MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

ST. LOUIS
JANUARY
1933

In This Issue

The Cover

A View of a Corner in the World's Largest Stockyards, Chicago, Ill.

Branch Banking

IN spite of the fact that President Hoover's recent address to Congress seemed to indicate that he favors branch banking, there apparently is little prospect that he will have an opportunity to sign his name to the pending Glass bill before he retires from office. Final consideration of this highly controversial measure will, in all likelihood, be postponed until the new Congress convenes.

Meanwhile, further modification of Section 19 of this bill is rumored to have been accepted by the Senate Banking and Currency Committee in an effort to placate the sentiment against branch banking. The provision that national banks may establish branches within a fifty-mile radius of their central office, irrespective of state laws on branch banking, has been fought to a standstill and a compromise is reported to have been reached under which the bill would be amended to provide simply that national banks may operate branches in states which permit branch banking.

Most active in the campaign against Section 19 and its branch banking provisions is the Association of Independent Unit Banks of America, now engaged in making a nation-wide poll of banking sentiment on Section 19. Early returns on the Association's post-card ballots show that bankers are voting approximately 100 to 1 against it.

Overshadowing this overwhelming opinion of bankers opposed to branch banking is a great volume of publicity favoring it. This publicity is weak, however, because it seems to depend solely on the implication that branch banking will put an end to bank failures.

The fallacy of this argument is pretty well "shot to pieces" by James G. Smith, professor of economics at Princeton University. He says: "Those who offer branch banking as a panacea for the bank failure problem are misled by the idea that bigness is a safeguard from poor or dishonest management, and that 'diversification' can be substituted for 'liquidity.' This notion is an aspect for the fetish for bigness which pervades American thought."

Unit bankers can take some consolation from the fact that as far back as 1930, President-elect Roosevelt, in addressing a meeting of bankers, said, "Branch banking will take individual initiative away from things in the daily life of the community. . . . "

J. J. W.

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Are We Economically Sound in Demanding Payment of the War Debts?

By BENJAMIN M. ANDERSON, Jr., Ph.D.

Economist
The Chase National Bank of the City of New York

THE economic aspects of the interallied debt question, though not simple, are pretty definite and clear. The political side of the matter is difficult and obscure. The political problem looked almost hopeless last spring because France, Germany and the United States all seemed uncompromising and inflexible. Today the outlook is much brighter, though still difficult.

America's interest, from the economic point of view, is to collect as much as possible of these interallied debts without doing a disproportionate damage to our foreign markets and continuing the disorder in our own internal trade and finance. If it were a simple question of relieving European taxpayers or relieving American taxpayers there could be only one answer. Our Government needs the money and our taxes are burdensome, but the fact is that these debts have been violently disturbing to trade and credit at home and abroad. It is of no use to our budget or to our taxpayers to collect $260,000,000 dollars a year from European debtors, even assuming that we could do it, when the effort to make such collection intensifies the disorder that has pulled down our tax receipts by billions of dollars, and our national income, including wages, by tens of billions of dollars. A compromise settlement is to the interest of everybody involved. Uncertainty and delay are damaging to us and to every other country. It is not necessary to cancel these debts. I think that we can ultimately collect a good deal, if we modify our tariff policy so as to permit our debtors to earn the dollars they must pay us—a change in policy which is necessary in any case to restore our export trade. I believe that it is to our economic advantage to reconsider these debts, to defer payments for a time and to scale down the schedule of future payments in many important cases.

These debts were supposedly settled on the basis of ability to pay, but in the most important case this point was not seriously considered. Great Britain was too proud to raise that question. She asked consideration only regarding the rate of interest and there she made her argument on the ground that Britain's historic credit standing entitled her to a moderate

* * *

Dr. Anderson, noted economist, speaking before the Sales Managers Bureau of the St. Louis Chamber of Commerce, presented the war-debt problem from an international viewpoint. "The solution," said Dr. Anderson, "if it is to be a good solution and a permanent solution, is going to be one which will not satisfy any nation that takes part in it. It is going to be a compromise in which no nation gets all that it wants. But on the other hand in the finding of a solution and a quick solution, every nation is going to have enormous gains."

* * *

rate, 3½ per cent, although she did ask that the rate be only 3 per cent during the first ten years in view of her difficulties growing out of the war. Britain counted on trade revival to restore her old strength. It has not come. Even when the rest of the world was prospering, Great Britain remained depressed. She expected to get from Germany and other countries the money she was to pay us, but she began to pay before she began to receive money from them. She no longer receives money from Germany or other European countries. She was pulled off the gold standard in 1931. Her taxes, already very high, have been increased still further. Her export trade, her receipts from shipping and from foreign investments are all drastically cut.

There are two sets of figures which bear strongly on ability of our foreign debtors to pay at this time. Payment involves two processes. The first, raising the money at home in the debtor country in the domestic currency—in sterling, francs, marks and the like. This is done through taxation, with an excess of taxes over domestic expenditures. The second is the transfer of the money to the creditor country by selling sterling, francs and marks for dollars. This is the exchange, or transfer, problem. The following tax figures are significant. I will compare taxes paid by a married man with one child in the United States, France and England. With an income of $1,000 that man pays nothing in the United States, $24 in France, and $39 in England. With a $2,000 income, he pays nothing in the United States, $98 in France, and $202 in England. With a $5,000 income he pays $84 in the United States, $709 in France, and $802 in England. With a $10,000 income he pays $448 in the United States, $2,000 in France and $2,240 in England.

When local taxes and indirect taxes are added, these differences remain essentially unchanged. In addition, the Englishman and Frenchman pay large forced social and insurance contributions.

I am not raising any question of America's duty to lighten the burden on foreign budgets, although our people do, and should, feel sympathy for the overtaxed peoples of foreign lands. The point about these figures is that they reveal a situation such that it is to our interest not to increase the pressure on these debtors. We shall get more out of them over the years if we show consideration now and help to get trade and industry going again so that lower tax rates will bring bigger revenues both to them and to us.

A second set of figures bears on the transfer problem. How is Europe going to make payment in dollars in the United States? From what sources can they get the dollars? Practically the only way they can earn dollars is by sending us goods or performing services for us, the big thing being their exports to us. They also earn a good deal in good years by entertaining our tourists and from ocean shipping. All of these sources of dollars have shriveled enormously. Imports to the United States for the year 1932 have been incredibly low. In the first nine months of 1932 all of Europe sent us only $288,000,000 as against a billion dollars in the same months of 1929. If we are to try to collect the whole $260,000,000 per year that our debt contracts call for, it would take nearly all the goods they sent us in the first nine months. But we sent them $565,000,000 in goods during those same months, leaving them short by $277,000,000 on export and import account. Europe can pay us with goods only if it sends in more goods than it takes out and the balance is the other way.

How else can they get dollars? The answer is gold or loans; but they cannot get loans. We are making no foreign loans at all. If they pay, therefore, they must ship gold. This they are doing, but at the expense of deteriorating their own internal credit position, which in the case of England simply must not be prolonged, in our interests and in the world's interests. Sterling is already off the gold standard and heavily depreciated.

England and Germany are our best foreign customers. They have bought nearly half of our whole cotton crop in certain years in the past. Sterling exchange is still the medium through which most European payments are made to us and by means of which the major part of our cotton and other agricultural exports are bought. We must protect sterling exchange and not put an unbearable burden upon it. It is worth our while to go a long way to help make readjustments that will get England and Germany going normally again. Europe has gone far in working out this problem. The Lausanne Agreement, which virtually wipes out reparations, represented news incredibly good as compared with anything we could have expected a year ago, but its ratification waits upon our action.

On the economic side therefore, it is clear that the American people have everything to gain by a prompt and business-like compromise on this interallied debt problem. But politically the matter is difficult. Our people and our Congress grew very angry and resentful last winter and the people of almost every country grew angry and resentful, throwing out political leaders and complicating foreign negotiations. It is very hard to bring two great peoples into agreement; every country has its own peculiarities, its own traditions, its own language, its distrust of foreigners. In the old days these difficulties used to be overcome through the influence of Kings and Princes, who would choose their wives from the daughters of kings and princes in foreign lands and family relationships of an international sort grew up that softened animosities. Many a war has been averted by a wife interceding with her husband or with her father. With the growth of democracy, trained diplomats, state departments and departments of foreign affairs studying the interests and prejudices of other countries and working together, would know how to make compromises which the peoples of both countries would accept.

In connection with these interallied debts, however, a new factor enters. Since they involve money, they have been supposed to be the especial province of Congress and consequently the Parliaments of other countries have decided that they also will have much more to say about them than is usual in connection with foreign affairs.

And thus we have the situation where the American Congress and the French Parliament seem deadlocked. They are three thousand miles apart. One speaks French and the other speaks English; bad translations of things said in Congress create great resentment in France and bad translations of things said in France create great resentment in Washington. Sometimes even good translations do not help. Neither the French Parliament nor the American Congress is trained in international diplomacy. Our own Congress has even refused to appoint a commission to discuss the matter with representatives of European Parliaments. I think, therefore, that we must welcome as an immense step forward President-elect Roosevelt's suggestion that the Congress has not limited and cannot limit, the constitutional authority of the President to negotiate with foreign powers even though the Congress must ratify the agreements made.

Our people are sympathetic with England's difficulties and are ready to make concessions to her, but our people have a strong and definite conviction that France should pay in full and that France can easily pay in gold. Our people blamed France for the delay in agreeing to the moratorium in 1931 and they blamed France for the foreign run on our gold. They would like to see some of that gold come back.

It is perfectly true that the French Government has not that gold. It went to the Bank of France and the Bank of France gave bank notes and demand liabilities for it that belong to the French people—not the Government. The French Government has a heavy deficit and the French people are very heavily taxed, but it cannot be shown and it is not true that France is unable to pay on December 15. If the French Parliament will vote the money the French Government can borrow it and get gold from the Bank of France to send over here.

But the French have a case and I think it is very important for our people to understand them and to make concessions to them; not because they are right and we are wrong, but because they believe passionately they are right and because it is better to have good will and cooperation than to have deadlock, long delay and bitter feeling. The French people say several things. With respect to the contract which they are now asking us to reconsider, they point out that their ratification was preceded by a reservation, namely, that they could only pay what they received from Germany. The French Government has been courageous and upright in ignoring this in its note delivered December 2 and says that it does not consider contesting the validity of the war-debt contracts. The French people say further that we asked them in 1931 to go into the moratorium which upset the Young plan and stopped them from receiving payments from Germany. They emphasized further the joint statement made by our President and their Prime Minister, M. Laval, issued in October, 1931, particularly the following words which I quote from that joint statement.

"Insofar as intergovernmental obligations are concerned, we recognize that prior to the expiration of the Hoover year of postponement some agreement regarding them may be necessary covering the period of business depression, as to the terms and conditions of which the two governments make all reservations. The initiative in this matter should be taken at an early date by the European powers principally concerned within the framework of the agreements existing prior to July 1, 1931."

The French further say that they did much more than Laval undertook to do because instead of sticking to the framework of the Young plan, which meant large payments from Germany to France, they scrapped the Young plan in the Lausanne Agreement and virtually abolished reparations. They believe that they have done their part and more than their part and that we, on the basis of this Hoover-Laval statement, are now committed to make concessions to them and if we make none they feel that they have a very real grievance.

It is not necessary to pass judgment on the merits of these French contentions. The question is whether it is better tactics for us to stand uncompromisingly on the letter of our debt contract developing bitter feeling between our people and the great nations on the other side or whether it is better tactics to give our Government the support and backing of the American people so that our Government may be free to negotiate promptly with those great foreign nations, make the best bargain it can for us and bring the thing to a quick solution.

That solution, let me say, if it is to be a good solution, and a permanent solution, is going to be one which will not satisfy any nation that takes part in it. It is going to be a compromise in which no nation gets all that it wants. But on the other hand in the finding of a solution and a quick solution, every nation is going to have enormous gains.

We used to have a saying in the United States that politics stops at the water's edge—all parties stood behind the President in negotiating with foreign powers. But foreign relations have been thrown into internal politics, in France, Germany and the United States. We waited for the German elections last spring and then we waited for the French elections. Then came the marvelously promising settlement at Lausanne; a settlement made contingent, however, upon further consideration by us of these intergovernmental debts. But then came our own Presidential campaign and although everybody knew that this problem would come before us in an acute form on the 15th of December, the matter was little discussed and the public today is ill-prepared to face the issue. But France and Germany have overcome hatred and fear and have reached agreement at Lausanne and I cannot believe that the practical American people will long be content to govern their policies by resentment or by the strict letter of the contract in opposition to their own real interests.

While people everywhere are complaining about the mounting costs of government, you can take some consolation from the fact that interest on the public debt of the United States has decreased steadily from a figure amounting to $1,055,924,000 in 1923 to a figure amounting to $599,277,000 in 1932. The estimated interest for 1933 is $695,000,000. Per capita debt in 1923 amounted to $200.10; in 1932 it amounted to $156.12. Total debt in 1923 amounted to $23,350,000,000; in 1932 it amounted to $19,487,000,000.

Albert H. Wiggin resigned last month as chairman of the governing board of the Chase National Bank, New York, after twenty-one years of guiding that institution to its position as the largest bank in the country. Mr. Wiggin will continue to be active in the affairs of the bank, but asked to be relieved of the heavy responsibilities of directing its affairs. He will remain a member of the board of directors and also of the executive committee.

Mr. Wiggin, who will be 65 years old next month, is also a director of many leading corporations and of the Federal Reserve Bank of New York. He is a leading force in the international banking group which is now working out the thawing of Germany's short-term indebtedness. His retirement from active direction of the bank's activities does not signify any plan to relinquish his activities in other fields.

When you don't advance you naturally fall behind.

Daytime Time-Lock Protection

BANK Robbery has assumed proportions in this country which make it inevitable that a fundamental and sweeping change in the attitude of banks toward the exposure of cash and securities while open for business must take place.

This is the view freely expressed by the leading insurance underwriters of the nation.

Never in the history of this country have so many banks been robbed or such large amounts of cash been taken by the bandits as during the past twelve months.

Unless something is done to reduce the frequency and amount of these losses, rates for insurance higher than are now even thought of must inevitably result. Indeed it is intimated that if losses are not reduced in some manner it will result in banks being required to sustain first a certain amount of the loss before the companies are called upon. In other words the banks will become primary insurers and the insurance companies will be required to pay only the amount in excess of the deductible amount within the policy limits.

