, Marshfield, Missouri, died at his home in Marshfield, August 4, at the age of 66. He is survived by his wife, Mrs. Lydia McKnight. He had been confined to his home for several months. Mr. McKnight helped to start the canning industry in the Ozarks when he was associated with the Marshfield Canning Company.

☐ **Miss Alberta Ellis** has been elected assistant cashier of the Chariton Exchange Bank, Brunswick, Missouri.

☐ **Leonard W. Van Dyke** has been named president of the Wood & Huston Bank, Marshall, Missouri, succeeding the late L. D. Murrell.

☐ **Ernest M. Johnson**, teller at the Burnes National Bank, St. Joseph, Missouri, has been elected vice-president of the St. Joseph Chapter of the American Institute of Banking to fill the vacancy caused by the death of Charles M. Karrasch.

☐ **State and municipal securities** issued at a discount will enjoy a considerably greater exemption for income tax purposes than heretofore, under an important ruling just issued by the General Counsel of the Bureau of Internal Revenue, according to J. S. Seidman, tax expert of Seidman & Seidman, Certified Public Accountants, New York.

"Under the new ruling," Mr. Seidman explained, "profit or loss on the sale of such securities is to be figured by deducting from the selling price, or the amount received at maturity, the pro rata part of the discount applicable to the period during

which the securities were owned. In other words, in addition to the interest coupon, exemption is also granted for the discount involved in the original issuance of the securities. This is the rule that has been applicable to treasury bills, but up to now state and municipal securities were treated differently."

### League of Nations Book Discusses Causes of the Depression

The course and phases of the current world economic depression are reviewed, discussed and analyzed in a 313-page book, "The Course and Phases of the World Economic Depression," published by the Secretariat of the League of Nations and available in the United States only through the American agent, the World Peace Foundation, 40 Mt. Vernon Street, Boston, Massachusetts. The price of the book is \$3. It is cloth bound and fully indexed.

The book is in the nature of a report and was prepared under the direction of Professor Ohlin of Stockholm University as a result of a resolution adopted by the eleventh assembly of the League of Nations calling for "a study of the course and phases of the present economic depression and the circumstances which led up to it."

The book starts out with a review of postwar economic development before the present depression and continues with a chapter describing the structural changes in the world's economic organism and the incomplete adjustment in the years preceding the depression. Special attention is given to the world's supply of various commodities and the changes in demand for these commodities.

The third chapter discusses "business-cycle tendencies in the last decade" and the fourth chapter presents a study of the various phases of the present business cycle. The fifth and sixth chapters describe and analyze the present depression and the seventh chapter compares it with earlier depressions.

The book represents an important contribution to economic literature and presents an amazing amount of data for the serious-minded reader who is interested in finding out the causes of depressions with a view towards remedial measures.

We must face our mistakes if we are to improve our destinies.—Sir Ashley Sparks.

## KANSAS CITY—

America's largest stocker and feeder cattle market, and the second largest market for all live stock.

### Commerce Trust Company

KANSAS CITY, MISSOURI

*has always fostered and encouraged the development of this market and we shall continue to have an important part in the financing of the live stock industry.*

## ARKANSAS NOTES

Combining business and social interests, the Sebastian County, Arkansas, Bankers Association held its second quarterly meeting recently at the Amrita County Club. The program committee was composed of Ed Sexton, Merchants National Bank; Sam B. Stevinson, First National Bank; and Ross Martin, American State Bank of Charleston. Swimming and outdoor games were listed as a part of the program, which was opened with a chicken dinner.

Frank P. Harvey, forty-five, cashier of the Bank of Portland, Arkansas, who with his wife and son and a woman guest recently was kidnapped by bank robbers and taken on a harrowing 150-mile ride in Mississippi, died of apoplexy.

The Phillips National Bank, Helena, Arkansas, has moved from the Solomon Building to the former home of the Interstate Bank.

Kit Carson of the Union Trust Company, Little Rock, Arkansas, has been appointed associate national executive councilman in Arkansas for the American Institute of Banking.

Mr. Carson has been active in A. I. B. circles for many years and has served as president of the Arkansas Junior Bankers Association.

The First National Bank, Black Rock, Arkansas, has completed the remodeling of the interior of its building. A new floor has been put in, walls have been redecorated and new fixtures installed.

J. W. Patterson, vice-president of the Elkhorn Bank and Trust Company, Arkadelphia, Arkansas, died recently following a week's illness. Mr. Patterson was 74 years old.

Sebastian County bankers held a meeting recently at Fort Smith, Arkansas. Sam E. West, president of the Sebastian County Bankers Association, was in charge of the meeting. Bankers from Scott, Crawford, Franklin and Logan Counties were also in attendance.

W. W. Campbell, president of the Bank of Eastern Arkansas, Forrest City, Arkansas, has been reelected a director of the Forrest City Building and Loan Association.

Opie Hartje, vice-president and cashier of the Bank of Conway, Conway, Arkansas, joined the select class of hole-in-one golfers on August 14 by negotiating the No. 4 par three, 125-yard hole of his home course in one stroke. His mashie shot rolled to the green and came to rest in the cup without varying a fraction of an inch.

The Junior Bankers Section of the Arkansas Bankers Association is pleased to announce the following members of the American Institute of Banking Committee appointed by the Arkansas Bankers Association: McCloud Sicard, First National Bank, Fort Smith, Chairman; L. K. Brown, Monroe County Bank, Brinkley; John E. Bryan, Bank of McCrory, McCrory; Tom Whiteside, First National Bank, Gentry; R. H. Dickinhorst, First State Bank, Morrilton; J. C. Landes, Peoples Bank and Loan Company, Lewisville, and A. R. Merritt, Bank of Sherrill, Sherrill. With this committee the Institute work in Arkansas should go forward.

One bandit was slain and three were captured and all but \$100 of \$5,000 was recovered at Index, Arkansas, when a posse engaged the alleged robbers of the Ashdown First National Bank in a gun battle.

Sheriff Sanderson, of Ashdown, had telephoned ahead of the fleeing robbers and a toll bridge was closed on them.



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# TRUE HOSPITALITY

The welcome you will receive at the Morrison Hotel is real and genuine. Here you will feel at home . . . All rooms are outside with bath, circulating ice water, bed-head reading lamp and Servidor. Nearest to stores, offices, theatres and railroad stations . . . A special floor is reserved for ladies . . . The Morrison Hotel is the home of the famous Terrace Garden and the historic Boston Oyster House.

2500 ROOMS - \$3.00 UP

LEONARD HICKS, *Managing Director*

## MORRISON HOTEL

Clark and Madison Streets

CHICAGO

## KANSAS NOTES

☐ Dale Hazlett has been promoted to the position of assistant cashier of the First National Bank, Sterling, Kansas.

☐ Absorption of the Citizens State Bank, Centralia, Kansas, by the First National Bank of Centralia, through a consolidation, has been announced by the state banking department.

☐ J. W. Berryman, president of the Stockgrowers National Bank, Ashland, Kansas, has been elected president of the board of trustees of the College of Emporia.

☐ The Peoples State Bank, Sharon Springs, Kansas, has opened for business. F. J. Dechant is cashier of the bank. This was formerly the Weskan State Bank, Weskan, Kansas.

☐ N. C. Lewis has been elected vice-president of the First National Bank, Quinter, Kansas.

☐ E. P. Bradley, for the past seventeen years cashier of the American National Bank, Hutchinson, Kansas, has been elected president of the bank to succeed V. M. Wiley, who has retired to devote his full time to his other business interests. W. M. Ruddick, assistant cashier of the bank for the past eight years, has been elected cashier.

☐ At a meeting of the board of directors of the First National Bank, Liberal, Kansas, the following officers were elected: T. J. Blakemore, president; A. F. Gorman and C. W. Law, vice-presidents; and F. E. Imel, cashier.

☐ H. C. Smither, president of the Farmers State Bank, Tescott, Kansas, died recently at his home in Salina, Kansas, following a long illness caused by paralysis.

☐ An installation of tear gas has been made in the lobby of the First National Bank, Wellington, Kansas.

☐ William Wallace, vice-president of the First National Bank, Waverly, Kansas, and a member of the board of directors of the Peoples National Bank, Ottawa, Kansas, died suddenly last month following a heart attack. Mr. Wallace was 74 years old.

☐ J. R. Burrow, Jr., president of the Central National Bank, Topeka, has sold his interest in the First State Bank, Portis, Kansas, to J. P. Thomas, cashier of the Portis bank, and C. M.

Thomas, assistant cashier. J. P. Thomas has been in charge of the Portis institution since it was organized.

### Mid-Continent Banker Owners Acquire New Publication

Owners of the MID-CONTINENT BANKER announce the purchase of the Mid-Western Banker of Milwaukee from Clifford De Puy of Des Moines, Iowa. Howard W. Clark, manager of the Chicago office of the MID-CONTINENT BANKER, becomes

editor and manager of the Mid-Western Banker and in addition to his new duties at Milwaukee will have charge of the Chicago office of both the MID-CONTINENT BANKER and the Mid-Western Banker.

Owners of the MID-CONTINENT BANKER who have acquired the Mid-Western Banker include: Donald H. Clark, Howard W. Clark and James J. Wengert.

Happy nowadays is the man who knows the difference between what he wants and what he needs.—Jackson (Miss.) News.



**Experienced  
Trained  
Alert**

The personnel of our Night and Day Transit, as in other departments, is composed of trained, experienced people, alert to the interests of our clients.

"Under the  
Old Town Clock"  
Fidelity Bank Building

**Fidelity National Bank  
and Trust Company**  
Kansas City, Missouri


AUSTRALIA and NEW ZEALAND

## BANK OF NEW SOUTH WALES

ESTABLISHED 1817

(with which are amalgamated The Western Australian Bank and  
The Australian Bank of Commerce Limited)

|  |   |                      |
|--|---|----------------------|
| Paid-up Capital . . . . .                  | £ | 8,780,000            |
| Reserve Fund . . . . .                     |   | 6,150,000            |
| Reserve Liability of Proprietors . . . . . |   | 8,780,000            |
|  |   | £23,710,000          |
| Aggregate Assets 30th Sept., 1931          |   | £90,111,427. 9s. 6d. |



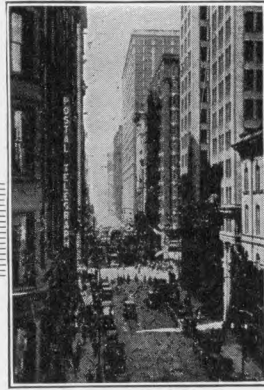
A. C. DAVIDSON, General Manager

688 BRANCHES and AGENCIES in all the States of Australia, in New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.

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**Agents:** Bank of Montreal; Royal Bank of Canada.

## Olive Street Notes

By JAMES J. WENGERT



Photograph  
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W. C. Persons

¶ Fred J. Oltman, formerly secretary for the late Festus J. Wade, Sr., president of the former Mercantile Trust Company, has resigned from the investment firm of Festus J. Wade, Jr., & Co.



¶ Albert Theis & Sons, Inc., announce that A. Graham Sillars has become associated with the sales department of the company. Mr. Sillars formerly had been with Knight, Dysart & Gamble and Burr, Stephens & Co.



¶ Frank M. Gordon, vice-president of the First National Bank and of the First Union Trust and Savings

Bank, Chicago, has been nominated by the board of governors of the Investment Bankers Association of America for the position of president of that organization, subject to election at the forthcoming annual convention to be held October 22 to 26 at White Sulphur Springs, West Virginia. Announcement was made recently at Chicago. There is no opposition slate.

Mr. Gordon is the third Chicago banker to be selected for this honor. He will succeed Col. Allan M. Pope of New York. Mr. Gordon entered the banking business as a messenger for the First National Bank of Chicago and his entire career has been

spent with that institution and its affiliates.



¶ Nominations by the board of governors of the Investment Bankers Association of America for new officers of the Association include:

For executive vice-president, Alden H. Little, Chicago.

For vice-presidents: George W. Bovenizer, Kuhn, Loeb & Co., New York; James H. Daggett, Marshall & Ilsley Bank, Milwaukee; Edward Hopkinson, Jr., Drexel & Co., Philadelphia; Donald O'Melveny, Union Company, Los Angeles; C. T. Williams, C. T. Williams & Company, Inc., Baltimore.

For treasurer, E. C. Wampler, Lawrence Stern and Company, Chicago.

For secretary, C. Longford Felske, Chicago.

For members of the board of governors for one-year terms: Allan M. Pope, The First of Boston Corporation, New York; Theodore F. Smith, Chase Harris Forbes Corporation, Pittsburgh, to fill the unexpired term of Donald O'Melveny, nominated for vice-presidency; George H. Nusloch, Hibernia Securities Company, Inc., New Orleans; Otho C. Snider, Prescott, Wright, Snider Company, Kansas City, to fill the unexpired term of George W. Bovenizer, nominated for vice-presidency; Harry B. Wagner, First Securities Corporation, Grand Rapids.

For members of the board of governors for two-year terms: E. Gerald Hanson, Hanson Bros., Inc., Montreal; Claude G. Rives, Jr., Whitney Trust and Savings Bank, New Orleans.

For members of the board of governors for three-year terms: F. Seymour Barr, Barr Brothers & Co., Inc., New York; Pierpont V. Davis, National City Company, New York; William T. Bacon, Bacon, Whipple & Co., Chicago; Sydney P. Clark, E. W. Clark & Co., Philadelphia; Henry Hart, First Detroit Company, Inc., Detroit; Lewis B. Williams, Hayden, Miller and Company, Cleveland; John R. Longmire, I. M. Simon & Co., St. Louis; Albert P. Everts, Paine, Webber & Company, Boston; John C. Legg, Jr., Mackubin, Goodrich & Co., Baltimore; George P. Hardgrove, Ferris & Hardgrove, Seattle.



¶ Net profits of American bankers from the sale of German bonds in this country since 1923 have been estimated at \$50,000,000 by the Brookings Institution. The Institution based their estimate from the flotation of \$1,280,000,000 German bonds.



### This Banker Made \$300.00 Additional Profit by Following Our Recommendation!

On July 25, 1932, one of our banker clients inquired of us about switching "Company A" 5s of 1954, then selling at 15, for the 4½% debentures of "Company B," maturing 1949, selling for 16¾. In reply we suggested that he purchase instead "C Corporation" 5s of 1944, selling at 14¾. Reasons were given for our belief that the speculative opportunity was greater in the latter bond.

On August 13, 1932, less than three weeks later, "Corporation A" 5s of 1954, the bonds formerly held, were up 5½ points; "Corporation B" 4½s of 1949, the issue he intended buying, were up 9¼ points; while "C Corporation" 5s of 1944, the bonds we suggested, were up 15¼ points.

The difference in profit on five bonds amounted to \$300.00.

The above case illustrates only one phase of our confidential supervisory service. In many other ways we are constantly aiding our clients to reduce losses when times are bad and to increase profits when there is a turn for the better.

Your bank's name on the coupon will bring our Confidential Weekly Letter (many readers say it's the best published), for three weeks, and detailed information about how I. A. B. Service can help you.

Investment  
Analysis Bureau  
St. Louis

INVESTMENT ANALYSIS BUREAU  
3674 Lindell Blvd., St. Louis  
Gentlemen: Without obligating me in any way,  
please send Confidential Letter for three  
weeks and information about I. A. B.  
Service.  
Bank.....  
Location.....

## As I Live and Breathe...

By C. O. Robinson

☞ There is many a slip twixt the neck and the hip.

❖ ❖ ❖

☞ Down in Augusta, Georgia, the citizens are on a politeness jag. The trainmen are instructed to thank the motorists who wait for them to go by. If the motorists don't wait the undertakers have agreed to thank them.

❖ ❖ ❖

☞ A Michigan cow chewed up the rudder on an aeroplane and the pilot had to call a taxi. The proper bovine to lunch on a rudder should have been a steer.

❖ ❖ ❖

☞ You have to be in good "shape" to enjoy swimming.

❖ ❖ ❖

☞ Kissing contests were part of the ancient Olympic games. Recent excavations brought to light a stone tablet which proved to be the sport page of the Athens Argus. It described the contest, the winners and their technique. Translated it read: The amphitheater was tense and quiet. In the center stood Lipius Lorelias, the Kooing kisser of the Hellespont. At the clang of the cymbals he advanced majestically upon Tulipsia Cuddlia, the necking Niobe of the Thracians. Flicking a caressing upper lip, he let it settle and cling to her cupid's-bow mouth. Bracing and yet yielding she was drawn into his arms and their lips locked in the winning tangle. The crowd went wild. Whoopias Hurrahias led the cheering. Twenty chariots were wrecked as the boys raced madly to the exchange for her telephone number.

❖ ❖ ❖

☞ A Turkish Emir, gone modern, beat up a harem favorite and they counted her out. From a prize-fight standpoint, her trouble was too much Turkish paste.

❖ ❖ ❖

☞ A young husband sprinkled pepper in his new mamma's crib and she is suing for divorce. His alibi is that she was young and inexperienced and needed seasoning.

❖ ❖ ❖

☞ Finding an adorable pint-size blonde sitting directly over the peer-

less son, we murmured timidly, but enviously—How come? The P. S. chirped: "Dad, that's my lap prize."

❖ ❖ ❖

☞ A fashion editor's article is headed—"New silhouette seen in loose unbelted coat." Listen, sister: You should have lamped the one we saw in a thin dress, with the sun in our favor.