There is no question but what some banks have an exposure of cash in an amount larger than their actual necessary requirements.

During these days the amount of cash in a bank should be held to the very minimum and then a very small portion of that cash should be kept in the tellers' cages. All reserve cash and negotiable securities should be under daytime time-lock protection at all times while the bank is open for business and the time lock should not be set to open until all members of the working force of the bank have arrived in the morning.

It is reliably stated that steps are being taken by the insurance underwriters to require daytime time-lock protection on reserve cash and securities. Several companies have made preliminary investigations which have resulted in unmistakable evidence of the fact that almost without exception banks are in position to give daytime time-lock protection to reserve cash and securities without the installation of additional equipment and have indicated almost a universal willingness to so protect their reserve cash and securities.

It is freely predicted in insurance circles that it is only a question of a very short time until daytime time-lock protection will be recognized nationwide as standard banking practice and that time-lock protection in the daytime will become just as general and just as universally observed by all banks as time-lock protection during the nighttime and this nighttime protection has been universal among banks for over half a century.

In the light of the rapid development of daylight robbery due to fast automobiles and good roads it is wholly inconsistent for banks generally to spend thousands of dollars for vault and safe protection including time-lock protection in the nighttime and then during the day when 90 per cent of the crimes against banks are committed, to leave reserve cash and negotiable securities wide open to be preyed upon at will by bank bandits.

The Farm Policy of the Federal Land Bank

By WOOD NETHERLAND

President, Federal Land Bank of St. Louis

The policy of Federal Land Banks in granting extensions and carrying farmers instead of foreclosing unnecessarily upon loans will stand the impartial light of comparison with any large operators in the farm mortgage field.

WOOD NETHERLAND

INTEREST in the farm mortgage debt is keener today than it has been for many decades. Possibly the reason for this is that Uncle Sam's bread basket—the central part of the United States—is carrying a heavy load of debt, and since much of our surplus production comes from this territory, this load of debt, interest and taxes, with the low prices of farm commodities, makes a combination which is difficult to overcome.

All sorts of proposals are being suggested to meet the situation, but aside from a temporary stay on the payment of interest, or interest and installments on the principal, those who attack the problem from a debt moratorium standpoint are dealing with the disease rather than its cause. It should be temporarily healed by the postponement of interest and taxes where necessary, but agriculture will by no means be in a "happy" condition until it receives prices for its products which are commensurate with the prices of other products.

Whether this happy state will be attained in the near future no one seems to know. Undoubtedly, one curative or another will be tried during the next few years, but whether economic laws can be set aside even during the present depression is another question to which only time can give the answer.

The twelve Federal Land Banks received last winter $125,000,000 from Congress, which was invested by the Secretary of the Treasury (according to the congressional dictates) in the stock in these institutions. It will be recalled that $25,000,000 of this amount was earmarked to be used in granting extensions on installments. These banks, to date, are carrying borrowers who are delinquent on their installments, taxes and insurance for nearly twice the amount of money allocated for this purpose.

On December 1 the Federal Land Bank of St. Louis was carrying delinquent installments in the sum of $3,821,912.15, unpaid taxes amounting to $200,000 and unpaid insurance premiums of $18,479.09, or a total of over $4,000,000. This bank's share of the $25,000,000 which was allocated by the Federal Farm Loan Board to the banks in proportion to the amount of farm mortgages held by each bank, was $2,216,120. Thus the total sum used by the St. Louis bank, to date, for carrying delinquent installments, insurance and taxes, amounts to approximately 200 per cent of the amount received as a result of the congressional action.

In granting extensions it has been necessary to differentiate between borrowers who can pay but who do not do so and those who cannot pay because of depressed conditions. Each case, of course, is considered on its merits. We are anxious to serve those farmers who are making a truly conscientious effort to meet their obligations and who have a desire to retain their homes. Requests for extensions must be approved by the national farm loan association through which the borrower obtained his loan, before they are acted upon by the bank, and the financial statement of the applicant must reflect his ability to carry on his farming operations, at least during the period for which the extension is granted.

The policy of the Federal Land Banks in granting extensions and carrying farmers instead of foreclosing unnecessarily upon loans will stand the impartial light of comparison with any large operators in the farm-mortgage field.

The principal causes of the Federal Land Banks acquiring farms include the following: abandonment; death of borrower, where heirs are not interested in protecting their interests; loans in litigation, where protection of the bank's interests is mandatory; and the hopelessly involved financial condition of the borrower. Loans are foreclosed only after all efforts to bring about improvement of the loan have been exhausted.

In the national field the twelve Federal Land Banks have granted extensions to more than 70,000 farmers and in addition are carrying thousands of other borrowers who did not desire formal extensions. The extent to which these agreements have been set up has been affected in various bank areas by crop conditions, commodity prices and other factors influencing the capacity of farmers to meet their obligations. It was not the intention of Congress, of course, to grant a general moratorium on loans, and it is an interesting fact that the majority of farmers are paying their installments to the Federal Land Banks when due.

The Federal Land Bank of St. Louis recently announced that it is again able to make loans to all eligible applicants for long-term, first, farm mortgage loans in every county in its territory—Illinois, Missouri and Arkansas. This has been made possible largely by the extension of the territory of some national farm loan associations to cover the area of other associations whose capital has become impaired and which have not been accepting applications for loans.

From the fall of 1931 until the receipt of the capital stock subscription by the United States Government and the assurance of funds from the Reconstruction Finance Corporation, the bank did not encourage new business, but since then we have endeavored to assure the district of our desire to increase our lending operations as ample funds were available. This was done by correspondence and personal visits to national farm-loan associations.

A larger proportion than usual of the current applications for loans are for the purpose of refinancing short-term indebtedness of other lenders, most of which was costing the farmer a much higher rate of interest. This is also true of the twelve Federal Land Banks, which, during the first nine months of this year, reported that 86 per cent of the loans made were used for refinancing, whereas 77 per cent of the loans made prior to 1932 were used for that purpose. Loans from the Federal Land Banks usually are for the purpose of funding farm mortgage indebtedness over a long period, which is repaid by systematic annual or semiannual installments on the principal. The lower rate of interest amounts to a substantial saving, not only to the borrowers from these banks, who have loans exceeding a billion dollars, but also to other farmers who have mortgage debts amounting to about eight billion, for the low rate maintained by the Federal Land Banks is reflected in a lower rate on other loans than would be obtained if it were not for the cooperative loans.

The bank is limited by law to the making of loans to farmers who operate their own farms, or who give them their personal supervision, and the amount loaned cannot exceed 50 per cent of the appraised value of the land for agricultural purposes and 20 per cent of the insured improvements. Under present conditions many applicants find it difficult to qualify for loans, because of heavy debts and high fixed overhead, such as taxes. Because of low commodity prices and, therefore, greatly reduced earning power of all farms, many would-be borrowers hesitate to contract indebtedness at this time because of their inability to carry taxes and other fixed indebtedness without the additional burden of semiannual amortization payments on a farm mortgage. The decline in the value of land and the existence of short-term loans based upon such values, of course, constitute the chief detriment to refinancing many farm loans. Another factor in these states, not frequently considered by farmers, is erosion and flood hazard which must be considered in making long-term farm loans.

Although the bank has by no means a drastic foreclosure policy, under present conditions it is almost impossible not to acquire a number of properties. It is better for the bank to sell these as promptly as possible than to try to hold them, and the bank has been aided in its sales by an improving real-estate market for the last several years.

The increasing trek back to the farm is illustrated by the greater annual volume of sales made during the last three years by the Federal Land Bank of St. Louis. From January 1 to September 30, 1930, we sold 82 farms; in 1931 a total of 206; and in 1932, a total of 400 farms.

More than a third of the sales made so far this year have been to people living more than fifty miles from the farms purchased, whereas formerly most of our sales have been to neighbors or people living in the locality.

Continued increase in sales of farm lands is bound to result, in time, in an increase in the sale price. Although the bank is desirous of selling properties, it is not making so-called "shoestring" sales; neither is it furnishing prospective purchasers with teams, tools and livestock on the assumption

(Continued on page 12)

Announce New Rulings on Check Tax

THREE important rulings have recently been announced by the Tax Department with respect to the tax on checks. The following is a digest of them prepared by J. S. Seidman, tax expert of Seidman & Seidman, certified public accountants, New York.

1. Checks issued by church treasurers or other church officers in settlement of church obligations are taxable.

2. A transfer of funds by a depositor from one bank to another is subject to the tax if the transfer is evidenced by an instrument in the nature of a check, draft, or order for the payment of money. However, a mere bookkeeping entry transferring funds from one account to another, in the same bank, effected without such instrument, is not taxable.

3. A stock broker acquires the status of a bank where the broker maintains facilities for marginal trading for clients, permits them to draw drafts against their accounts or on credit balances on deposit with the broker, and such drafts are paid at the cashier's window on presentation. The drafts are therefore subject to the tax.

"Another current ruling that will be of interest to banks," Mr. Seidman said, "has to do with the 3 per cent tax on electricity. It is held that insolvent banks are not required to pay this tax where the payment would diminish the funds necessary for the full payment of depositors. This is by reason of the general tax exemption granted in the Act of March 1, 1879.

"There are two income tax decisions from the Board of Tax Appeals that will likewise be of interest to banks," Mr. Seidman added. "One has to do with the treatment, for income tax purposes, of rights to subscribe to convertible bonds of the issuing company. It will be recalled that in 1929 American Telephone and Telegraph Company and Missouri Pacific Railroad Company, among several others, issued such rights. The Income Tax Department uniformly held the value of those rights to be income. The board, however, has (in the case of T. D. Powel) just declared that they are not income, but instead are to be treated in the same way as stock rights. As a result, many taxpayers will probably become entitled to income tax refunds for 1929.

"The other decision, too, departs from the previous holdings of the Treasury Department. It has to do with the basis for determining gain or loss on the sale of property by a remainderman under a testamentary trust. The department has held that the remainderman figures the property as costing him whatever it was worth at the time it was turned over to the trustee by the executors. The board, however, has recently ruled that the correct date for valuation is when the trustee turns the property over to the remainderman, and not when the trustee acquired it from the executors."

Can You Answer These Ten Legal Questions?

Correct answers to these questions will be found on page 40 of this issue.

By CHARLES H. WAGER

Attorney at Law, St. Louis

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

1. A North Carolina bank was the owner of a note secured by a deed of trust on certain property in that state. The note came due and was not paid. The deed of trust gave the bank power to sell the property upon default in payment of the note. The bank commenced to sell the property under this power of sale. The land owner filed an injunction suit against it asking that it be restrained from selling the property under the deed of trust because of the general depression prevalent throughout the country and because the property would only bring a low price at the forced sale. Should the injunction be allowed?

2. Florence Nickels, a resident of Oklahoma, died in Oklahoma. A Tulsa bank was appointed executor of her estate. Her husband paid the expenses of her last illness and her funeral expenses and attempted to prove up a claim against her estate on account of such payments. This was resisted on the theory that under the law a husband must support his wife out of his property or by his labor and that since these two items of expense were incurred in the support of his wife the husband could not claim her estate was liable therefor. Could he recover from his wife's estate either or both funeral expenses and medical bills?

3. Elgar was charged with robbing a bank cashier. At his trial on this criminal charge he advanced the alibi that he was elsewhere than at the place of the robbery at the time it was committed. The alibi was so improbable and untrue that the trial judge became disgusted and in charging the jury told them, among other things, "An alibi has been said to be a rogue's defense. The reason it is given that name is because it is a good defense and possibly the best defense that can be put up where it is proven." This was objected to on the ground that the judge thereby commented on the facts in the case and cast discredit on Elgar's defense. The objection was overruled and exceptions were saved. The matter of whether or not this was a proper charge was appealed. Was the trial judge right in making the statement that he did?

4. Dickerson gave Durfee a $5,000 note containing the usual provisions and, in addition thereto, a penned notation "as per contract" in the blank providing for the number and which blank was in the upper left-hand corner of the instrument. Durfee sold and endorsed the note to an Alabama bank. Dickerson did not pay the note and the bank sued him. He advanced certain defenses which were not available to him if the bank was a bona fide holder in due course. He asserted, in connection with such defenses that the bank was not such a holder because the notation heretofore quoted gave it notice of conditions which would defeat any right of recovery by the original payee. Should Dickerson or the bank prevail?

5. A Kansas bank owned a corner lot in the town in which it was located. An oil company wanted to lease the corner for ten years for filling station purposes and its local agent agreed with the bank on a lease. The lease was drawn up and executed by the bank and sent to the home office of the oil company for approval which approval, it was stipulated in the lease, must be secured before the lease became binding. The local representative of the oil company thereafter advised that the lease had been approved and the bank made certain agreed alterations on the premises. The lease was not promptly returned by the oil company as expected by the bank and some three months later the local agent advised the bank that the oil company would not enter into the lease. The bank sued for damages in a sum equal to the amount it spent for alterations. The oil company claimed that since the lease had not been actually approved it was not liable for damages even if its representative had stated the lease had been approved and the bank acted on his statement. Can the bank recover?

6. An Indiana banker, on behalf of his bank, took over a tract of ground in connection with a mortgage foreclosure. On the ground was an abandoned coal mine, entrance to which could be had by a manway sloping from the surface to the bottom of the mine. Over the entrance was a small wooden shed, the door of which was left open. The 11-year-old son, Fredericks Jones, of Kalihet Jones, who was visiting in the neighborhood, went into the shed and down the manway and was asphyxiated by gas. The father sued for damages on account of the death of his son, claiming that the maintenance of the mine on the property constituted a nuisance which attracted children to it when maintained as indicated and further claiming that the owner was liable for damages resulting from such nuisance. The owner defended on the ground that the maintenance of the property was not the real cause of the death of the child but rather that the real cause was gas which was a separate and independent matter from the maintenance of the property. Can the father recover?

7. Fryard died leaving a will in which he bequeathed his real estate to a bank as trustee for his wife during her lifetime and directed that at her death the trust should cease and that the property should be turned over to his seven children. He also directed that the real estate should not be partitioned and divided into separate tracts until more than ten years after his death. Subsequent to the death of his wife but before the ten-year period expired, one of his children, Josephine MacCermack, brought a partition suit seeking to have a share of the property set off to her individually. She claimed the direction in the will that the property be not partitioned for ten years was a limitation repugnant to the fee and void. Should the partition be granted?