❖ ❖ ❖

☞ Scented hosiery is my lady's latest. Now they will have the boys down on their hands and knees, sniffing ankles for a blind Narcissus date.

❖ ❖ ❖

☞ Continental currency collapsed in revolutionary days and whiskey became the medium of exchange. That may account for some of the tight situations that Washington faced.

❖ ❖ ❖

☞ One trouble with the hot weather is that one's step-ins do cling to one so.

❖ ❖ ❖

☞ We have the following brief interviews on improved business to submit.

**Oculist**—We are at the buy focal point.

**Lawyer**—It is not a brief reaction.

**Ladder manufacturer.** We appreciate the upward trend.

**Banker**—There is nothing new to discount. We note the interest in the favorable change.

**Farmer**—Favorable signs are cropping out everywhere.

**Fish dealer**—Trade is on a higher scale and there is less carping.

❖ ❖ ❖

☞ Fire crackers sixty-nine years old were recently shot off in a Kansas town. They were far more noisy than the present-day product. Perhaps they were made in boom times.

❖ ❖ ❖

☞ A hen out in Missouri has adopted a litter of pups. Maybe the old girl isn't so foolish. They may have been setters.

❖ ❖ ❖

☞ In Loveland, Colorado, an animal lover has adopted a baby lynx as a pet. It may make a clubby playmate for him but imagine the sufferings of a man who had sunk his roll in a miniature golf course. One look at a baby lynx and he would burst into tears.

❖ ❖ ❖

☞ Five hundred lobsters flew by aeroplane from Boston to Philadelphia. They ought to have gone by horseback—there is a flock of nightmares in that gang.

❖ ❖ ❖

☞ In a church in Bainbridge, Georgia, they unbuttoned the pipe organ and found three small kittens. They named them Abraham, Isaac and Jacob. A letter has gone forward claiming that the names are not organically sound and asking that they be rechristened Octave, Pan and Tremulo.

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*that the Hotel*  
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*gives more for your Money than*  
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**1200 ROOMS, EACH WITH RADIO,  
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OPPOSITE PENNA R-R STATION · · · B & O BUSES STOP AT DOOR  
 NEAR EVERYTHING

**HOTEL**  
**GOVERNOR CLINTON**  
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**NEW YORK**

LATZ/INC

## News of the Banking World

☐ **Tom K. Smith**, president of the Boatmen's National Bank, St. Louis, has been selected from among 100 outstanding St. Louisans for the 1932 St. Louis Award of \$1,000 and a certificate for outstanding civic service reflecting the greatest credit upon Metropolitan St. Louis. This was the first time the award has been given. It is to be conferred annually for distinguished service to St. Louis in "any human endeavor." The certificate declared Mr. Smith to be a wise and humanitarian leader of a great philanthropic cause and praised his devotion and outstanding ability as chairman of the Citizens' Committee on Relief, through which thousands of men, women and children have been provided with the necessities of life. Mr. Smith will devote the \$1,000 award to charity and relief work.



☐ **The National Association of Supervisors of State Banks**, in convention recently at Philadelphia, placed itself on record as opposed to guaranty of bank deposits and efforts to enforce a unified banking system. In the matter of branch banking, the Association expressed itself in the following resolution:

"This association is unalterably opposed to efforts being made to undermine and ultimately destroy our dual system of banking and supersede independent unit banks with a branch banking system. The attempt is a direct blow to our principles of democratic government, in that it would deprive the States of their right to create and control banks and thus deprive them of the use of institutions that are their distinctive fiscal agents. The National Association of Supervisors of State Banks has always recognized the respective rights of national banks and has consistently supported the idea of the dual system of banking. It has been under this system composed of unit banks that our nation has developed."



☐ **State banks** in the United States have deposits in excess of \$30,969,000,000 as compared with deposits in excess of \$19,244,000,000 in all national banks in the country, according to figures revealed recently by R. N. Sims, secretary-treasurer of the National Association of Supervisors of State Banks, and vice-president of the Hibernia Bank & Trust

Company, New Orleans. The report of Mr. Sims covers the only available and accurate data of state banking institutions comparable with the report of the Comptroller of the Currency which covers national banks.

The report shows that on December 31, 1931, there was a total of 20,275 banks of which 13,902 were State banks and 6,373 were national banks, and in round numbers a total capital, surplus and undivided profits of \$8,586,047,767, total deposits of \$50,-214,192,615, and total resources of \$63,130,550,964.

On December 31, 1931, in round numbers, the capital, surplus and undivided profits of the State banks were \$5,231,389,767 and of the national banks \$3,354,658,000, showing the capital resources of the State banks to be 55% in excess of the national banks. The deposits of the State banks were \$30,969,845,615 and of the national banks \$19,244,347,000, showing the deposits of the State banks 60% in excess of the national banks. The total resources of the State banks were \$38,468,264,964 and of the national banks \$24,662,286,000, showing the resources of the State banks 55% in excess of the national banks.



☐ **Walter Lichtenstein**, executive secretary of the First National Bank of Chicago, has been appointed a delegate of the United States by President Hoover to the International Radio Telegraph Conference, which convenes at Madrid, Spain, this month.



☐ **Charles S. McCain**, chairman of the board of directors of the Chase National Bank, New York, recently spent a few days in Little Rock, Arkansas, visiting with his mother, Mrs. W. S. McCain. Mr. McCain also visited banker friends in St. Louis on his return trip to New York.



☐ **The bankers associations** of Kansas and Missouri are arranging for a joint special train to the fifty-eighth annual convention of the American Bankers Association, which will be held in Los Angeles, California, from Monday, October 3, to Thursday, October 6, inclusive. A joint committee of these two associations met recently for the purpose of deciding upon the route for the Special and

decided on the Wabash Railroad as the official route from St. Louis to Kansas City, and the Santa Fe from Kansas City to Los Angeles, leaving St. Louis at 11:45 Thursday evening, September 29, arriving Kansas City at 7:15 the following morning, leaving Kansas City at 8:45 the same morning, and arriving Los Angeles at 8:15 Sunday morning, October 2.

A thirty-minute stop will be made at Albuquerque, New Mexico; and those so desiring may leave the train at Adamana for a motor ride of an hour and twenty minutes through the Petrified Forests of Arizona, overtaking the train at Holbrook. A small extra charge will be made for this interesting side trip.



☐ **Carroll S. Felter**, Chicago investment banker, died recently at the home of his sister, Mrs. A. H. Morton, in Greenville, Alabama, following an illness of several months. Mr. Felter was born on Beaver Dam Plantation, Albermarle County, Virginia, in 1884. As a boy he lived at Cullman, Alabama. His later years were spent in New York and Chicago where he was active in financial affairs until his retirement, because of ill health, two years ago.



☐ **Distributors Group, Incorporated**, recently made public the complete confidential report of its research department on which the board of directors based its decision to make no eliminations at the present time of any common stocks from the portfolio of North American Trust Shares 1955 and 1956. The report champions the position of rails and states that there is no reason to believe that the 1929 volume of railroad traffic will not be exceeded in the future. While the report is too lengthy to comment upon fully, a complete report may be obtained by addressing Distributors Group, Incorporated, 63 Wall Street, New York.



☐ **Aggregate earnings** for 1931 of 379 representative industrial corporations were 78.09 per cent less than for the peak year 1929, but in 1921 as compared with 1920 the decline shown by the same companies was 91.64 per cent, according to compilations from published reports, announced by Ernst & Ernst, public accountants.

The study includes all industrial corporations whose figures are available for 1929 and 1931 and also for 1920 and 1921—379 in all, classified into seventeen industrial lines and miscellaneous.



## History of the Service Charge in Missouri

(Continued from page 12)

on Analysis and Service Charge in 1930 by the writer. During 1930 an intensive effort was made to install the service charge on unprofitable accounts in banks throughout the State, and by September of that year, three hundred and sixty-seven, or about one-third of the banks in the State reported using that charge. Beginning in 1931 the committee expanded its efforts to include all service charges which a bank should collect, and issued a complete schedule of service charges which at once was very popular and widely used. Copies of this schedule were requested by many state associations and bankers in various sections of the country. The schedule was a basis for uniform charges especially for country banks and was the means of considerable additional profit to many of them. As a result of the general use and rapid development of service charges in Missouri the committee plans to expand and bring the present schedule up-to-date in the early part of 1933.

Feeling that service charges would require all the time and effort the committee could give it President M. E. Holderness of the Missouri Bankers Association, in making up his organization for the 1932-33 work, had the name of the Committee on Analysis and Service Charge changed to the Committee on Service Charge. The Committee on Service Charge will therefore center all its efforts on service charges, which in themselves cover numerous items and phases of banking, and the analysis work will be transferred to the newly organized Committee on Better Banking.

An idea of the progress made towards the installation of the service charge on unprofitable accounts and other service charges can be gained by the following summary:

January 1, 1931, there were 1,128 banks and trust companies in Missouri.