8. A bank owned a certain office building in which it was located. The mail chute was not operating properly and a freight elevator was installed to take its place. About the same time the bank commenced looking for different quarters and shortly thereafter it sold out the office building to Kidder and gave him a deed to the property. As a part of the transaction Kidder gave the bank a letter to the effect that it was agreed that the freight elevator would remain personal property and that when the bank found a new location it could dismantle and take the elevator with it. Under ordinary circumstances the elevator would be considered a fixture and a part of the real estate that passed by the deed. The bank did not procure the new location it counted upon and continued to occupy the building as a tenant of Kidder. Later Kidder sold the property to Ammons and the bank continued as a tenant of Ammons. Ammons was told nothing and knew nothing about the agreement between Kidder and the bank that the elevator should be considered personal property. The bank continued to use the elevator and still later arranged for the new location and commenced to move there. When it went to take the elevator Ammons refused to permit it to do so, claiming that the agreement between it and Kidder was not binding on it. Can the bank recover the elevator?

9. Ware entered into an agreement with Imsholtz and a Bristow, Oklahoma, bank whereby he placed certain letters patent, covering a process of treating pipe used in conveying crude oil, in escrow with the bank and instructed it to deliver them to Imsholtz if he paid $500 within 30 days. Ware died before the 30-day period expired and the administrator of his estate instructed the bank not to deliver the letters patent under any circumstances. He claimed the death of Ware cancelled the agreement. Imsholtz sent the bank $500 before the 30-day period expired and demanded the letters patent. The bank filed an interpleader suit and asked the court to determine who should have the letters patent. Should Imsholtz or the administrator of Ware's estate have them?

10. Jordan owned a threshing outfit that operated in Kansas. He threshed certain wheat for Smith and Smith did not pay him for it. In order to perfect and preserve his thresher's lien against the property, which lien is provided for under Kansas law, he filed a written statement with the registrar of deeds of the county in which the work was done. It is required that such statements be verified. Jordan took the statement to a notary for verification and swore before the notary that it was true; however, the notary attached an acknowledgment form to the statement rather than a verification form. The form merely stated that Jordan was known to the notary and appeared before him and acknowledged the execution of the statement and it did not state that he swore on oath that it was true. Smith sold the wheat to Bowman, who did not actually know about the filing of the statement by Jordan. Jordan sought to have a lien declared against the wheat in Bowman's hands. Can he do so?

St. Louis Banker Gets a Deer

I. A. Long, manager of the Municipal Bond Department of the Mercantile-Commerce Company, St. Louis, recently returned from Arkansas where he bagged his first deer. The hunt was conducted on the famous Belle Meade Plantation of J. O. E. Beck, near the town of Hughes, and the party included United States Senator Joseph Robinson; Tom Sharp, editor of the Buffalo Times; Roy Howard, chairman of the board of the Scripps-Howard newspapers; George B. Parker, editor-in-chief of the same newspapers; Judge E. L. McHaney of the Arkansas Supreme Court and others. In the photograph, left to right, are Messrs. Beck, Sharp, Howard, Parker and Long, with one day's kill of deer.

The Farm Policy of the Federal Land Bank

(Continued from page 10)

that a share of the profits from crops and livestock will eventually pay for the farm. The minimum terms accepted are one-fourth cash and the remainder in the form of a 20-year loan at 6 per cent.

In determining the sale price of a property the bank considers primarily the value fixed by the appraisers, also the physical condition of the land, real-estate prices in the community, taxes, future likelihood of demand for farm lands in that section, and the probable amount of distressed land that will be acquired in the same territory by this and other mortgage lenders. Pending sale, every effort is made to secure the best available tenant. Our policy is not to "dump" properties on the market at sacrificial prices, but rather to sell at the prevailing market.

A four-year-old girl in Prairie View visited her dad's bank and set off the tear-gas system. "Her first lesson in the power of tears," says the Concordia Blade, "but she will find tears even more effective about fifteen years from now."—Kansas City Star.

MONEY TARIFFS AND ARMAMENTS

By J. G. WILKINSON

Chairman of the Board
Continental National Bank
Fort Worth, Texas

THE world-wide slump in trade, economic maladjustments with resultant unemployment and decline in value of commodities, securities and real estate did not just happen. It was caused by man's failure to observe and obey certain fundamental laws of economics. Since these unsatisfactory conditions were man-made, it follows logically that man should correct his own mistakes. It is necessary, first, to determine where and in what he fundamentally erred; this, in order to reset the stage for the recovery of business. Meanwhile care should be exercised that we treat causes, rather than symptoms. A number of economic panaceas are being offered as a cure for our unsatisfactory business conditions—but without due regard to the causes of these conditions. Correct the causes and the bad effects will be abolished.

Business transactions, whether they be between individuals, firms, corporations or nations, depend upon a medium of exchange to settle balances of trade. This medium must not only be standardized, but in order to facilitate the freest movement of trade, it should be generally, if not universally accepted, and it must have sufficient volume. This medium of exchange (called money) as a facility to trade—domestic or foreign—should be of a kind of which there is neither too much nor too little. It must also be of a practical character. It must have a value that is universally recognized.

Every civilized nation, regardless of its present standard of money, today recognizes the value of gold and its suitableness as a monetary standard. By reason of this, if there were enough gold in the world, this metal would doubtless be the standard of money of all nations.

Many are now advocating plans for deflating, more or less, the value of the American dollar, with the view to inflating prices of commodities, securities, real estate, and other values. These plans are being insisted upon with the view to two things: first, to restore prices to former levels; second, to lessen the difficulty of liquidating present indebtedness. The liquidation of present indebtedness, it is urged, should be done with money having the same purchasing power it had when the indebtedness was contracted. Among other plans, fiat money of certain volume has been suggested. This plan is advocated on the theory that the taxing power of the Government assures its value. Such fiat money to be in the form of paper currency made legal tender by law, although not representing or not being based upon specie, and therefore, without any provision for its redemption. On the other hand, very many, if not most of our business people, have a proper affection for the gold dollar (many of our existing contracts of debt provide for payment in gold of the same weight and fineness as of the monetary standard at the date of the contract) and since so many of our people are so firmly convinced of the solidarity of the gold standard, it is unreasonable to expect that this country will be willing to go off the gold standard in order to deflate the value of its money.

Perhaps three-fifths of the people of the civilized world use silver as their monetary standard and all nations use it in some measure as a circulating medium. Outside of the very scarce metals silver, next to gold, is the most limited in its supply, and being limited, it, too, is suitable as a monetary basis. Obviously, iron or copper would not be suitable. However, it is impractical to talk about the free coinage of silver at 16 to 1, or perhaps at any other ratio in the United States, even though all other nations were now willing to adopt its use, since it would require years of discussion, and conditions at present are not such as to justify much delay.

It is my firm conviction that the present most unsatisfactory world-wide economic condition could be greatly improved by an international agreement, fixing a market price for silver bullion for some definite length of time, say ten years, and by establishing silver as acceptable medium to settle balances of trade between nations. This plan and program would provide a SUPPLEMENT to the world's gold supply, and would promptly put all nations in a position to enjoy a free commercial intercourse, at least, as far as monetary facilities are concerned.

Another barrier to international trade, in my opinion, needs elimination, or at least radical readjustment. I refer to the tariffs imposed on imports and excise taxes on exports. Since 1918, tariffs of increasing numbers and percentages have been imposed throughout the world. A number of heretofore free-trade nations and others have, through retaliation, or for the purpose of gaining revenue, levied tariffs. In this way, channels of trade have been choked. This obstruction to trade should be overcome either by international agreement, or perhaps preferably by direct negotiations between nations; said negotiations to be carried on with strict regard for the recognized principles of reciprocity.

If these two barriers to trade which have come into existence—first, by reason of international monetary complications that now prevail, and second, by present maladjusted tariffs—were removed, then there would remain only one major impediment to a complete restoration of world-wide prosperity. I refer to the question of armaments. When nations can meet in the field of commerce on a perfectly fair basis, it will follow as the day does the night, that amicable and pleasant relations will then prevail. Remove the basis of distrust, and distrust itself will go. Why should nations spend money to arm themselves against friends? All nations profess to be arming only for defense. When we can eliminate cause for defense, we will at that moment be able to turn into the channels of trade the terrific tax burden that now supports burdensome armament.

What the world needs most is an unbridled opportunity of trade between nations. Insufficient (international) money, unwise tariffs and too heavy armaments at present thwart the needed opportunity. These three—money, tariffs and armaments—are all man-made, and therefore, readjustment of these three factors in trade can and should be made by man.

This adjustment is not needed by only one or even a few nations. Present world-wide unsatisfactory business conditions justify the statement that it is needed by all nations. In a word, an international conference with a view of making these readjustments should be called by our President, or if he is not authorized, then the Congress should promptly authorize, empower and direct him to call such a conference. In view of the present unsatisfactory economic condition and otherwise strained relations everywhere throughout the world, fair-minded, thinking men of every nation will be found ready to take this more than important—ABSOLUTELY NECESSARY—step in the interest and preservation of civilization itself.

Currency is like an auto tire. The higher it is inflated the quicker a blowout will take place.—Florida Times-Union.

Stock Yards Bank and Trust Affiliate Plan to Unite

THE directors of The Stock Yards National Bank and of the Stock Yards Trust and Savings Bank, Chicago, have developed a plan for the consolidation of these two banks and have authorized the calling of meetings of the respective stockholders on January 10, 1933, for the purpose of authorizing the union.

These banks, which are located at the Stock Yards, have long been affiliated in ownership and operation and constitute one of the city's oldest and strongest banking institutions with a record of service since 1868. Through all the changing phases of American business life since the close of the Civil War, these banks have been closely identified with Stock Yards interests and have contributed largely to the growth and prosperity of the great livestock industry of the country. Hundreds of banks through the Central West are depositors of the Stock Yards National Bank and both banks have rendered a broad and useful service to the thousands of people and business institutions of the south and west sides of Chicago.

The consolidated institution will be known as the Stock Yards Consolidated Bank and Trust Company, with total capital, surplus and reserves of $2,000,000, with resources of $18,000,000 and deposits approximately $16,000,000. Slow and depreciated assets will be written off and bonds will be written down to their approximate market value before the union. As a consolidated institution the extensive trust business which these banks have developed in recent years can be more advantageously handled, operations can be simplified and many economies can be effected. The strong financial position of the new bank will enable it to take full advantage of the greater opportunities for increased business upon the return of normal conditions to which the officers and directors look forward with full confidence.

Herman C. Stifel, Founder of Investment Firm, Dies

Herman C. Stifel, chairman of the board of Stifel, Nicolaus & Co., St. Louis, investment bankers, died last month of an illness which followed a heart attack two months ago. He was 71 years old.

Mr. Stifel is survived by his widow, a son, Arnold G. Stifel, who is president of Stifel-Nicolaus, and a daughter, Mrs. Albert Mengel, of Boston.

Mr. Stifel was born in St. Louis and was educated in the public schools and Washington University. He was employed as mechanical engineer with the Gerard B. Allen Iron Works from 1877 to 1881, and was employed in other industrial concerns, being in charge of the factory of the N. O. Nelson Manufacturing Co. up to 1897.

In 1897 he entered the bond and stock business as treasurer of Altheimer & Rawlings Investment Co. After the retirement of Ben Altheimer, Mr. Stifel, L. J. Nicolaus, A. G. Stifel and L. M. Forster formed the present firm.

He was chairman of the Suburban Bondholders' Committee, in the negotiations for reorganization of the United Railways property after the receivership of 1918.

He was a vice-president of the Standard Shipbuilding Co., a $3,000,000 concern formed in New York in 1915, and controlling shipyards on Staten Island.

Convention Calendar

AMERICAN INSTITUTE OF BANKING, Chicago, June 12-16, 1933.

EASTERN REGIONAL SAVINGS CONFERENCE, New York City, January 26-27, 1933, under auspices of the A. B. A.

ILLINOIS BANKERS ASSOCIATION, Chicago, June 5-6, 1933.

KANSAS BANKERS ASSOCIATION, Salina, 1933. Executive vice-president, W. W. Bowman, Topeka. No date.

MID-WINTER TRUST CONFERENCE, New York City, February 14-16, 1933, annual meeting, under auspices of the A. B. A.

MISSOURI BANKERS ASSOCIATION, May 16-17, 1933. Secretary, W. F. Keyser, Sedalia.

MORTGAGE BANKERS ASSOCIATION. Secretary, Walter B. Kester, 111 West Washington Street, Chicago. No date.

OKLAHOMA BANKERS ASSOCIATION, Oklahoma City, May 23-24, 1933. Secretary, Eugene P. Gum, 907 Colcord Building, Oklahoma City.

SOUTH DAKOTA BANKERS ASSOCIATION, Mitchell, S. D., June 1-2, 1933.

The Allotment Plan for Farm Relief

By I. LIPPINCOTT, Ph.D.

Washington University
St. Louis

SOLUTIONS of the farmers' problems move in an endless chain. No other element in national policy has attracted more deliberation, except perhaps legislation on money and banking and the tariff. Law making relative to agriculture has involved revision of the land laws of the United States so as to make the national domain more accessible to farmers, revision of the money system so as to make it easier for debtor classes on the land to remove their mortgages, the founding of agricultural schools for the purpose of training a more skillful class of producers, and the organization of the Department of Agriculture to administer to the varied needs of farmers. In more recent years, this legislation has included the founding of the Federal Farm Loan system, the Intermediate Credit system, tariff on agricultural products, and the inauguration of the Federal Farm Board for the purpose of regularizing the prices of certain agricultural staples and to encourage the development of cooperative effort. The two McNary-Haugen bills failed to get by the vetoes of President Coolidge.

Except for a brief respite in the years from 1900 to 1914, agricultural distress has been a chronic disease. In the period from 1875 to 1900 it was proposed to solve this problem by operating on the money factor. The Greenback and Populist parties, and later the Free Silver party, believed that the solution lay in increasing the quantity of national money, thereby raising prices, and making it easier for the farmer to discharge his debts. While a similar solution has some advocates today, the farm organizations themselves seem to favor another plan. They have taken a leaf from the book of the industrialists, and believe that the real solution lies in the control of the industry. Senator McNary used to say that "everybody knows" that the manufacturer can control output and prices. The farmer wishes to do the same thing. Hence such measures as the McNary-Haugen bills, the Federal Farm bill, and the proposed Allotment plan.

This last named proposal is still in the formative stages. The broad outlines are understood, but the details are giving trouble. The announced purpose is to "make the tariff work for the farmer." But, of course, another obvious reason is to increase the income of the farming classes by lifting prices of their leading staples, or by granting them a differential over world prices in the form of a bounty. Just as the tariff is supposed to increase the income of producers in protected industries, so the bounty, whether in the form of debenture or otherwise, is expected to give the farmer a monetary advantage.

> "Whatever may be said for or against the economics of the allotment plan, we must abandon hope of obtaining purely an economic solution for the farm problem. It is a political and social issue as well as one of economic purport."

The plan contemplates, first of all, a survey of the domestic consumption and export needs of the United States. This is to be done under the auspices of some national body, possibly directed by the Secretary of Agriculture. Some farmers loathe the Farm Board and all its works and probably would not be content to see its functions revamped so as to make it the mentor in the new instrument of control. The production of each farm product — possibly of wheat, cotton, tobacco, rice and hogs, is to be allotted each year, based on the average production of a certain period, maybe five years for production and ten years for yield.

Having decided how much the American farms may be allowed to produce, the next step will be to provide an equitable distribution of the total for each crop among the producing states, then among the counties, townships, and individual farmers in the smallest subdivision. Practically every state grows some wheat; but Kansas occupies the premier position, and her allotment would be the largest, possibly fifteen to twenty per cent of the total. When the allotment of Kansas is made known, a state allotment commission will do the job of distributing this quota among the counties and townships, and subsequently local organizations will inform each farmer how much his quota is. In short, the organization is to penetrate from the great bureau in Washington to John Smith who is a little farmer near the village of Stockdale, Kansas; and since there are upwards of three million John Smith wheat farmers in the United States there will be as many persons attached to the strands out of which the fabric of the wheat organization is to be woven. The advocates of the plan deny that it is bureaucratic control, because the plan is to be put into operation only upon the voluntary assent of a certain per cent of the farmers, and the local organizations are to be composed of neighbors who are engaged in any particular branch of the farming business. In this respect, it is urged, the scheme is more like a cooperative organization than a bureaucracy.

The financial advantage is to be obtained through a payment by the government of an amount equal to the tariff on each unit of the commodity which is domestically consumed. This might amount to 42 cents a bushel on wheat, 5 cents a pound on cotton, 2 cents a pound on hogs, and so on. These sums are to be collected by processors, such as millers, packers, etc., in the form of a tax, the burden of which presumably will be diffused through all the channels of distribution until it reaches the ultimate consumer of bread, cigarettes, smoking tobacco, cotton textiles, and other finished commodities to which the tax applies. In the actual operation of the plan each farmer might receive a certificate showing how much he can sell; when the amount indicated on this document has been exhausted he can sell no more, no matter how much he produces.

No tax will be laid on the exported product. Such portions of the supply will have to take their chances with international competition. Of course, the operation of the plan raises some questions. Suppose a farmer who has made his income largely by specializing in one or two crops or products makes up his mind that diversification would be the wiser method? He has no quota assigned to him, and would find it impossible to get such an assignment, unless some other farmer were willing to yield to him, which he probably would not be willing to do. Suppose a processor elected to deal with farmers who had exceeded their quota? This is a detail which is not easy to solve. But the evasion might be reached through a federal licensing system, in which event the argument that it is not bureaucratic begins to break down. Or suppose substitute uses develop for a commodity, such as cotton, in which case the producer exceeds his allotment to sell to the substitute manufacturer? This too might cause some trouble, and would make necessary further control. Or suppose foreign nations resolve to protect their farmers, or those of their dominions, as Britain did in the case of bounty sugar, by levying an import duty on American products approximately equal to the bounty. This, too, would be a bit embarrassing. And will the plan control overproduction? Its proponents contend that it will, because a man can sell only the amount indicated on his allotment certificate.

And how about the American consumer who eventually bears the burden of the tax? Well, it might be urged that farming is an essential link in the chain of national prosperity, and if the farmers' position can be improved by a better income for his products, the nonfarming classes will eventually derive a benefit from a more widely diffused prosperity. And it might also be urged that anyhow, the greater part of the tax will be absorbed somewhere in the intricate system of distribution, because, after all, it might be contended that the raw material cost is a relatively small part of the total cost, or of the price of the good, when it reaches the ultimate consumer. Whatever may be said for or against the economics of the allotment plan, this is certainly clear, namely, that we must abandon hope of obtaining purely an economic solution for the farm problem. It is a political and social issue as well as one of economic purport. And the question will never be settled unless these other elements are taken into account.

A Savings Bank That Counts

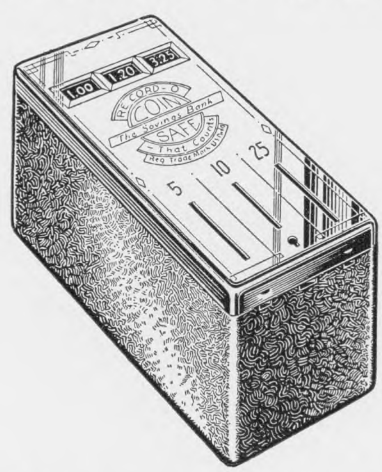
FOR many years home coin banks have been very instrumental in encouraging savings accounts. But in spite of the ingenious variety of shapes and styles, all of them have shared one serious drawback. They swallow odd-change deposits without giving any sign of the total amount of money inside.

No longer need there be that uncertainty in guessing the contents of a bank by rattling it. For a new home savings bank has just appeared on the market that clearly records the total amounts put into it, by nickels, dimes and quarters. That unique, patented feature suggested its appropriate name, "Re-Cord-O."

This is a coin bank which is different. In the polished face of the bank are three slots for coins—nickels, dimes, quarters. Above each slot is a small window, showing figures which move as in a meter. A glance shows the amount deposited in the bank, not in the number of coins but the dollars-and-cents totals. As coins are inserted the figures change automatically, so here is a bank that "counts." It is claimed that the "Re-Cord-O" will make more trips to the bank, and the teller's count will never disappoint.

Endorsement of this new bank has already been given by several of California's progressive institutions. The Wells Fargo Bank and Union Trust Company of San Francisco, to whom deliveries have already been made, are very enthusiastic over the cordial reception given to "Re-Cord-O" by the public in responding to their publicity.

The patents of the "Re-Cord-O"



Coin Safe are owned by the H. L. J. Specialty Company, a Washington Corporation, with headquarters in Seattle. The "Re-Cord-O" is sold exclusively by L. E. Johnson, Sales Manager for the company, located at 408 Call Building, San Francisco, California.

As I Live and Breathe . . .

By C. O. Robinson

How do you go about securing an appointment on one of those blond holders committees?

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A peeping Tom of Kansas City, Missouri, was arrested and fined fifty dollars. In a huddle with a reporter he breaks down and confesses that what he saw wasn't worth fifty smackers.

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Mary Garden is quoted as saying that "Samuel Insull wrecked grand opera in general and in particular put the Chicago Civic Opera on the fritz." Masculine public sympathy will now swing to Samuel. He isn't as bad as he is painted.

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The Editor of the Heart and Home Page says that the modern girl beats her mother at the ironing board. To which should be added—but not to it.

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A gifted writer is at work on a new movie called "Hennessy." It is sure of four stars.

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A dispatch from Tia Juana, Mexico, says that they have cut beer a nickel. Tourists from that oasis say that they have cut whiskey far too much.

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The debt situation sizes up as follows: England "pounds" away for a revision—the French are "franc" in their statement that they won't pay—and Germany looks on and grins at a bunch of easy "marks."

The claim is made that the Garden of Eden was in the upper peninsula of Michigan. Three hearty cheers—Eve seems to have preferred posing in the summertime.

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Mistletoe is probably the world's greatest single help in lip reading.

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In the sixth book of the Odyssey it tells of Nausicaa and her hand maidens playing a game of ball. From the chronicle we learn that the girls first ate themselves assorted groceries, bathed and then anointed themselves with oil. Thus they slicked up for the game. The bleachers were full of men about Athens, armed with field glasses, so that they might study the curves of the pitcher Elhevia Acrosus Eplatus. The girls enjoyed their outing to the last inning.

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Business men are said to be turning to the accordion for solace. Can a business man master the ins and outs of that squeeze play?

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Bootleggers of Shelby, Montana, have a social club where they gather for rest and recreation. Bulletins on the progress of their moose milk in the making are called mash notes.

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Bees were ousted from an Indiana courthouse by the use of a blow torch. Any one knows that a courthouse is no place for a busy bee.

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According to the Amphibian and Mammal Gazette a sea elephant can eat 150 pounds of fish per day and can go without eating for two months. Wotinell kind of figures are those for a statistician to use in computing his averages?

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The Spat

A spat between a doting pair
May sadden, pain and rankle
But how it shields a snowbound hoof
While nestling on an ankle.

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The suggestion is made that a pledge by woman to increase their weight ten pounds in six months would solve the farm problem. But it would bring on a form problem, so that's out, isn't it, girls?

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A farmer of Rhode Island traded a cow for lessons in aviation. In keeping with the spirit of the trade he picked out an Ayrshire.

News of the Banking World

Eugene Meyer, governor of the Federal Reserve Board, Washington, D. C., made a one-day visit at the Federal Reserve Bank of St. Louis last month. He was on a tour which included several other Federal Reserve cities.

Governor Meyer's visit was of an informal character. During the morning he met with the directors and officers of the St. Louis Federal Reserve Bank and the managers of its Louisville, Memphis, and Little Rock branches. He had luncheon at the Federal Reserve Bank, after which he visited local friends and was shown points of interest about the city.

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The fourteenth annual midwinter trust conference of the Trust Division, American Bankers Association, will be held February 14, 15 and 16, 1933, at the Waldorf-Astoria Hotel, New York City, it is announced by R. M. Sims, president of the division, vice-president American Trust Company, San Francisco. The annual banquet will bring the conference to a close the evening of February 16. About 1,000 trust men and bankers from all sections of the country are expected to attend the conference.

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Philip R. Clarke, president of the City National Bank, has been elected president of the Chicago Clearinghouse Association.

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Frederic J. Fuller, formerly vice-president of Central Hanover Bank and Trust Company, New York, has been elected president of the New York Title and Mortgage Company, succeeding George T. Mortimer, who has resigned but remains as a director and member of the executive committee. Mr. Fuller assumed his new duties last month.

Mr. Fuller has been a prominent figure in the trust field for many years. As a senior vice-president of Central Hanover Bank and Trust Company he has been in charge of the personal and corporate trust department of the company. He has devoted particular attention to the real-estate and mortgage-investment field.

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The American Bankers Association Journal has issued in booklet form a series of articles by Gilbert T. Stephenson, vice-president Equitable Trust Company, Wilmington, Delaware, on "New Opportunities for Trust Service to American Industry." Following a review of the potential field for such services, the booklet deals with employment stabilization trusts, benefit funds, merit-reward trusts, pension plans, thrift trusts and profit-sharing trusts.

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C. Morton Whitman, president of Clarence Whitman & Sons, Inc., has been elected chairman of the advisory board of the Fifth Avenue and 29th Street Office of the Chemical Bank and Trust Company, New York.

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The commercial bank management studies prepared by the Bank Management Commission of the American Bankers Association, constituting a complete treatise on all the various phases of scientific bank administration, have been issued by the commission in bound volume form. It is announced that a limited number of these volumes are available at $3.80 a copy. The book covers the following topics: Loan Administration Policies; Profit and Loss Operations; Secondary Reserves and Security Buying; Unprofitable Practices and the Remedy; Does the Account Pay?; Duties and Qualifications of Executive Bank Officers; Credit Department Organization; Man Power in Banking Institutions; Measured Service Charges; Budget and Accrual; Investment Policies; Operating Ratios; City and Regional Clearinghouse Associations.

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Despite some recent localized epidemics of bank failures, the general situation has improved materially during the past six months, the Brookmire Economic Service states. Emergency legislation enacted at the last session of Congress, the return flow of gold since mid-June, and later a halt in currency hoarding have greatly strengthened the nation's banks. They go on to say the current rate of failures is by no means low when compared with the average of only 46 failures monthly during the two years 1928 and 1929, when the total number of banks was larger than at the present time. However, the decline in the number of failures since midyear, even though attributable largely to operations of the Reconstruction Finance Corporation, offers real grounds for encouragement.

The improvement since midyear has permitted member banks of the Reserve System to build up their excess reserves, which were badly depleted during the final quarter of 1931 and the first quarter of 1932, placing them in position to extend needed credit when business demands. Weekly reports of member banks as yet show no tendency toward an increase of either commercial loans or loans on securities. The surplus funds are not yet being demanded by strong borrowers. It is the belief of the Brookmire Economic Service that this does not, however, detract from the favorable implications arising from the fact that bank reserves have been rebuilt and a base for eventual expansion in loans has been laid.

Expansion in investments of reporting member banks is due largely to purchase of government securities, though some increases in holdings of other securities have been reported. In this connection, it is interesting to note that the highest-grade corporate bonds have shown little tendency to join in the decline which has characterized security markets for almost three months.

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Archaic Treasury regulations are jeopardizing the national banks and preventing them from functioning in their communities to bring business back to normalcy, according to John W. Staggers, financial specialist in the legal field, in a leading article in January Plain Talk Magazine, published in the nation's capital.

According to this outspoken publication, many bankers are blamed locally for conditions which are beyond their control, and which Congress and the new administration should take immediate steps to rectify. The article is entitled, "Future of the Banks" and is accompanied by a page editorial on "Bank Stabilization."

Double liability of national bank stockholders has proven a veritable nightmare among the financial fraternity, Attorney Staggers declares. This has served to kill the usefulness of banks to many communities when coupled with arbitrary rulings of incompetent bank examiners who insist on the purchase of weak securities for the "secondary reserve," the author declares.

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A press release declaring that "universal insurance of all deposits in national and state banking institutions is the only practical and efficient way of guaranteeing depositors against loss and, at the same time, strengthening and safeguarding banking houses generally" has been issued by the National Economic Bureau following a national survey of the subject. If you are interested in obtaining information on which this conclusion is based, you can obtain it by addressing the Bureau's headquarters at 1071 Sixth Avenue, New York.