January 1, 1932, there were 978, making a net loss of 150 banks.

January 1, 1931, there were 334 banks and trust companies in Missouri using the service charge on unprofitable accounts, or nearly 30% of the total.

January 1, 1932, there were 367 banks and trust companies using the service charge on unprofitable accounts, or 37½% of the total.

There was a net gain of thirty-three

banks using the service charge on unprofitable accounts for the calendar year 1931, or a gain of approximately 10%.

January 1, 1931, we did not have a list of the banks using a schedule of other charges other than on unprofitable accounts, but on January 1, 1932, there were 491 banks and trust companies using a list of other charges—55% of the total number of banks.

Briefly this is the history of the development of the Committee on Service Charge of the Missouri Bankers Association, and of service charges in Missouri. Considering that the year 1927 was the first year in which any considerable number of

banks adopted the use of the service charge the growth of this practice to the present time has been rather phenomenal. Prejudice against the practice both among bankers and customers is fast disappearing, and it is generally recognized that it is both necessary and just. Interest among bankers of the State is very keen, and no doubt the next five years will witness a great augmentation of the list of using banks.

Members of the Committee on Service Charge want every member of the Missouri Bankers Association to feel free to call on them for assistance and they will be glad of an opportunity to help.

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Omaha  
National  
Bank

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AT YOUR SERVICE

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## Francis, Bro. & Co.

Established 1877

**Investment Securities**

Fourth & Olive Streets  
ST. LOUIS

Kennedy Building  
TULSA

## F. A. A. Will Meet at Chicago

(Continued from page 16)

erage to the many subjects in which it has an interest.

D. W. Laing, assistant trust officer, First Wisconsin Trust Company, Milwaukee, will preside at the morning session, and the afternoon will be devoted to a round-table discussion. Attention will be given to widely diverse matters, including best methods in securing the business of wealthy women; developing living trust business; insurance trusts; defensive selling; and the best trust approach for today.

Among the speakers in the morning will be Rodman Ward, Equitable Trust Company, Wilmington, Delaware; A. Key Foster, Birmingham Trust and Savings Company, Birmingham; Harold J. Clark, Central Republic Bank and Trust Company, Chicago; William O. Heath, Harris Trust and Savings Bank, Chicago; Edward W. Nippert, Fifth Third Union Trust Company, Cincinnati; Robert E. MacDougall, Provident Trust Company, Philadelphia; and John H. Hamel, First Union Trust Company, Chicago.

Participating in the round-table discussion in the afternoon will be Charlton Alexander, Mississippi Valley Trust Company, St. Louis; J. G. O'Brien, Commercial National Bank of Shreveport; M. V. Ehrman, Old-First National Bank and Trust Company, Fort Wayne; F. Furnival Peard, Maryland Trust Company, Baltimore; Raymond J. Darby, State Bank and Trust Company, Evanston, Ill.; Alvin R. Gruenwald, Marshall & Ilsley Bank, Milwaukee; W. S. Guilford, The California National Bank, Sacramento; Wade G. Murrah, The First National Bank of Atlanta; Grove H. Culver, The Union Trust Company of Cleveland; Roy N. Gesme, Minnesota Loan and Trust Company, Minneapolis; Oliver J. Neibel, Commerce Trust Company, Kansas City; and Morton A. Lee, First Wisconsin Trust Company, Milwaukee.

Thursday will be devoted entirely to general sessions and to the annual business meeting at luncheon. The general sessions will receive the reports of the various committees which have been conducting studies during the year, and will have special talks on advertising problems of interest to all.

The convention will conclude with the annual banquet on Thursday eve-

ning, at which a nationally known speaker will talk. At this time, it is not possible to give full details of the session, but it will provide a thrilling finish to a thrilling convention. In addition to the serious side, there will be plenty of fun to top off the meeting.

The convention is one that has been so planned that no financial advertising man who takes his job seriously can well afford to miss it.

And it would not be fair to close without it being known that the Chicagoans have been on the job for months planning their end of the meeting, and all those attending will have a good time, as well as a very profitable one.

## St. Louis Bank Stocks

**BOUGHT:**

**SOLD:**

**QUOTED:**



**Edward D. Jones & Co.**

810 Boatmen's Bank Building

MEMBERS

St. Louis Stock Exchange

New York Curb Exchange Associate

Central 7600

St. Louis

**Read the Legal  
Questions on  
Page 14**

# St. Louis Stock Exchange Transactions

[Summary of sales July 26 to August 25]

|                                 | Par Value | High                            | Low                             | Last                           | Total Sales |
|---------------------------------|-----------|---------------------------------|---------------------------------|--------------------------------|-------------|
| Brown Shoe, Pfd. ....           | 100       | 105                             | 105                             | ....                           | 70          |
| Brown Shoe, Com. ....           | No Par    | 35                              | 25 <sup>1</sup> / <sub>4</sub>  | 33                             | 985         |
| Burkhart, Pfd. ....             | No Par    | 4                               | 4                               | ....                           | 113         |
| Century Electric, Com. ....     | 100       | 35                              | 35                              | ....                           | 10          |
| Coca-Cola Bot. ....             | 1         | 14                              | 11 <sup>1</sup> / <sub>2</sub>  | ....                           | 135         |
| Corno Mills, Com. ....          | No Par    | 13                              | 11                              | ....                           | 126         |
| Elder Mfg., "A" ....            | 100       | 35                              | 35                              | ....                           | 10          |
| Ely Walker, Com. ....           | 25        | 6                               | 6                               | ....                           | 40          |
| Emerson, Pfd. ....              | 100       | 60                              | 60                              | ....                           | 5           |
| Globe-Democrat, Pfd. ....       | 100       | 103                             | 103                             | ....                           | 10          |
| Hamilton-Brown Shoe ....        | 25        | 4                               | 2 <sup>1</sup> / <sub>4</sub>   | 4                              | 1674        |
| Hyd. P. B., Pfd. ....           | 100       | 5 <sup>1</sup> / <sub>8</sub>   | 4                               | ....                           | 130         |
| Int. Shoe, Pfd. ....            | 100       | 101 <sup>1</sup> / <sub>2</sub> | 100                             | ....                           | 57          |
| Int. Shoe, Com. ....            | No Par    | 29 <sup>1</sup> / <sub>2</sub>  | 22 <sup>1</sup> / <sub>2</sub>  | 29 <sup>1</sup> / <sub>2</sub> | 835         |
| Johnson S. S. ....              | No Par    | 17                              | 13                              | ....                           | 235         |
| Key Boiler Eq. ....             | No Par    | 6                               | 5                               | ....                           | 145         |
| Laclede Steel ....              | 20        | 12 <sup>1</sup> / <sub>2</sub>  | 11                              | ....                           | 30          |
| McQuay Norris ....              | No Par    | 21 <sup>1</sup> / <sub>2</sub>  | 21                              | ....                           | 195         |
| Meyer Bl., Pfd. ....            | 100       | 50                              | 50                              | ....                           | 10          |
| Mo. Portland Cement ....        | 25        | 10                              | 7                               | 10                             | 572         |
| Nat. B. Met., Com. ....         | No Par    | 8                               | 6                               | ....                           | 235         |
| Nat. Candy, Com. ....           | No Par    | 6 <sup>1</sup> / <sub>2</sub>   | 4                               | ....                           | 720         |
| Rice-Stix, Com. ....            | No Par    | 4                               | 2 <sup>1</sup> / <sub>8</sub>   | ....                           | 785         |
| St. Louis Pub. Serv., Com. .... | No Par    | 50c                             | 50c                             | ....                           | 475         |
| Scullin, Pfd. ....              | No Par    | 2                               | 1 <sup>1</sup> / <sub>2</sub>   | ....                           | 238         |
| S. W. Bell, Pfd. ....           | 100       | 111                             | 102 <sup>5</sup> / <sub>8</sub> | ....                           | 473         |
| Stix-Baer-Fuller ....           | No Par    | 5                               | 5                               | ....                           | 15          |
| Wagner Electric, Com. ....      | 15        | 9                               | 5                               | ....                           | 1794        |