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Chicago and Milwaukee financial advertisers got the "low-down" on "What the Public Expects of a Bank" when they listened to an address on this subject last month at a joint meeting of the Financial Advertisers Associations of these two cities in Chicago. Harry B. Hall, general sales manager of the American Appraisal Company, was the speaker. If you want to know what he said, write to Preston Reed, executive secretary, Financial Advertisers Association, 231 South La Salle Street, Chicago, and ask him for a copy of Mr. Hall's talk—but don't read what he sends you if you have a weak heart!

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The R. F. C. was given a "clean bill of health" last month following a meeting of the special Senate committee created to investigate the relief organization's loan policy. Senator Couzens was chairman of the committee.

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Incompetent management was emphasized as the cause of bank failures which totaled 1199 in ten months of 1932 in the annual report of F. G. Awalt, acting Comptroller of the Currency. Mr. Awalt gave Congress statistics showing that there were 2299 bank failures in 1931 and 1345 suspensions in 1930, with a combined tying up of deposits in the three years aggregating $3,160,808,000.

He pointed out that the greatest number of failures had been in states dependent on agriculture.

"In case of failures among the larger banks located in cities, the adverse economic conditions in recent years, coupled with mismanagement, accounted largely for their suspensions," he said. "Some of these institutions were involved in an excessive degree in loans depending directly upon real estate."

He asserted lax state laws and reducing the minimum capitalization of national banks from $50,000 to $25,000 facilitated organization of thousands of small banks which prospered in times of prosperity. But with a turn of conditions, he continued, the danger of permitting organization of small, under-capitalized banks had become apparent.

"These banks, many with incompetent management, have been forced to yield to reverse of those economic conditions, which made them prosperous," he stated. "Failures among this type of bank have been at a rate almost as great as that at which they were organized. Of all suspended banks since 1920, 65.7 per cent have had capital of less than $50,000."

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Roger W. Babson, economist and statistician, says that the great need now is not economy so much as a revival of "judicious spending," which would revive industry, business and employment. Remember the "buy now" campaigns which were organized all over the country about a year ago?

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Last month an offering of one-year treasury certificates of ¾ per cent—probably the lowest interest ever paid on a twelve-month issue—was oversubscribed sixteen times. Newspaper headlines on the stories telling of this huge oversubscription pictured the huge cash reserves lying idle in the banks of the country.

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Francis H. Sisson, president of the American Bankers Association, recently addressed the thirty-fifth annual banquet of the Illinois Manufacturers' Association and undoubtedly improved the mental attitude of members of the Association by telling them that the nation's financial outlook has been unmistakably improved. Mr. Sisson said that the nation's banking structure is very much sounder at the end of 1932 than it was at the beginning of the year and declared that "there existed the most favorable factors for business recuperation since the boom days of 1928."

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Salaries of R. F. C. officials and employes were made public recently. The figures given out were salary per month after deduction on account of "Furlough." Several directors' names were included at $763 per month.

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Chemical Bank and Trust Company, New York, will absorb its security affiliate after January 18, if shareholders approve the plan at the annual meeting. The capital of the bank would be reduced $1,000,000 as a result of cancellation of 100,000 shares of stock held by the security affiliate.

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The spring meeting of the Executive Council of the American Bankers Association is to be held at Augusta, Georgia, April 10-12.

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A. Key Foster, assistant trust officer, Birmingham Trust and Savings Company, Birmingham, Alabama, has been elected a member of the board of directors of the Birmingham Chamber of Commerce for a three-year term.

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Thomas R. Preston, Sr., president of the Hamilton National Bank, Chattanooga, Tennessee, and former president of the American Bankers Association, is being mentioned as a possibility for the post of Secretary of the Treasury in President-elect Roosevelt's cabinet.

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"Check Tax Appears Doomed"—reads a newspaper headline—and the story goes on to state that the tax has failed as a revenue producer and that revenue-collecting authorities will be just as happy to see the tax repealed as bank customers and banks. Secretary of the Treasury Mills, while not specifically naming the check tax, virtually recommended its repeal in his annual report to Congress. In recommending a 2¼ per cent sales tax, Secretary Mills asked "that those excise taxes which experience has demonstrated are relatively unproductive and give rise to serious administrative difficulties be repealed. . . ."

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Philip R. Clarke, president of the Central Illinois Securities Corporation, investment affiliate of the old Central Trust Company, Chicago, merged in 1931 with the National Bank of the Republic, has resigned from that position and has been succeeded by William R. Dawes.

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Forecasting for 1933, Leonard P. Ayres, vice-president and economist of the Cleveland Trust Company, stated that he looked for another year of depression with irregular, slow building of foundations for recovery.

Colonel Ayres expects the policies of the Administration and the acts of Congress to influence the country's recovery, either by resorting to inflation or by attempting to adjust our national economy down to the lower price levels.

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A concurrent resolution to relieve banks used as state and municipal depositories from the necessity of furnishing guarantees for these deposits has been introduced in the House by Representative Sirovich, of New York. Under the resolution, no member bank of the Federal Reserve System would be permitted to deposit collateral security or to furnish surety bonds for guaranteeing deposits made by any state or political subdivision of any state.

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Protest against the new schedule of premium rates for holdup insurance announced by the National Bureau of Casualty and Surety Underwriters, rate-making body for all companies writing this form of insurance, has been made on behalf of small-town bankers of Illinois by M. A. Graettinger, executive vice-president of the Illinois Bankers Association.

Mr. Graettinger described the new rates as "unfair and inequitable" to bankers in Illinois communities having a population of 10,000 or less, inasmuch as premium discounts heretofore allowed by the casualty companies for banking employing special watchmen and protected by such devices as tear-gas guns, have been dropped entirely from the new rate schedule.

Another feature of the new schedule, which Mr. Graettinger said was distasteful to the bankers, was a $10,000 deductible clause whereby the bank must accept any loss up to that amount as its own, or pay double premium for equal amount insurance.

Illinois is in Group Four of the national bureau's division of the nation and has been assessed, along with other states in the group, the highest rate for holdup insurance. Because the new schedule is aimed primarily at smaller communities where, the casualty companies contend, bank robberies are more frequent, Chicago and other large cities are only slightly affected by the new rates.

"We believe that the new rates are unfair," Mr. Graettinger said, "because no discrimination has been made by the bureau between the small-town bank which has taken unusual means to protect itself against robbers, and the bank which is careless. In fact, the bank which has made an effort to protect itself by other means than insurance is actually penalized by the new rate schedule."

The new rates for Illinois communities, with 10,000 or less population, are $20 a thousand up to $20,000 of holdup insurance with no discount allowed for watchmen or protective devices, unless the bank employs more than twenty-five people.

Only by assuming the $10,000 deductible responsibility may bankers in the smaller towns reduce the rate.

New Investment Firm in Kansas City

Under the name, Martin-Holloway-Purcell, D. H. Martin, vice-president, W. W. Holloway, vice-president, and Hoyt Purcell, of the sales department of the Fidelity National Corporation, the investment division of the Fidelity National Bank and Trust Company of Kansas City, Missouri, opened business for themselves as security dealers on the fifteenth floor of the Fidelity Bank Building, Kansas City, on January 1.

Mr. Martin, who originated the bond department of the Fidelity Bank in 1911, was president of the Southwestern Group of the Investment Bankers Association during the year 1930 and was a member of the board of governors of the Investment Bankers Association during the year 1931.

Mr. Holloway has been connected with the bank for the past twelve years and Mr. Purcell for the past five years.

The new firm will maintain contacts with all markets, dealing mainly in Middle West municipals and specializing in municipal bonds of Kansas, Missouri and adjoining states.

Two negroes met, and in the ordinary course of conversation one said: "How's de business?"

"Lordy, business am sure good," answered the other. "Ah've bought a donkey fo' ten dollahs, swapped it fo' a bicycle, swapped dat fo' a mangle, swapped de mangle fo' a bedstead, and Ah sold de bedstead fo' ten dollahs."

"But yo' ain't made nothin' on de deal!"

"No, sah! But look at de business Ah'm doin'!"—The Chase, monthly magazine of the Chase National Bank of New York.

St. Louis Stock Exchange Transactions

[Summary of Sales November 25 to December 26]

	Par Value	High	Low	Last	Total Sales
American Credit Indemnity	10	10½	10½	....	50
Brown Shoe, Pfd.	100	108	108	....	5
Bruce (E. L.), Pfd.	100	20	19½	....	190
Burkart Mfg., Pref.	No Par	4½	4½	....	30
Burkart Mfg., Com.	No Par	50c	50c	....	10
Coca-Cola Bottling Co.	1	11	10	10¼	467
Consolidated Lead & Zinc, "A"	No Par	25c	25c	....	920
Corno Mills Co.	No Par	11¼	10½	....	616
Curtis Mfg., Com.	5	5⅛	5	5	30
Ely & Walker Dry Goods, 1st Pfd.	100	74	74	74	110
Ely & Walker Dry Goods, Com.	25	6	6	....	100
Fulton Iron Works, Pfd.	100	10c	10c	....	410
Fulton Iron Works, Com.	No Par	5c	5c	....	726
Hamilton-Brown Shoe	25	2½	2¼	2¼	570
Hussmann-Ligonier	No Par	1⅞	1¾	....	120
Hydraulic Pressed Brick, Pfd.	100	6	5	....	197
Hydraulic Pressed Brick, Com.	100	20c	20c	....	50
International Shoe, Pfd.	100	102½	101	102	132
International Shoe, Com.	No Par	25¼	23¾	24	263
Johnson-S.-S. Shoe	No Par	16	15	....	210
Key Boiler Equipt.	No Par	3	3	....	50
Laclede Steel Co.	20	9½	8½	....	280
Landis Machine, Com.	25	9	9	....	120
McQuay-Norris	No Par	25	24¼	....	60
Moloney Electric, "A"	No Par	14	12	....	255
Mo. Portland Cement	25	6½	6	....	2649
Natl. Candy, Com.	No Par	6½	5½	....	420
Nicholas Beazley Airplane	5	50c	50c	....	20
Pedigo-Lake Shoe	No Par	3	3	....	10
Pickrel Walnut	No Par	65c	75c	....	165
Rice-Stix Dry Goods, 1st Pfd.	100	74	70	....	315
Rice-Stix Dry Goods, Com.	No Par	3¼	3	....	340
Scruggs-V.-B. D. G., Com.	25	1⅛	1⅛	1⅛	300
Scullin Steel, Pfd.	No Par	2¼	1	....	4094
Securities Inv., Pfd.	100	98½	98½	....	20
Skouras Bros., "A"	No Par	50c	50c	....	100
Southwestern Bell Tel., Pfd.	100	116	113¾	115½	425
Stix, Baer & Fuller, Com.	No Par	6⅛	6	....	400
St. Louis Pub. Serv., Pfd. "A"	No Par	2	2	2	381
St. Louis Pub. Serv., Com.	No Par	50c	50c	....	918
St. L. Rocky Mtn. & Pac. Vt., Com.	100	1	1	....	100
Wagner Electric, Pfd.	100	85	85	....	5
Wagner Electric, Com.	15	6	5⅛	5⅛	1111

CURRENT QUOTATIONS

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

On 100 Unlisted Bonds as of December 27, 1932

	Bid	Asked
Alton Rwy. Gas & Elec., 5s, 1939	82	88
Alton Rwy. & Ill., 5s, 1932	82	88
Alton St. Louis Bridge, 7s, 1942	12	20
Alton St. Louis Bridge, 7s, 1947	38	41
Alton Water, 5s, 1956	84	88
Arkansas Water, 5s, 1956	85	88
Ala. Water Service, 5s, 1957	63	65
Atlanta Gas Light, 4½s, 1933	92	94
Baker Hotel (Dallas), 6½s Ser.	21	24
Birmingham Waterworks, 5s, 1957	87	90
Birmingham Waterworks, 5½s, 1954	94	97
Bloomington Decatur & Champaign, 5s, 1940	40	45
Carthage Marble, 6½s, 1942 (bonds & C/Ds)	7½F	8½F
Cape Girardeau Bridge, 7s, 1947	22F	25F
Central Properties, 6s	19½F	21F
Chain Store Depot, 6s, 1940	65	75
Columbus, Del. & Marion, 5s, 1937	68	72
Coronado Hotel, St. Louis, 6¼s & 6½s	15F	20F
Dallas Telephone, 5s, 1933	101	102
Darling & Co., 6½s, 1943	71½	73
Dominion Gas & Elec., 6½s, 1945	46	52
E. St. Louis Lt. & Pow., 5s, 1940	94	97
E. St. Louis Interurban Water, 5s, 1960	75	78
E. St. Louis Interurban Water, 5s, 1942	78	81
E. St. Louis Interurban Water, 6s, 1942	88	90
Federal Hygienic Ice, 6s	75	80
Fox St. Louis Theater, 6½ bonds or C/Ds	9½F	10½F
Galesburg Rwy. Lighting, 5s, 1934	96½	98
City Light & Traction, 5s, 1952	55	60
City & Suburban Pub. Service, 5s, 1934	36	39
Godchaux Sugar, 7½s, 1941	75	85
Holly Sugar, 6s, 1934	40	48
Cities Service Transportation, 6s, 1936	40	46
Iowa Southern Utilities, 6s, 1950	37	39
Kansas City Pub. Serv., 6s, 1951	26	26½
Kansas Elec. Power, 6s, 1943	88	92
Kansas Power & Light, 6s, 1947	90	91
Keokuk Elec., 6s	96	99
Lexington Water Co., 5½s, 1940	68	72
Manila Gas, 5½s, 1937	48	50
Michigan Gas & Elec., 5s, 1956	75	77
Milwaukee Elec., 5s, 1961	70	78
Monsanto Chemical Works, 5½s, 1942	101	103
National Baking, 6s, 1941	55	60
New Jefferson Hotel, St. Louis, 6s	26F	30F
Northwestern Pub. Service, 5s, 1957	70½	72½
Okla. Natural Gas, 5s, 1948	35	37
Okla. Power Holding, 5¼s, 1943	90	95
Ozark Power & Water, 5s, 1952	58	61
Pacific Public Service, 6s, 1950	28½	30
Peabody Coal, 5s, 1953	25	27
Pierre Chouteau Apt., St. Louis, 6s C/Ds	21F	
Pub. Serv. of Colorado, 6s, 1961	83½	84½
St. Clair Madison & St. Louis, 4s, 1951	51	60
St. Joseph Gas, 5s, 1937	55	65
St. Louis County Gas, 5s, 1951	100¼	101¼
St. Louis Co. Water, 5½s, 1945	99½	100½
St. Louis, Springfield & Peoria, 5s, 1939	49	52
St. Louis Ref. & Cold Storage, 6s, 1942	73	76
Sioux City Gas & Elec., 5s, 1950	80	82
Sioux City Gas & Elec., 5½s, 1950	80	87
Sioux City Gas & Elec., 6s, 1949	91	93
South Amer. Railway, 6s, 1933	55	57
Springfield Water, 5s, 1956	72	78
Stephensville North & South Texas, 5s, 1940	38	42
Swift, 5s, 1940	94	95
Swift, 5s, 1944	102	103
Texas Louisiana Power, 6s, 1946	20	22
Toledo Edison, 5s, 1962	95	96½
United Public Utility, 5½s, 1947	30½	31½
United Telephone, 6s, 1948	28	31
Wis. Gas & Elec., 5s, 1952	102	103
Wis. Power & Light, 5s, 1956	82	84
Woods Bros., 6s, 1937	26	30
Atlanta Jt. Stock Land Bank, 5s	24	26
California Joint Stk. Ld. Bank, 5s	51	54
Chicago Joint Stk. Ld. Bank, 4¾s	17¼	19¼
Dallas Joint Stk. Ld. Bank, 5s	36	38
Denver Joint Stk. Ld. Bank, 5s	34	36
First Tr. Jt. Stk. Ld. Bk. (Chicago) 5s	50	55
Ft. Wayne Jt. Stk. Ld. Bank, 5s	40	45
Greensboro Joint Stk. Ld. Bk., 5s	39	43
Ill. Midwest Jt. Stk. Ld. Bk. (Edwardsville), 5s	32	38