## CURRENT QUOTATIONS

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On 100 Unlisted Bonds as of August 29, 1932

| Security   | Bid                             | Asked                           | Security   | Bid                              | Asked                            |
|--|---------------------------------|---------------------------------|--|----------------------------------|----------------------------------|
| Allied Owners, 6s 1945.....  | 34                              | 36                              | Holly Sugar, 6s 1943.....  | 32                               | 35                               |
| Alton St. Louis Bridge, 7s 1947...                                   | 32                              | 35                              | Hussman Ligonier, 6s 1939.....   | 31                               | 35                               |
| Alton St. Louis Bridge, 7s 1942...                                   | 20                              | 25                              | Illinois Central Ry., 4 <sup>1</sup> / <sub>2</sub> s 1934.....                                | 45                               | 48                               |
| Alton Water, 5s 1956.....  | 65                              | 70                              | Illinois Pacific Coat, 6s 1945.....  | 80                               | 83                               |
| Alton Rwy. Gas & Elec., 5s 1939..                                    | 81                              | 85                              | Iowa Electric Lt. & Power, 7s 1942.....  | 99 <sup>1</sup> / <sub>2</sub>   | 100                              |
| Alton Rwy. Illuminating, 5s 1939 81                                  | 85                              | 85                              | Kansas City Pub. Serv., 6s 1951 30   | 32                               | 32                               |
| American Dept. Stores, 6s 1948...11F                                 | 15F                             | 15F                             | Keystone Tel., 6s 1951.....  | 47                               | 50                               |
| Amalgamated Sugar, 7s 1937.....                                      | 79                              | 82                              | Little Rock, Hot Springs & West-ern, 4s 1939.....  | 50                               | 55                               |
| American Colortype, 6s 1942.....                                     | 45                              | 50                              | Long Bell Lumber, 6s 1942-3-6, actual & C/ds.....  | 9F                               | 12F                              |
| American Service, 6s 1944.....                                       | 10F                             | 12F                             | Mengel, 7s 1934.....   | 58                               | 62                               |
| Benjamin Elec., 6s 1937.....   | 44                              | 48                              | Miller & Hart, Inc., 6s 1943.....  | 60                               | 64                               |
| Bloomington, Dec. & Champaign, 5s 1940.....                          | 46                              | 50                              | Mo. Edison, 5 <sup>1</sup> / <sub>2</sub> s 1947.....  | 53                               | 56                               |
| Bohn Aluminum & Brass, 6s 1938 68                                    | 72                              | 70                              | Mo. Gas & Electric Serv., 5s 1957 53   | 56                               | 56                               |
| Boston Stores, 5s 1938.....  | 86                              | 90                              | Mo. Ill. Bridge, 7s 1946.....  | 21F                              | 25F                              |
| Burt Bldg., Dallas, Tex., 6 <sup>1</sup> / <sub>2</sub> s Ser. 32    | 36                              | 36                              | National Lumber Creco., 5 <sup>1</sup> / <sub>2</sub> s Ser. 42                                | 46                               | 46                               |
| Butler Bros., 5s (Long Maturities) 40                                | 45                              | 45                              | North Amer. Lt. & Pr., 5 <sup>1</sup> / <sub>2</sub> s 1956 54                                 | 56                               | 56                               |
| Butte Anaconda & Pacific, 5s 1944 54                                 | 60                              | 60                              | Northwestern Engineering, 6s 1938 60   | 65                               | 65                               |
| Butterick Publishing, 6s 1936.....                                   | 35                              | 40                              | Northwestern Elec., 6s 1935.....   | 88                               | 92                               |
| Caddo River Land & Lumber, 5 <sup>1</sup> / <sub>2</sub> s 1936..... | 45                              | 45                              | Ohio Water Service, 5s 1958.....   | 65                               | 70                               |
| Camden Rail Harbor & Term., 6 <sup>1</sup> / <sub>2</sub> s 25       | 30                              | 30                              | Okla. Nat. Gas, 5s 1948.....   | 48                               | 50                               |
| Cape Girardeau Bridge, 7s 1947 22F                                   | 25F                             | 25F                             | Okla. Power Holding, 5 <sup>1</sup> / <sub>2</sub> s 1943..                                    | 83                               | 86                               |
| Cecil Apt. (Chase), 7s St. Louis..10F                                | 15F                             | 15F                             | Oregon Amer. Lumber, 6s 1942...15F   | 15F                              | 15F                              |
| Central Ark. Pub. Service, 5s 1948 72                                | 76                              | 76                              | Pacific Northwest Public Service, 6s 1950.....   | 39                               | 41                               |
| Central Gas & Electric, 5 <sup>1</sup> / <sub>2</sub> s 1933 38      | 42                              | 42                              | Paxton Hotel, Omaha, 6s.....   | 28 <sup>1</sup> / <sub>2</sub> F | 30 <sup>1</sup> / <sub>2</sub> F |
| Central Gas & Electric, 5 <sup>1</sup> / <sub>2</sub> s 1946 46      | 50                              | 50                              | Peabody Coal, 5s 1953.....   | 40 <sup>1</sup> / <sub>2</sub>   | 42 <sup>1</sup> / <sub>2</sub>   |
| City & Sub. Pub. Service, 5s 1934 33                                 | 35                              | 35                              | Pecos Valley Pr. & Lt., 6 <sup>1</sup> / <sub>2</sub> s 1937 31                                | 31                               | 35                               |
| Columbia Sugar, 7 <sup>1</sup> / <sub>2</sub> s C/Ds.....            | 25F                             | 25F                             | Pac. Coast Gas & Elec., 5 <sup>1</sup> / <sub>2</sub> s 1955 73                                | 76                               | 76                               |
| City Service Trans., 6s 1936.....                                    | 50                              | 50                              | Pickering Lumber, 6s C/ds.....   | 7F                               | 10F                              |
| Commonwealth Edison, 5 <sup>1</sup> / <sub>2</sub> s 1962 101        | 102 <sup>1</sup> / <sub>4</sub> | 102 <sup>1</sup> / <sub>4</sub> | Pierre Chouteau, St. Louis, 6s...17  | 17                               | 17                               |
| Consolidated Cities Lt. Traction Power, 5s 1962.....                 | 52                              | 60                              | Portland Gas & Coke, 5s 1940....   | 90                               | 93                               |
| Consolidated Tel. Wisc., 5 <sup>1</sup> / <sub>2</sub> s 1942 66     | 70                              | 70                              | Portland Gen. Elec., 4s 1933.....  | 71                               | 73                               |
| Continental Steel, 6s 1937.....                                      | 50                              | 60                              | Pub. Serv., Northern Ill., 6 <sup>1</sup> / <sub>2</sub> s 1937 98 <sup>7</sup> / <sub>8</sub> | 99 <sup>3</sup> / <sub>8</sub>   | 99 <sup>3</sup> / <sub>8</sub>   |
| Coronado Hotel, St. Louis, 6s...11F                                  | 14F                             | 14F                             | St. Joseph Stockyards, 5s.....   | 87                               | 90                               |
| Council Bluffs Gas, 5s 1948.....                                     | 57                              | 62                              | St. Louis County Gas, 5s 1951....  | 97                               | 99                               |
| Dayton Power & Light, 5s 1941...99                                   | 99 <sup>1</sup> / <sub>2</sub>  | 99 <sup>1</sup> / <sub>2</sub>  | St. Louis County Water, 5 <sup>1</sup> / <sub>2</sub> s 1945 96 <sup>1</sup> / <sub>2</sub>    | 98 <sup>1</sup> / <sub>2</sub>   | 98 <sup>1</sup> / <sub>2</sub>   |
| Dickey Clay Mfg., 6s.....  | 7F                              | 10F                             | St. Louis County Water, 5s 1945...92   | 94                               | 94                               |
| Dierks Lumber & Coals, 6s Ser...16F                                  | 20F                             | 20F                             | St. Louis, Springfield & Peoria, 5s 1939.....  | 50                               | 55                               |
| E. St. Louis Lt. & Power, 5s 1940 91                                 | 95                              | 95                              | Scruggs, Vandervoort & Barney, 7s 50   | 50                               | 50                               |
| E. St. Louis Int. Water, 5s 1960...75                                | 80                              | 80                              | Scullin Steel, 6s 1941.....  | 21                               | 21                               |
| E. St. Louis Int. Water, 5s 1942...80                                | 85                              | 85                              | Seattle Lighting, 5s 1949.....   | 63                               | 65                               |
| E. St. Louis Int. Water, 6s 1942...88                                | 92                              | 92                              | Southern Cities Pub. Serv., 6s 1949.....   | 26                               | 28                               |
| Eastern Minnesota Power, 5 <sup>1</sup> / <sub>2</sub> s 1951.....   | 53                              | 56                              | Southern Cities Util., 5s 1958...36  | 36                               | 37                               |
| Federal Hygienic Ice, 6s (Long Mats.).....                           | 76                              | 78                              | Texas Louisiana Power, 6s 1945...34  | 36                               | 36                               |
| Federated Utilities, 5 <sup>1</sup> / <sub>2</sub> s 1957...53       | 55                              | 55                              | United Public Utility, 5 <sup>1</sup> / <sub>2</sub> s 1947...37                               | 40                               | 40                               |
| Florida Portland Cement, 6 <sup>1</sup> / <sub>2</sub> s...25        | 25                              | 25                              | Chicago Jt. Stock Land Bank, 4 <sup>1</sup> / <sub>2</sub> s 29                                | 32                               | 32                               |
| Florida Pub. Service, 6s 1955...55                                   | 58                              | 58                              | Dallas Jt. Stock Land Bank, 5s...50  | 52                               | 52                               |
| Flour Mills of America, 6 <sup>1</sup> / <sub>2</sub> s 1942 62      | 65                              | 65                              | Kentucky Jt. Stk. Land Bank, 5s 52   | 56                               | 56                               |
| A. P. Green, 6s 1936.....  | 68                              | 72                              | Lincoln Jt. Stock Land Bank, 5s 48   | 51                               | 51                               |
| W. F. Hall Printing, 5 <sup>1</sup> / <sub>2</sub> s 1947...63       | 65                              | 65                              | St. Louis Joint Stock Land Bank, 4 <sup>1</sup> / <sub>2</sub> s & 5s.....                     | 23F                              | 25F                              |
| Hickok Oil, 6s 1938.....   | 60                              | 65                              |  |                                  |                                  |

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# Consider These Points In Connection with PROTECTIVE COMMITTEES and DEPOSIT AGREEMENTS

By **J. VAN DYKE NORMAN, Jr.**

**J. J. B. Hilliard & Son, Louisville**

**T**HE large number of corporation receiverships and reorganizations under present conditions has led to the formation of a vast number of protective committees for security holders. In nearly all cases it is essential that some form of united action be taken, but security holders should realize that before a deposit is made a careful study of each situation is highly advisable. This is particularly true because of the tendency in recent years to confer very broad powers by deposit agreements. The principal points to be watched are as follows:

1. **Personnel of committee.**
2. **Reason for organization of committee.**
3. **Withdrawal provision of agreement.**
4. **Expense.**

The personnel and affiliations of the committee are of fundamental importance. In some cases protective committees are organized largely from a desire on the part of the in-

dividuals composing them to earn a fee for their services. In other cases, members of the committee requesting deposit, let us say, of first mortgage bonds, have an interest in the junior securities of the company, and would act on behalf of the junior securities if a conflict of interest arose. A careful investigation of the personnel and affiliations of a committee with an eye to the reasons for its organization should be made in all cases before depositing.

As for the deposit agreement itself, the two main considerations are the withdrawal provision and the question of expense.

The withdrawal provision deals

with the right of the depositor to withdraw his securities from deposit in the event that the plan of settlement or reorganization advanced by the committee is unsatisfactory to him. This is the most important question with regard to any deposit agreement. If the withdrawal provision is not reasonably satisfac-

tory, the security holder should not deposit. The usual clause provides that the committee must give notice in the event of the preparation of a plan of reorganization, and that the depositor may withdraw his securities within a specified time after the giving of such notice. In this connection, he should examine the method by which the committee is required to give notice, and see that it is such as to insure his receiving notification.

Most of the present-day agreements give the committee the right to return to the withdrawing depositor in lieu of his bonds the substitutes there-

(Continued on page 48)



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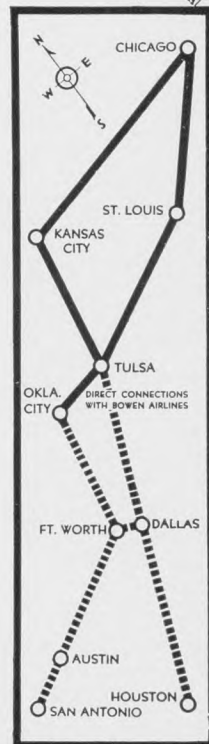
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# LEGAL TENDER

Volume 17

SEPTEMBER, 1932

Number 9

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## Official Publication

### St. Louis Chapter

### American Institute of Banking

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.

## Recollections of a Sound Sleeper

THE editor sprawled in the comfortable chair before his desk, his feet elevated to the edge of that already overburdened fixture, a position which seems peculiarly adapted to deep thought or no thought at all. The editor was in what is known as a "tight place." Legal Tender was due to go to press and as yet he had waited in vain for the arrival of that elusive something, that faint glimmer, that spark, which is ink to the editor's pen. He had been in this relaxed, receptive position, inviting the muse, for some time. Slowly his head came to rest upon his manly chest. Inhuman, strangling sounds filled the room. The editor slept. He dreamed—

Of **Weston Colbrunn**, hurrying by, his hat shoved back on his head, and a wild look in his left eye. He was weighed down with balls, bats, and horseshoes. A large "Committee" badge was his chief adornment, and upon inquiry he called back over his shoulder that the picnic was at Pevely Farm, and he had to get some games started right away.

Of **Leo Ryan**, busily engaged, but not hurrying, in expounding the merits of a savings account to a pretty young lady.

Of **Cecelia Kiel** talking very earnestly to the good-looking traffic cop at Broadway and Olive. Cecelia was saying: "I know, Mr. Policeman, but G. K. Chesterton says that even if you do like to blow your whistle, the intelligent driver is very likely to feel that his intelligence is being insulted."

Of being very nearly run down by an automobile driven by **Bill Gregory**, who saw a dime in the street and

tried to stop his car on it.

Of **Mary Towell** teeing off in the women's golf tournament from the roof of the Art Museum.

Of **Pearl Roberson** leading a parade of bank women through the financial district. Every time they met a handsome man, Pearl would wave a big stick and order the unruly members back into line, with varying success.

Of **Sherman Butler** with that look of silent mirth on his face. And what's more, Sherman could not be coaxed to divulge the source of said mirth.

Of **Dr. Lippincott** measuring the Valley of Depression with an instrument which he explained was the Rule of Supply and Demand.

Of **Leo Kelly** answering his own questions. (Has it come to this?)

Of **John Lackey** tugging at an immense gavel. He said he was sure the thing was not so unwieldy before—the rains must have swollen it.

Of **Joe Watawa** completely surrounded and hidden from view by a bevy of charming blondes, all of whom, upon closer observation, proved to be one and the same blonde girl.

Of **Wilford Gradel** climbing in the snow-covered Alps, nervously consulting his altimeter at every step, and now and then yodeling to **Hazel Hurst**, who, stationed at a powerful telescope far below, was anxiously watching his progress.

Wilford was yodeling a particularly high falsetto note, of which he was so fond that he held it long after the sweetness had vanished, when, with a feeling of extreme discomfort in his neck, the editor awoke to the in-

sistent jangling of the telephone.

"Hello," he yawned.

"Say, Sib, this is Jim Wengert. Your stuff's due today, not next week. I'm running a financial magazine, not a bulletin for the Ladies' Aid . . . !"

"I'll have it over in half an hour. O.K.?"

"O.K. Abyssinia."—MINNIE SMITH.

## The President's Message

Avail yourself of the opportunity which is yours!

The St. Louis Chapter offers you the National A. I. B. subjects and kindred classes in Trust Functions and Investments. The Commercial Law and Economics classes provide a practicable knowledge of the principles underlying each, with proper emphasis on those in which the banker is particularly interested.

The steady support of graduates of the Institute and the demand for work of a higher order under the supervision of the Chapter, prompt us to offer the stimulating courses in English, literary and technical, and a further course in Accounting. Evidence of changing banking conditions and the steady growth in the number of trust divisions in banks necessitates the continuance of the class in Trust Functions. The Institute offers you again the chance to become an effective speaker and to prepare, in a special department, for debate work. Special opportunities are open to those members who wish to prepare themselves for the bar.

We believe that the Institute has a place in the bank employe's career which no other institution can take. This is true in the case of the college man or woman as well as of the

man or woman who has not had a formal education. Those who have chosen banking as their profession, regardless of previous training, find in the Institute an opportunity to advance their education on a plane and in a manner peculiarly suited to their needs. Where else, in the entire field covered by the usual institution of higher learning, is there to be found the combination of the practical and the theoretical that is offered by the Institute? The training afforded, when it is earnestly pursued, is of use in every phase of business.

Avail yourself of the opportunity that brings you into intimate contact with others of your chosen profession!—John Lackey.

### Illinois Bankers

Our sister State of Illinois is launching a state-wide banking educational program for the coming year through the sponsorship of the Illinois Bankers Association.

Word has been received from I. J. Green, chairman and president of the State Savings Loan and Trust Company, Quincy, that several meetings have already been held.

St. Louis and Chicago chapter members together with Illinois bankers who are interested in banking education will play an important part in raising the standard of bank management throughout the Middle West.

The committee is represented by I. J. Green, Chairman, State Savings Loan and Trust Company, Quincy; William L. Frye, Central Trust and Savings Bank, Sterling; John D. Blossom, Central National Bank and Trust Company, Peoria; D. P. Miller, First National Bank, Freeport; P. L. McPheeters, Wheaton Trust and Savings Bank, Wheaton; C. D. Charlton, LaSalle National Bank and Trust Company, LaSalle; J. H. Snider, Champaign National Bank, Champaign; S. J. Bradfield, National Bank of Decatur, Decatur; C. A. Heiligenstein, First National Bank, Belleville; J. B. Lee, First Trust and Savings Bank, Harrisburg; John A. Brooks, City National Bank and Trust Company, Evanston; A. A. R. Nelson, Berwyn Trust and Savings Bank, Berwyn; and Frank R. Curda, Central Republic Bank and Trust Company, Chicago.