Cook County Tax Situation

By JOS. D. MURPHY
Vice President and Manager Chicago Office
Stifel, Nicolaus & Co., Inc., St. Louis

ONE of the defects of a democratic and decentralized system of government is the frequent mismanagement of municipal affairs. Under the various municipal codes of the United States, cities are almost universally governed by a large number of elected officials. Even a superficial student of the history of municipal affairs must be struck by the tendency of good management and bad management to alternate in recurring cycles. Many investors can remember the scandals in the 80's and 90's in New York and other big cities.

In prosperous times, the voters are accustomed to look with complacency or even approval upon a city council which is active in promoting public works and civic improvements. Bond issues are readily voted, increased taxes are paid with only a mild grumbling.

There comes a time, however, when some extraordinary scandal or large tax increase focuses the attention of the business men and taxpayers upon the city administration. These classes as a rule take usually only the most desultory interest in voting or in politics. The agitation for reform increases in intensity and finally brings about a change of administration. The new administration cuts down expenses and increases efficiency. Chicago has passed through this cycle. A committee, composed of prominent citizens, is cooperating with the bankers and the administration to solve the financial difficulties.

Many of the large cities of the United States are having financial difficulties but those of Chicago were aggravated by a development which other cities did not experience.

The State Tax Commission ordered a reassessment of the 1928 tax roll due to irregularities. Naturally the 1928 tax was a high tax because it was levied in a period of prosperity. The reassessment was not completed until 1930, therefore when the tax bills for 1928 were received in 1930 the resources of the community had been depleted by the depression and by a substantial number of bank failures.

There was bitter feeling about the size of the tax bills, which led to organized opposition to the payment of the taxes. This so-called "tax strike" greatly increased when the bills for 1929 taxes were sent out in 1931.

The Association of Real Estate Taxpayers lost their suit on the final hearing before the Illinois Supreme Court—in other words the validity of the 1928 and 1929 tax rolls has been established by a number of decisions and there is no other recourse left to the taxpayers but to pay their tax bills.

In the meantime so many articles have appeared in the press reciting the inability of people in Cook County to pay taxes, the impression has gradually developed these back taxes will never be paid.

The facts are to the contrary as an analysis of the following statistics will prove. In the past it has been the fiscal policy of the City of Chicago to sell warrants in anticipation of taxes in order to procure funds for current expenditures. Recently the City Comptroller released the following figures on the amount of tax warrants originally issued against the 1928, 1929 and 1930 levies, and the amounts still outstanding.

Year	City Tax Warrants Sold to Public	Now Outstanding in Hands of Public	School Tax Warrants Sold to Public	Now Outstanding in Hands of Public
1928	$ 45,371,500	None	$ 49,650,000	18,265,000
1929	46,713,000	$4,055,000	63,173,000	$ 709,000
1930	40,439,277	None	43,458,900	9,783,800
	$132,523,777	$4,055,000	$156,281,900	$28,757,800

The question now develops as to who owes the taxes, the collection of which will liquidate these warrants and what are the chances of collecting these taxes. The following compilation is of interest—these figures have been prepared by the City Comptroller.

Size of Tax Bill	Estimated Market Value of Property Represented by Tax	Per Cent of Total Litigated Taxes	Amount of Tax in Litigation
Less than $2,500	Less than $125,000	18.0	$25,802,280
$2,500 to $10,000	$125,000 to $500,000	21.0	30,102,660
More than $10,000	Over $500,000	61.0	87,441,060
Total litigated taxes			$143,346,000

The important feature is that over $87,000,000 in back taxes is delinquent against property having a market value of $500,000 or over. It is inconceivable that any property of this value will be permanently allowed to go to tax sale.

Only 18 per cent of the delinquent taxes in litigation are against property worth less than $125,000. In other words, if none of the taxes against small homes are ever collected, there will still be enough taxes collected to make good every security outstanding against property in Cook County.

A tremendous amount of securities is owned by banks and investors throughout the Central West. They should know these facts because without this information there is a tendency for investors to sacrifice securities, which will eventually be paid, at tremendously sacrificed prices.

Chicago is the fourth city in the world. It has an enormously diversified commerce and industry. The city contains 10,223 manufacturing plants and 43,625 commercial houses. It is the terminus of a great majority of the larger railroads, air lines and long-distance bus lines of the United States. The city has had a growth of approximately 25 per cent each decade since it was incorporated.

There is no question but that downtown real estate in Chicago will always have a tremendous value. At the present time a certain proportion of it is tied up in receiverships, etc., but the fact remains that the taxes levied against this property will ultimately be collected, and the bonds and tax warrants outstanding against the major municipalities in Cook County will ultimately be redeemed at par.

Agricultural Indebtedness Nine Billion Dollars

According to the figures given out recently at Washington, D. C., by farm associations, more than $9,000,000,000 in farm mortgages are outstanding in the United States.

Commenting on this, Horace Bowker, president of the American Agricultural Chemical Company, said, "Our foreign debts total something over $11,000,000,000, so that it is apparent that the farming element in this country have an indebtedness which closely approximates the amount of war debts owed to the United States.

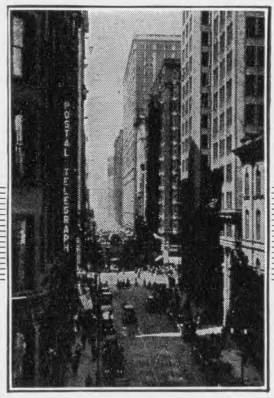
"The capital debts of American farmers are certainly excessive under present economic conditions. In many sections of the country there is, to all intents and purposes, a practical moratorium on farm mortgages. In some districts not even interest is being paid, the mortgage owners being content to let the farmer remain on his land if he is able to pay taxes.

"Settlement of our farm debt problem is, therefore, as vital to the nation's economic welfare as is the settlement of our foreign debts. The farmer finds himself with capital debts made in an era of inflated values. His dollar of income is now estimated to be worth only 54 cents, according to Government index numbers. This means that his $9,000,000,000 of mortgages must be paid off with 54-cent dollars; that is to say, his present debt would be equivalent to an indebtedness of $18,000,000 under pre-slump conditions."

Ben Milan Keenon, 58 years of age, cashier of the Stamping Grounds, Kentucky, branch of the Farmers Deposit Bank of Frankfort, Kentucky, died at his home in Frankfort, Kentucky, December 10, of blood poisoning. Mr. Keenon was shot in the shoulder by a bandit in a holdup of the bank on November 28, when the bandit fired because he thought Mr. Keenon was not quick enough in complying with the demand to put up his hands.

No lamp-posts have been provided for weak and overstimulated businesses to cling to, and so they are apt to cling to one another. The embrace is called a merger.—Henry Ford.

Olive Street Notes



Photograph Copyright W. C. Persons

By JAMES J. WENGERT

A sign on the desk of Lawrence G. Miller, G. H. Walker & Co.:

WASN'T
THE DEPRESSION
TERRIBLE!

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That's a good sign to see at the beginning of a new year and **a new deal!**

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Speaking of business conditions, Col. Leonard P. Ayres, vice-president and statistician of the Cleveland Trust Company, says, "New construction and industrial equipment are normally paid for by the flotation of long-term bonds and, until such issues can be sold in volume, no return to satisfactory business activity is to be expected. It is quite unlikely that such issues can be freely sold until the Federal Government itself can market a long-term issue, and it may well be doubted if that can be done until convincing steps have been taken to insure a real balancing of the Federal budget."

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Wm. McChesney Martin, Jr., floor trader at New York for A. G. Edwards & Sons, is one of the editors of a new quarterly publication, "The Economic Forum" which made its original appearance last month with articles by an imposing array of famous economists including Sir Josiah Stamp, John Maynard Keynes and Alvin Johnson. The writers deal with current economic problems. The editors of the new quarterly publication assert that it will "endeavor to present authoritative articles on current and prospective economic developments, but will not restrict the historical approach when sound lessons may be derived; nor will it attempt to form any single school of economic doctrine, but is open to all responsible opinion."

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Many members of the Investment Bankers Association of America are urging a liberalization of the conditions under which the Reconstruction Finance Corporation may grant loans to railroads. It is felt that this "liberalization" is needed to prevent the possibility of major systems being forced into receivership.

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Royal D. Kercheval, Boatmen's National Company, has been appointed to the municipal securities division of the American Bankers Association.

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Semiannual distributions on the Selected unit-type trusts, sponsored by Selected Shares Corporation, have been made as follows: Selected Cumulative Shares—$.137 per share; Selected Income Shares—$.081 per share; Selected American Shares—$.047 per share.

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The total number of General Motors common and preferred stockholders for the fourth quarter of 1932 was 365,985—a new high.

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Vincent P. Ring has resigned as vice-president and secretary of Hawes & Company, Incorporated, in order to devote his entire time to the Knapp-Monarch Company of which he is treasurer. He will continue to be associated with Hawes & Company in an advisory capacity.

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Aloy L. Storr has become associated with the St. Louis office of Chandler & Company, Inc.

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The fifth semiannual distribution on Equity Trust Shares, sponsored by Equity Securities Corporation, amounted to 8 cents per share. Arrangements have been made to enable holders to reinvest the proceeds at a discount of 3½ per cent under the offering price at the time the additional shares are purchased.

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Resources of Investors Syndicate, Minneapolis, totaled $50,137,144.23 as of November 30, last year, according to a statement by E. M. Richardson, treasurer of the company. This was an increase of $4,352,193.37 over the figures for November 30, 1931.

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Special individual reports on 48 of the important Joint Stock Land Banks throughout the country have been prepared for Gertler, Devlet & Co. by Judge Charles E. Lobdell, former Farm Loan Commissioner and an outstanding authority on farm credits. Each bank is reported on separately. Figures show capital, bonds outstanding, loans, reserves, estimated operation income, operating expenses, collections, delinquencies and comparisons with previous quarterly statements, in addition to a resume of conditions affecting that particular bank.

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Holders of Corporate Trust Shares and other investment trusts sponsored by Administrative and Research Corporation have received a total of $27,051,622.55 on the regular distribution dates during the two and one-third years ending November 1, last year.

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Distributors Group, Incorporated, have announced a new issue of North American Bond Trust Certificates, which represent an ownership in 200 deposited issues, more than 80 per cent of which are secured by mortgages. The bonds underlying the trust certificates are said by Distributors Group to represent a cross section of the high-grade bond market. The price, reflecting the market value of the underlying bonds, will yield approximately 5.28 per cent.

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The New York Stock Exchange has announced that, as of December 1, last year, there were 1548 bond issues listed on the exchange with a total value at that time amounting to more than $38,095,000,000. The par value of all listed bonds totaled more than $51,542,000,000. The average price of all listed bonds on December 1 was $73.91.

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J. M. Neumayer, partner of the former stock exchange firm of O. J. Anderson & Co., has joined the firm of Haskins & Sells, certified public accountants, as manager of the St. Louis branch office. Mr. Neumayer is a past president of the Missouri Society of Certified Public Accountants.

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John R. Thomas, formerly sales manager of the St. Louis office of Chatham-Phenix Corporation, and more recently a member of the Calvin Bullock sales force in St. Louis, is now with the sales organization of G. H. Walker & Co.

Illinois Bank News

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. B. B. Paddock, First National Bank, Batavia; 5. T. E. McNamara, Union National Bank, Streator; 6. F. W. Clarr, cashier, National Trust Bank, Charleston; 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. O. M. Karraker, president, First National Bank, Harrisburg; 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. A. C. Atwater, Gary-Wheaton Bank, Wheaton; 5. H. J. West, assistant cashier, Bank of Dwight, Dwight; 6. John E. Hansen, assistant cashier, First National Bank, Villa Grove; 7. John J. Ward, Shelby County State Bank, Shelbyville; 8. Floyd N. Casburn, Illinois State Bank, Quincy; 9. Herbert Gehrs, First National Bank, Marine; 10. W. P. Harper, cashier, Anna State Bank, Anna; 11. A. A. R. Nelson, vice-president and cashier, Berwyn Trust and Savings Bank, Berwyn.

M. A. GRAETTINGER
Executive Vice-Pres.

PAUL E. ZIMMERMANN
President

Governor Louis L. Emmerson, of Illinois, who retired from office on January 1, having been defeated in the recent election, is now devoting his time to the Third National Bank of Mt. Vernon, Illinois, of which he has been president for several years.

The State Bank of New Athens, Illinois, and the Farmers State Bank of New Athens have consolidated in the interests of economy. The State Bank, capitalized at $50,000, took over the assets and deposit liabilities of the Farmers State, capitalized at $25,000.

The Security National Bank, newly organized with $25,000 capital, was opened recently at Witt, Illinois, to succeed the National Bank of Witt. Deposits of the new institution total $350,000. Officers are: president, Henry F. Fessen; cashier, H. S. Armentrout.

George R. Boyles, president of the Madison-Kedzie Trust and Savings Bank of Chicago, Illinois, has been elected chairman of the Chicago Federation of the Illinois Bankers Association. Other officers elected were: vice-chairmen, John F. Amberg, president of the Pioneer Trust and Savings Bank; Hiram R. Castles, assistant cashier of the Continental-Illinois National Bank and Trust Company; George A. Malcolm, vice-president and chairman of the Drovers National Bank; and H. F. Wuehrmann, president of the Uptown State Bank; treasurer, Frank C. Rathje, president of the Chicago City Bank and Trust Company.

E. B. McGuire, president of the First National Bank of Sparta, Illinois, died Sunday, December 4, 1932. Mr. McGuire had been president of that bank for nearly forty years and was also a director of the Bank of Steeleville, Steeleville, Illinois. He was 88 years old.

The Stock Yards National Bank and the Stock Yards Trust and Savings Bank, Chicago, will probably be merged into one institution to be known as the Stock Yards Consolidated Bank and Trust Company. A plan of consolidation is to be voted on by the stockholders on January 10.

The Cook County Trust and Savings Bank, Chicago, has installed 200 new safety deposit boxes.

The Farmers and Merchants State Bank of Bushnell, Illinois, has taken over and will liquidate the First National Bank of Bushnell.

Many patrons and friends of the Halsted Street State Bank, Chicago, helped that institution celebrate its 20th anniversary early last month.

Harry T. Riddle, 57, president of the insolvent First National Bank of Watseka, Illinois, died at his home early last month following a week's illness with paralysis.

A proposed change in name from the State-National Bank, Peru, Illinois, to the State-National Bank of Peru, will be presented for ratification at the annual meeting of stockholders of this institution to be held January 10.

O. M. Karraker, president of the First National Bank of Harrisburg, Illinois, spoke on the subject of "Banking and Finance" at a recent meeting of the local Rotary Club.

The Parish Bank and Trust Company has been opened at Momence, Illinois, with assets of over $173,000 to give Momence banking facilities for the first time in nearly a year.

Wilbur Carter, 63, formerly a leading banker of Bloomington, Illinois, died at his home in Rogers Park, Chicago, recently.

The First National Bank of Effingham, Illinois, has installed a night depository.

Henry R. Hale, organizer and former president of the Winnetka State Bank of Winnetka, Illinois, now living in Sweet Briar, Virginia, was a visitor at Winnetka, recently.

State Auditor Oscar Nelson has instructed 203 bank receivers of Illinois to list the assets of the institutions preparatory to possible application for Reconstruction Finance Corporation loans.

The First National Bank of Vienna, Illinois, has taken over the assets of the Citizens State Bank of Goreville, Illinois.

Gust V. Strand, president of the Lemont National Bank of Lemont, Illinois, for the past ten years, and active up until about a year ago, died recently at the age of 73.

The Deerfield State Bank, Deerfield, Illinois, celebrated its 12th anniversary in its new banking quarters, the former home of the Citizens State Bank of Deerfield.

C. R. Chamberlin, 84, retired banker of Rock Island, Illinois, died recently following a brief illness.

J. Art Gaskill, formerly Indiana representative for A. B. Leach & Co., has joined the sales organization of G. H. Walker & Co., St. Louis, and will represent this New York Stock Exchange firm in the Southern Illinois territory. Mr. Gaskill is a native of Southern Illinois and prior to his connection with A. B. Leach & Co., represented Chatham Phenix Corporation in Northern Illinois.

The First National Bank of Des Plaines, Illinois, has reduced its interest rate on savings accounts from 3 per cent to 2½ per cent following action taken by the Chicago Clearing House Association banks recently.

A. E. Muir, who has been employed at the Nokomis National Bank, Nokomis, Illinois, since 1913, as teller and assistant cashier, has been elected cashier of the bank to succeed William F. Bald, resigned.

Dr. Alfred L. Cashburn, 49, cashier of the Farmers State Bank, Ferris, Illinois, and Rock Creek Township supervisor, died November 25, following a long illness.

Robert P. Wait, 67, president of the Reynolds State and Taylor Ridge State Banks, Reynolds and Taylor Ridge, Illinois, died November 28 in his home after a brief illness.

E. C. Franck, sixty-two, president of the First National Bank of Lanark, Illinois, died recently.

Lawrence Osborne, 38, cashier of the Farmers State Bank, Bridgeport, Illinois, was shot to death in his office at noon, December 10, by a man, identified as Sam Selby, who killed himself after the murder. Selby, an insurance agent, had a note which stated "this is a matter of personal difference between us and could only be settled in this way."

Charles P. Nelson, 69, who rose from the position of messenger in the First National Bank, Danville, Illinois, to the presidency, died December 12, from a heart attack, at his country home.

Jackson E. Reynolds on Prudential Board

The Prudential Insurance Company of America has announced the election of Jackson E. Reynolds as a member of its board of directors. Mr. Reynolds is president of the First National Bank of New York. In addition to being chairman of the organization committee, Bank for International Settlements, he is a member of the banking and industrial committee of the Second Federal Reserve District.

I am convinced that when confidence has been established amongst all nations of the world, the present capacity of all industrial countries will not be sufficient to supply the demand.—Oskar Sempell.

Never leave that to tomorrow which you can do today.—Benj. Franklin.

INDIANA NOTES

After being without a bank for nearly a year the city of Hammond, Indiana, now has an institution which delivers it from its "bank famine." The Mercantile Bank opened last month under the direction of Alex Berger of St. Louis as president; A. G. Elam, for the past year cashier of the Citizens Bank at Appleton City, Missouri, vice-president and cashier; and John Carroll of Hamilton, assistant cashier. The bank opened with capitalization of $100,000 and a surplus of $25,000.

Through the cooperation of C. E. Arnt, president of the Citizens Bank, Michigan City; Mayor H. B. Tuthill of that city, and the Chamber of Commerce, those who who attend the American Institute of Bankers Convention at Chicago on June 14 will journey to Michigan City on a lake excursion.

John R. Stanley, president of the Stanley Clothing Company of Evansville, Indiana, has been appointed a member of the Board of Directors of the Eighth Federal Reserve Bank District to succeed John R. Boehne of Evansville.

Prentice Willis, vice-president of the First National Bank of Petersburg, Indiana, died recently.

Joseph E. Meyer, wealthy Hammond, Indiana, mail order merchant and head of the Indiana Botanical Gardens, will head the proposed Union Bank of Hammond, it has been announced.

Joseph M. Hirsch, 57, vice-president of the First National Bank of Cannelton, Indiana, died recently of heart disease.

Luther O. Draper, manufacturer, will head the new $50,000 bank which is being organized at Elwood, Indiana.

A. C. Hassmer has been chosen cashier of the American State Bank of Lawrenceburg, Indiana, to succeed the late Albert V. Dietz.

Adequate supervision of all banks and financial institutions in Indiana to be administered by a state commission of nonpartisan control without additional costs to the state is the general program for drastic changes in Indiana banking and loan laws presented by the bank study commission to Gov. Harry G. Leslie.

The study commission, appointed by the governor pursuant to a resolution of the 1931 legislature, has just completed its studies of banking laws in the forty-eight states.

A state department of financial in-

What Do You Want?

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

FOR SALE: Good posting machine, adding machine and screw door safe. Will sell very reasonable. Address J. C. C., care Mid-Continent Banker, 7-32.

WANTED: Experienced bond salesman to represent old established St. Louis firm in Illinois territory adjacent to St. Louis—Alton, Edwardsville, Belleville, East St. Louis, etc. Write in confidence to H. R. C., care Mid-Continent Banker, 3-32.

WANTED: Experienced banker will buy working or controlling interest in good going bank. Also interested in an insurance agency. Address G. G. B., care MID-CONTINENT BANKER, 9-32.

WANTED: Energetic salesman to sell JORGENSEN coin handling machines and ACME coin wrappers. Must now be active in allied lines. Exclusive territory given upon results. Klopp Engineering, 17185 Ryan Road, Detroit, Michigan.

LIFE INSURANCE COMPANY has openings for agents, district managers and general agents. Desire men with some life insurance experience if possible. Attractive contracts available for the right men. Write in confidence to J. J. W., care Mid-Continent Banker, 7-32.

FOR SALE: A good set of marble bank fixtures with mahogany trimming on top. Also a set of small oak bank fixtures, very neat, suitable for a real estate or insurance office. Will sell very reasonable. Address J. F. M., care Mid-Continent Banker, 7-32.

POSITION WANTED: Man 40 years of age, married, twenty years' banking experience from beginner to president, in city of 30,000 population, desires position with bank in good location. Best of references. Address L. O. J., care Mid-Continent Banker, 2-32.

stitutions having authority over all banks, trust companies, building and loan associations and small loan companies would be established. The commission would have four members, one nominated by the Indiana Bankers Association, another by the Indiana Savings and Loan League and two representing the public, but all appointed by the governor for staggered four-year terms. No more than two commissioners would be from the same political party. They would serve without salary.

The commission would have sole authority and responsibility, for supervision, regulation, examination and liquidation of all financial institutions. It would have power to make its own rules and regulations for methods and standards of examinations and reports; for definition of "safe and unsafe" conditions and "sound and unsound" practices; for regulating withdrawal of deposits in times of emergency, and for acting on voluntary liquidation proceedings.

¶ **Recently the** Farmers Bank of Clarks Hill, Indiana, celebrated a "happy ending" when it terminated its liquidation with a profit. The stockholders have been paid $1.81 on the dollar.

¶ **The Indiana** Bankers Association will have its annual mid-winter conference and dinner on January 18, 1933, it has been announced by Miss Forba McDaniel, secretary of the association.

¶ **Aaron Trippett,** 87, vice-president and director of the Hazleton State Bank, Hazleton, Indiana, died recently from a complication of diseases.

¶ **Walter S. Greenough,** chairman of the study commission for Indiana financial institutions, in an article in the December issue of the American Bankers Association Journal, said it was discovered in a survey just completed that dishonesty was a minor cause of failures in the state.

¶ **The First Bank** of Charlestown, Charlestown, Indiana, chartered November 17, 1932, and opened for business November 21, 1932, is a consolidation of the Bank of Charlestown and the First National Bank of Charlestown.

It is harder to acquire the habit of "sticking" than the habit of "quitting." The last comes quite naturally to some people, the former to the fellow with character and determination. Which habit have you?

KENTUCKY NOTES

¶ **The Achievement** Club Reporter, published in the interests of the employes of the First National Bank, Kentucky Title Trust Company and affiliated institutions at Louisville, Kentucky, and edited by Walter Distelhorst, advertising manager of these institutions, is full of spicy items about activities of the members of the staffs of these institutions.

¶ **A very** interesting series of "Letters from the People" has been appearing in the Louisville, Kentucky, Courier-Journal recently telling "How to run a bank." The letters have taken the form of a debate between a few Kentuckyites and are well worth reading.

¶ **Worthville, Kentucky,** is to have a new bank if the plans of its business people and interests materialize. Much of the stock for a state bank has already been subscribed, but some of the promoters prefer a national institution, and will push to that end.

¶ **The Citizens Bank** of Wheelright, Kentucky, is practically assured. Application is being made for a charter; capital, which is nearly all subscribed, will be $25,000.

The town of Springfield, Kentucky, is to have a new state bank with a capital of $15,000, according to an announcement. The necessary capital has been assured by the town's business interests, merchants and others.

At its opening, November 21, the new Bank of Murray at Murray, Kentucky, received $65,000 in deposits and opened 150 accounts, according to a statement by officials.

The advertising course which Walter Distelhorst, advertising manager of the First National Bank in Louisville, Kentucky, is conducting at the University of Louisville, has been expanded to a two-year course. This is the third year the course has been offered.

The Kentucky Bankers Association has withdrawn its standing reward of $750 for the capture and conviction of bank robbers, it was announced by Harry G. Smith, secretary of the association, recently.

The rewards were first posted in 1921, and then were $1,000 each. They were cut to $750 last February. During the period $90,000 was paid out in rewards to those responsible for the capture of robbers convicted of holding up member banks.

Increased rates on theft insurance from $1 to $10 a thousand made cancellation of the reward offer imperative, Mr. Smith said, because member banks could not afford to pay both the rates and the reward.

The First National Bank of Louisville, Kentucky, termed "The Oldest National Bank in the South," offers to "bankless" towns of Kentucky, a "bank-by-mail" service, but stipulates: "Our bank-by-mail service is available only to towns now without banks. If there is a bank in your town, you should transact your business there."

The officials of the First National suggest to those residing in "bankless towns in Kentucky and Southern Indiana" that "a postage stamp brings this big city bank as near as your mail box."

W. E. McNeil has been elected cashier of the First State Bank at Barbourville, Kentucky. He is a former state bank examiner and several years ago was cashier of the First National Bank at Barbourville.

The old Farmers and Merchants Bank Building at Pembroke, Kentucky, burned November 6. The loss was not estimated, but there was a total of more than $2,000 insurance on the building, fixtures in the stores and apartments in the building.

The Fayette branch of the First National Bank and Trust Company, Lexington, Kentucky, moved into its new quarters at the Phoenix National Bank Building, November 19.

A. B. Clem, seventy-two, vice-president of the Bedford Loan and Deposit Bank, Bedford, Kentucky, and for many years widely known merchant of Bedford, died at his home there, recently after an illness of about two years. Clem was perhaps the oldest active banker, constantly seeing after the affairs of his bank, in the State.

Reorganization of the Bank of Murray, Murray, Kentucky, the oldest bank in Calloway County, was effected November 16, when 460 stockholders elected directors who in turn elected W. S. Swann, tobacco exporter and former vice-president of the bank, president, and Treman Beale, hardware merchant and former director, first vice-president.

Edmund Schackleford Lee, 70, president of the First National Bank and Trust Company, Covington, Kentucky, and a director of the Cincinnati branch of the Cleveland Federal Reserve Bank, was found dead in his bed, December 8.