Perhaps all of us are not acquainted with the members of the Committee but we hope we shall meet all of them personally before the year is over. We will leave that to Mr. Curda.—ORVILLE STREIFF.

### Reminiscences and Anticipations

The vacation season is done. Half regretfully, we turn away from our midsummer madness, whatever its form in our individual cases, and turn our thoughts again to the season of Institute classes, Thanksgiving and Christmas.

Those of us who were in Professor Hoffsten's classes last year are probably looking forward again to meeting for his delightful, not to say inestimably valuable, instruction. How many of you have forgotten your introduction to William Butler Yeats? In the person of Professor Hoffsten, of course, grown a trifle pompous in his incomparable mimicry of the poet's "prunes-and-prisms" manner? In your mind's eye can you still see the poet adjusting his eyeglass (which was on a long black ribbon, if you please), lips slightly pursed, sweeping with supercilious gaze the atmosphere above the heads of the audience?

Do you remember the school principal on a visit of inspection who came into one classroom just as "Johnnie" unwillingly but perforce at the teacher's behest, was reciting The Psalm of Life?

Can you still shudder at the recollection of Caliban as presented in the English class? Caliban, who wallowed in mud, and liked it? Do you still bear witness to the continuous chuckling of the audience at the interpretation of Henry V? Are you still amazed that Shakespeare could be so interesting and so full of fun? Above all, have you heard it rumored that Hamlet will be one of the subjects for study and exposition in the English class this year?

Indeed, it is not altogether with regret that we become conscious of certain movements of the Educational Committee that foretell the busy year they are planning for the membership. Let us gather to make their labors fruitful and our own winter hours productive of straight thinking and clear vision.—C. KIEL.

### The Editor's Column

With the "twilight of the gods" always comes the eclipse of the Superman. When the Ptolemaic bowed to the Copernican system, ancient savants become discarded oracles for a medieval Enlightenment. When the modern scientific superseded the medieval monastic order, the strongholds of Scholastic learning became the obsolete centers of a cast-off dog-

ma with only a historical interest. And now, at a time when all of us have toppled off the Mammonesque Shrine, we look with contempt upon the business idols who once commanded our awe, yet who have now apparently betrayed us: the captains of industry and the barons of finance.

As John Moody states the brief, "one of the greatest of the many superstitions back of modern business philosophy has been the widespread notion that the eminently practical men who are the leaders in corporate finance and industry must necessarily be endowed with superintelligence and shrewdness."

What particularly concerns us, as A. I. B. members, is not the decline in prestige of these fallen idols, but the prevention of possible future crazes of such idolatry. If banking education yields any by-product at all, it should instil a sincere admiration of standards, yet a genuine contempt of blind hero-worship.

One of the hopes for the future of American banking resides in the happy fact that the rising personnel of our financial institutions today are not imbibing such superstitions with the avidity of their predecessors. Too many of us are too desperately struggling for mere existence to have much time for pipe dreams of easy affluence. After the present economic crisis has burned itself out, let us hope that the watchdogs of a saner credo will assiduously guard our corporate canons.

### Did You Know

☞ That something new in roundabout methods is offered in the Federal Home Loan Bank bill, in that the initial financing is to be furnished by the U. S. Treasury from money borrowed from the Reconstruction Finance Corporation, which will in turn borrow it from the Treasury?

◆ ◆ ◆

☞ That in San Francisco's Chinatown there is a bank operated wholly by Chinese women?

◆ ◆ ◆

☞ That out where the "West is West" silver "cartwheels" are still in very active use? In Tacoma, Washington, alone the four downtown banks handle an average of ten thousand silver dollars each business day.

◆ ◆ ◆

☞ That because of the frequency of mid-day robberies in Alabama, the State Superintendent of Banks has advised Alabama bankers to close their institutions during noon hour?

☐ That it is taking \$10,000,000 to make a \$1.00 bill? For exhibition at the Chicago World's Fair the Government is making a bill 12 feet long and 5½ feet wide out of macerated pulp from \$10,000,000 worth of old money.

❖ ❖ ❖

☐ *That the Federal Reserve Banks are no longer strictly "bankers' banks," as under the provisions of the recent amendments to the reserve act, loans may be made direct to individuals, partnerships and corporations.*

❖ ❖ ❖

☐ That so many banks in the smaller Ohio towns and cities have been closed that the First National Bank of Springfield established a "rolling bank," which consists of an armored car serving four nearby towns, by making regular one-hour stops to accept deposits, cash checks and distribute change to merchants?

❖ ❖ ❖

☐ **That when the new U. S. Assay Office was finished in New York City recently, it was necessary to move \$1,000,000,000 in gold, the shipment making 400 truck loads—an average of \$1,000,000 being moved every 4 minutes during 7 working hours a day for about 10 days?**

❖ ❖ ❖

☐ That of forty-nine Treasury Secretaries only Albert Gallatin, who held the post from 1801 to 1813, exceeded in length of consecutive service the incumbency of Andrew Mellon?

❖ ❖ ❖

☐ *That the grand total of bank branches of Canadian chartered banks at the end of June, 1932, was 4023 in Canada and abroad and 3854 in Canada alone?*

—A. F. BOETTCHER.

### Frank Ryan Honored

Frank Ryan, Mississippi Valley Trust Company, has been appointed Associate Councilman for the State of Illinois, to serve under Frank R. Curda, Central Republic Bank and Trust Company, Chicago, who was elected to the Executive Council at the Los Angeles Convention. Ernest L. Johnson, Recordak Service, Inc., Chicago, is the other Associate Councilman for Illinois. The territory assigned to Mr. Ryan consists of the entire southern half of Illinois, comprising fifty-three counties. Mr. Johnson will handle Northern Illinois. Mr. Ryan will be charged with the responsibility for organizing Chapters and study groups, and

otherwise furthering the interests and development of the A. I. B. in his territory.

### Lady Luck

By WILLIAM HEATON

Why is it that successful men  
Upon acquiring fame  
When asked to tell the source of it  
All answer just the same  
They'll credit it to energy  
Their thriftiness and pluck  
But not a single one of them  
Will say 'twas due to luck.

They'll tell you how they started out  
At such a meagre wage  
You have your doubts if it would feed  
A parrot in its cage  
And of this wage they save some coin  
And pay their board and keep  
And undergo privations which  
Would make a Spartan weep.

There're mighty few of these great men  
Who'd credit Providence  
They'll say it's due to grim hard work  
And lots of common sense  
And in their egotistic way  
They mention not the thing  
That helped a lot, without a doubt  
Their big success to bring.

For true it is that Providence  
Directs our paths each day  
It guides us in our daily toil  
It aids us in our play  
We might have lots of stamina  
And work our best, but still  
Without the aid of Lady Luck  
Our efforts would be nil.

### Protective Committees and Deposit Agreements

(Continued from page 44)

for then in the hands of the committee. This provision contemplates the possibility of the committee's acquiring property or securities through foreclosure or otherwise, and is intended to give it freedom of action before the preparation of a reorganization plan. Such a provision is sometimes necessary, but if it is included warrants unusually careful attention as to the personnel of the committee.

Deposit agreements, usually, but not always, provide that the expenses and compensation of the protective committee are to be borne by the deposited securities. It is desirable that the agreement should set a limit on the amount of expenses and compensation and it should state explicitly that depositors are not to be per-

sonally liable. This is particularly true where the market value of the securities in question is low and expenses heavy in relation to value. In cases where no limit to expenses and compensation is fixed, the personnel of the committee again should be considered with especial care.

### Legal Questions

(Continued from page 14)

ant who occupied all the premises. Jones sued Frederick for one-half the property. Frederick answered that he had held the property and treated it as his for over fifteen years, which is the statutory period of limitation that acts as a bar to such proceedings in Oklahoma. Jones replied that Frederick had been out of the state and that the statute of limitations did not run on that account. Frederick answered this contention by stating that Jones could have asserted his claim in a proper fashion prior to the expiration of the fifteen-year period by serving him by publication because the Oklahoma courts had jurisdiction over the res, that is, the property, and could determine the rightful owner even if he was out of the state. Who should prevail?

**10.** Gordon mortgaged his Texas as farm to an insurance company in 1920. In 1928 he did not have sufficient funds to pay the taxes and he borrowed the money to pay them from his bank, giving as security a note and deed of trust which provided that the bank would be subrogated to all rights the state might have against the land on account of the taxes. In 1930 the insurance company commenced foreclosure proceedings. The bank intervened and sought to have its holdings declared superior to those of the insurance company. Should it succeed?

☐ **Five unmasked** bandits recently held up the Peoples Bank, Paint Lick, Kentucky, and escaped with \$2,700 in cash after locking three employes in the vault.

☐ **First National Bank**, Louisville, has total resources of more than \$25,481,000, according to the last statement of condition. Deposits are more than \$21,481,000; capital, surplus and undivided profits are more than \$2,543,000. Affiliated Kentucky Title Trust Company has total resources of more than \$17,435,000.



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## Answers to Legal Questions on Page Fourteen

**1.** Yes. The words "Circuit Clerk" written after Forest's name were simply descriptive of the person making the deposit. The facts were that Forest owed the bank money and the bank owed him money. A debtor-creditor relationship existed. The mere use of the words "Circuit Clerk" and the fact that the deposit was made up of money received by Forest in his official capacity was not enough to avoid the set-off. It was only right that Forest be entitled to the set-off for he was responsible for the money on deposit.

**2.** No. The receiver does not come within the provisions of the federal statute because he is not the federal government, that is, the United States, or any branch thereof. He is merely the operating agent of the railroad who looks after its properties and is not an agent of the United States in such a fashion that the treasury of the United States is directly affected by whether his claim is allowed as a preferred one or a general one.

**3.** No. The right to a jury trial is not the right to be tried without a jury. The constitutional guarantee of the right to a jury trial extends that far and no farther. The waiver of the accused was the relinquishment of the right and was a declaration that he was willing that the court try the issues of fact. The state was entitled to see that its rights were protected as well as was Marmaluke, and if it believed that its rights required the protection of a jury it could insist that the case be so tried.

**4.** No. The situation here presented is a most interesting one from the standpoint of the large amount of conflicting law on the subject. The generally accepted rule is that covenants similar to the one here involved are enforced only when they are reasonable. They are placed in contracts of this nature principally to insure for the purchaser the retention of the seller's good will as much as possible. Here there was no need to provide that the seller would not engage in the banking business in the entire United States and it would be unjust to insist on such a

requirement. When he engaged in the banking business in such a way that the business of the purchaser was not interfered with no harm was done, and it is not fair to deprive him of his livelihood even though the covenant had been entered into. If he had started or operated a second bank in the same community, then an injunction would lie.

**5.** No. Watson held himself out to the public as the president of the bank and as one of its directors. The creditors of the company had the right to assume that he was a stockholder. By his actions he estopped himself from denying he was a stockholder. It would be contrary to public policy to permit such a claim as this to be defeated by such a defense, for as president and director he had ample opportunity to ascertain the financial condition of the bank and to protect himself from the fraud he claimed was perpetrated on him.

**6.** Yes. The only services rendered were those necessarily required in making an ordinary loan. The interest allowed by statute is intended to compensate for such services. Buckley had not contracted that a special charge might be made for special services and no special services were actually required. The bank cannot be permitted to avoid the effect of the usury statute by justifying its acts as being for services. To allow extra charges for the services rendered here would destroy the purposes of the usury laws.

**7.** No. For one thing the agent never spoke a word, did not demand the savings installment, and did not do or say anything to indicate he was there as a representative of the bank. Clearly his conduct was not authorized or condoned by it, and his acts were not such as were contemplated by his employment, or as might reasonably have been anticipated by his employer in connection with his duties. His acts were not within the real or apparent scope of the master's business. There is no liability on the part of the master where a servant has stepped aside from his employment to commit a tort.

**8.** No. A principal is bound where his acts lead a third person to believe another, as his agent, his authority which in fact he does not have. The bank in tacitly consenting to the actions of Maxwell in making the payments to the dealer placed itself in a position whereby it could not claim the dealer had no authority to accept same. Furthermore, a principal cannot ratify a portion of an unauthorized transaction and not ratify the whole of it. Here the bank in substance ratified all payments to the dealer except the last one. In ratifying the payments as it did it cannot question the last one because it was made as were those before it.

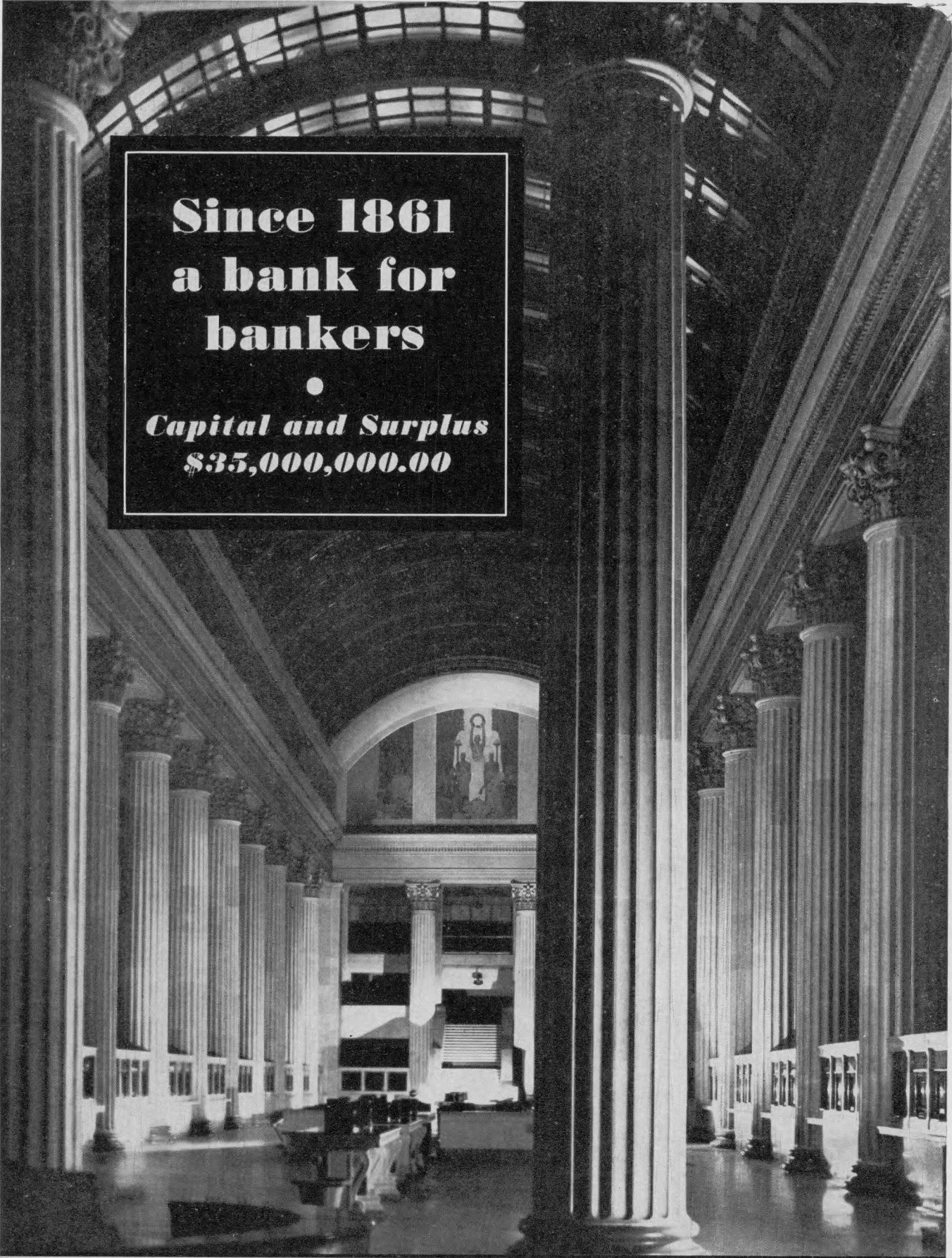
**9.** Frederick should prevail. The land which was the subject matter of the suit was at all times within the jurisdiction of the Oklahoma courts and Jones could have brought the action at any time even if Frederick was out of the state. The general law to the effect that the nonresidence of a party keeps the statute of limitations from running against him is concerned with situations where it is necessary to obtain personal service in order to secure the desired relief, and is not concerned with situations where complete relief might be had without such service.

**10.** Yes. Taxes are made prior liens on land by law. A tax lien takes precedence over most other liens including mortgage and judgment liens. Here the tax lien created in favor of the state was superior to the lien created by the mortgage of the insurance company. When the taxes were paid by money advanced by the bank and the bank took over the tax lien by the agreement that it was subrogated thereto the lien was preserved and its superiority over the mortgage lien was retained.

☞ **The First National Bank, Doltons, Illinois,** is installing bullet-proof glass and marble and steel-backed fixtures as a measure of protection against daylight holdups.

☞ **The time lock on the cash vault of the First National Bank, Dallas City, Illinois,** went on a vacation recently and tied up most of the bank's cash until an expert service man arrived on the scene and fixed the lock.

☞ **Dr. Phillip Herrin,** former president of the Villa Grove State Bank, Villa Grove, Illinois, died recently following a stroke of paralysis.



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