ARKANSAS NOTES

Bankers of Group Seven, Arkansas Bankers Association, will hold their first 1933 meeting in Pine Bluff probably during the month of February, it has been announced. H. H. Cooper, of Fordyce, is chairman of Group Seven and G. H. Norman, of Crossett, secretary.

The Junior Bankers of the Arkansas Bankers Association will hold their annual conference in Hot Springs, Arkansas, on May 18 at the Arlington Hotel, it has been decided.

William R. Cherry, cashier of the First National Bank of Paris, Arkansas, for many years, died recently.

The Bank of Decatur, Arkansas, has completed installing a nine-ton bank safe to replace the safe stolen from the bank on November 12.

The Bank of Sherill, Arkansas, has installed tear-gas protection.

Lieut. Col. Elgan C. Robertson, vice-president of the Lee County National Bank at Marianna, Arkansas, was elected president of the Arkansas National Guard Association at its meeting December 4 at Little Rock. He is a World War veteran.

Maj. Clifton R. Breckinridge, 86, who organized the Arkansas Valley Trust Company at Fort Smith, Arkansas, where he lived several years, died at Wendover, Kentucky, December 3. He was a former Congressman from the Sixth District, and was appointed Ambassador to Russia by President Cleveland.

The Bank of Luxora, Luxora, Arkansas, which for several months has maintained a teller's window at Osceola, Arkansas, has surrendered its charter and will open in Osceola as the Planters Bank and Trust Company, according to an announcement made December 16. It will retain a teller's window at Luxora for the accommodation of patrons there. L. L. McDearman, cashier, said the same directors and officers will continue in office and that the capital structure will not be changed. It has $25,000 capital and $10,000 surplus. Osceola has been without banking facilities, other than the Bank of Luxora teller's window, since failure of the Bank of Osceola in November, 1931.

Robert E. Wait, secretary of the Arkansas Bankers Association and editor of the Arkansas Banker, recently told some of his experiences as an association officer at the Kiwanis Club, Little Rock.

J. M. Barker, president of the Bank of Atkins at Atkins, Arkansas, and Mrs. Barker on December 14 observed their fortieth wedding anniversary. They were married at Monticello, Arkansas, where he was cashier of a bank.

Trust Conference to Be Held in New York

The fourteenth annual midwinter trust conference of the Trust Division, American Bankers Association, will be held February 14, 15 and 16, 1933, at the Waldorf-Astoria Hotel, New York City, it has been announced by R. M. Sims, president of the division, vice-president American Trust Company, San Francisco. The annual banquet will bring the conference to a close the evening of February 16. About 1000 trust men and bankers from all sections of the country are expected to attend the conference.

Theodore Roosevelt once said, "I am only an average man, but, by George, I work harder at it than the average man."—Goodfellowship News.

OKLAHOMA NOTES

Election of Phil Kidd, president of the First National Bank of Norman, Oklahoma, as president of the Oklahoma Bankers Association, was announced December 9, by Eugene P. Gum, association secretary.

Mr. Kidd, active in the bankers association for more than fifteen years, was named to succeed Harry G. Hendricks, Tulsa, who died recently. He was vice-president.

F. D. Lucas, president of the First State Bank of Weatherford, resigned as chairman of the executive committee, and S. A. Bryant, president of the Farmers and Merchants National Bank at Cushing, was named to succeed him. W. N. Green, president of the Atoka State Bank, was elected vice-president to succeed Mr. Kidd.

The Citizens Home Bank of Boise City, Oklahoma, has been consolidated with the First State Bank of Boise City.

Loren F. Thompson has been elected president of the American National Bank of Bristow, Oklahoma, to fill the vacancy caused by the death of Harry G. Hendricks. E. C. McMillan was elected cashier and Albert Kelly was elected chairman of the board.

Recent statements of several Oklahoma banks showed the following banks to have total resources as follows: Security Bank and Trust Company, Enid, $1,744,996; The First National Bank, Ponca City, $1,362,749; Anadarko Bank and Trust Company, Anadarko, $844,077; The Peoples National Bank, Kingfisher, $622,387.

The Bank of Commerce, Jenks, Oklahoma, has installed a novel method of bandit protection. Aroused by two holdups within four years the officials have replaced the counter with a 11-foot wall one foot thick. From the top of the wall a heavy steel mesh runs to the ceiling. The only openings of any kind are two cashier's windows covered by heavy iron bars and two-inch bullet-proof glass. A narrow slit at the bottom of the glass permits checks and currency to be slipped through.

Purchase of the assets of the First State Bank of Dawson, Oklahoma, by the Central State Bank of Tulsa, was announced November 26 by W. J. Barnett, state banking commissioner. Newton R. Graham, Tulsa, was president of the Dawson Bank, in a Tulsa suburb.

Frank P. Johnson, president of the First National Bank and Trust Company, Oklahoma City, Oklahoma, recently was named head of the Oklahoma City Chamber of Commerce policies and projects committee.

Roy Burton, former vice-president of the American National Bank at Walters, Oklahoma, is now connected with the Federal Home Loan Bank at Wichita, Kansas, as treasurer.

Governor W. H. Murray announced November 25 a reward of $500 for anyone who kills a bandit in the act of robbing a bank and $250 "to anybody killing the fellows who stand outside and hold the horses."

The previous reward was $250 for a bank robber, dead or alive. This sum will be paid to H. C. McCormick, negro bookkeeper, who killed George Birdwell, one of three robbers shot down in a raid on the Bank of Boley, a negro village.

More than 100 Oklahoma banks now are closing during the noon hour and allowing no one in the bank before opening or after closing. Eugene P. Gum, Oklahoma Bankers Association secretary, said recently:

"The cause of the new rule which the association is asking all banks, except those in the larger cities, to adopt, is to lessen the hazard from bandits.

"An examination of records of the bank robberies over a period of years disclosed that nearly all robberies happened during those hours when most employes were out of the bank and few persons were in the streets," Gum said. "It has been found that closing during the noon hour and strict enforcement of the no admittance rule outside of banking hours greatly lessens the hazard from robberies and increases the chances of capturing the bandits before they get out of town."

Hibernia Bank Declares Regular Dividend

The directors of the Hibernia Bank and Trust Company of New Orleans have declared out of the earnings for the quarter ending December 31, 1932, a regular quarterly dividend of $0.62½ (2½%) per share, on its capital stock, payable on January 1, 1933, to stockholders of record December 23, 1932.

This dividend is at the rate of 10 per cent per year on the $25 par value stock and is the 108th consecutive to be paid by the Hibernia.

Do not spill thy soul in running hither and yon, grieving over the mistakes and the vices of others. The one person whom it is most necessary to reform is yourself.—Emerson.

TENNESSEE NOTES

Cashier J. E. Quisenberry of the Charleston Bank of Charleston, Tennessee, recently frustrated a holdup of his bank by reaching for a gun while the bandits were temporarily engaged in scooping up money and blazing away at them.

Dr. J. W. Allen has been elected president of the Rutherford Bank of Rutherford, Tennessee. Dr. Allen succeeds the late W. P. Elrod, who had been president of the bank since its organization in 1897 until the time of his death at the age of 91 on December 4.

The small loan department acquired by the East Tennessee National Bank of Knoxville, Tennessee, through consolidation with the City National Bank has been transferred to the Morris Plan Bank. Eugene Glover, in charge of this department for the East Tennessee National, is temporarily with the Morris Bank to complete arrangements for the transfer of the accounts, which total about $100,000.

John Sevier Ballard, 60, for 17 years vice-president of the Bank of Sevierville, Tennessee, died December 2 of heart trouble, after an illness of four weeks.

Frank S. Patton, cashier of the First National Bank of Jonesboro, Tennessee, was married November 23 to Mrs. Sarah G. Baker at Griffin, Georgia.

John T. Garner, 70, president of the Tipton County Farmers Union Bank, Covington, Tennessee, was found dead in his garage, November 24, apparently the victim of monoxide gas. Because of the cool weather, he had closed the doors and windows of the garage.

Ivo B. McAlister, formerly with the Bransford Realty Company, has joined the real-estate department of the Nashville and American Trust Company at Nashville, Tennessee.

When it is found that a farmer is not growing his own food, feedstuffs and forage on his farm, supplying his family first and then disposing of the surplus, he will prove a poor risk at the bank.—J. A. Spekenhier.

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.

MISSISSIPPI NOTES

The first statement of the new Corinth Bank and Trust Company, Corinth, Mississippi, showed total resources of this institution to be $571,515. The bank is capitalized at $35,000, has surplus of $35,000 and has deposits amounting to over $383,000.

The Security State Bank, Corinth, Mississippi, opened November 22, 1932, reports capitalization of $35,000 with a surplus of $5,000. R. C. Liddon is president of the new institution and W. W. King, vice-president.

Frank B. McGeoy, Jr., former acsistant cashier, has been elected cashier of the Greenwood Bank and Trust Company, Greenwood, Mississippi. He succeeded R. A. Ball, who resigned to become president of the Wade Hardware Company in that city.

M. P. Sturdivant, planter of Glendora, Mississippi, has recently been reelected to represent Group 3 as a Class B director of the Federal Reserve Bank of St. Louis, Missouri. His term is for three years.

M. M. Thompson, 58, mayor of Benoit, Mississippi, for 26 years, died December 15 of a heart attack. He had been cashier of the Bank of Benoit ever since its organization 28 years ago, December 13. He had been reelected mayor without opposition for another two years.

Dr. Mifflin W. Swartz, president of the Peoples Bank at Indianola, Mississippi, has been married to Miss Fannie Christine Pierce. Dr. Swartz was formerly a member of the faculty of Millsaps College.

Although two payments of 10 per cent each were available, the new Bank of Pontotoc, Mississippi, at its opening, November 19, had new deposits greatly in excess of withdrawals, according to officials. The agreement for reopening provided that 20 per cent of deposits in the old bank, which closed January 2, 1931, should be released when the new institution opened for business.

LOUISIANA NOTES

Announcement has been made of the sale by the Commercial National Bank of Shreveport, Louisiana, of all its assets to the Commercial National Bank in Shreveport, a new bank recently chartered by the Comptroller of the Currency.

The new bank's capital stock is $1,000,000 which is fully subscribed and paid. It takes over all deposits of the old bank and assumes full liability to its depositors.

Paul Laberde, Jr., succeeds his father, deceased, as a director of the Covington Bank and Trust Company of Covington, Louisiana.

W. H. Douglas, 63, director of the Whitney Trust and Savings Bank, New Orleans, Louisiana, and active in a number of corporate lines of business, died December 10.

Eight state banks in Tangipahoa and Livingston parishes, Louisiana, reopened last month, after having been closed less than a week, as one large bank with headquarters at Hammond, Louisiana. The banks were merged under the name of the Tangipahoa Bank and Trust Company.

TEXAS NOTES

William Milling has been elected president of the First National Bank of Paris, Texas, to succeed the late R. F. Scott. Mr. Scott died at the age of eighty-four on December 1.

O. E. Carlisle, vice-president of the First National Bank of Farmersville, Texas, has been elected president of the Collin County Bankers Association for the coming year. C. M. Moore, vice-president of the First State Bank of Celina, was elected vice-president.

The First National Bank and the Citizens National Bank of Post, Texas, have consolidated and have opened for business in the First National Bank Building. G. W. Connell, formerly president of the Citizens National, heads the new institution. Other officers are: S. B. Bardwell, vice-president; Ira L. Duckworth, cashier.

Ben O. Smith, 65, pioneer banker and former president of the Farmers and Mechanics National Bank of Fort Worth, Texas, died recently.

The Home State Bank has opened for business at Rochester, Texas.

The First National Bank of Rosenberg, Texas, has taken over the business of the Beasley State Bank of that city. Officers of the latter institution decided the volume of business did not warrant their operation and voluntarily turned their account over to the First National.

E. C. Nelson, for the past twelve years president of the First National Bank of Floydada, Texas, has resigned.

A. V. McQuiddy has been elected president of the Southwest National Bank of Canadian, Texas, to take the place of the late W. A. Johnson. H. S. Wilbur has been elected vice-president and cashier.

Hugo Ehlers, 76, president of the First National Bank, La Grange, Texas, died in a hospital at Houston, December 6.

Consolidation of the First National Bank and the Albany National Bank, Albany, Texas, was announced November 26 in a statement by John F. Sedwick, president of the latter institution.

Under the name of the First National, the new bank opened November 28 in quarters formerly occupied by the Albany National. Its personnel is made up of former officers of both institutions. Mr. Sedwick is president, and J. B. Matthews, former president of the First National, although retired from active duty retains chairmanship of the board.

Alf. Morris, president of the First National Bank of Winnesboro, Texas, has been elected a Class A director of the eleventh district Federal Reserve Bank at Dallas, Texas, representing banks in Group 2, and John D. Middleton, president of the Texas Refining Company, a Class B director, representing banks in Group 3.

W. L. Gilfillan, 68, a director of the Austin National Bank, Austin, Texas, and last of the group which organized it 42 years ago, died recently following a heart attack.

Plans for the February sectional meetings of the Texas Bankers Association were outlined at a conference of executive committee members in Dallas, December 20, according to W. A. Philpott, Jr., secretary.

Spencer Taylor, former vice-president, has been elected active vice-president of the First National Bank at Van Alstyne, Texas.

Walter Browne Baker, vice-president of the Guardian Trust Company, of Houston, Texas, was elected chairman of the trust section of the Texas Bankers Association at the closing session of that body, held in Houston recently. Fort Worth was chosen as the next convention city.

Irwin M. Herz, trust officer of the City National Bank of Galveston, was elected to the organization's administrative committee to succeed P. P. Butler, vice-president of the American National Bank at Beaumont. The administrative committee now is composed of Mr. Herz, Mr. Baker, and W. U. McCutchen, trust officer of the First National Bank of Wichita Falls. The administrative committee chose Mr. Baker as chairman of the trust section of the association.

Nathan Adams, president of The First National Bank in Dallas, Texas, who recently resigned from the directorate of the Federal Home Loan Bank and of the Reconstruction Finance Corporation, sharply criticized the Federal Reserve System in addressing a group of North Texas business men, gathered here recently at a dinner in his honor.

"The Federal Reserve System is not holy," he said, "although I remarked 17 years ago, when it came into beginning, that it put into the hands of 12 men more power than had been given such a group since the disciples of Christ. Theirs is a tremendous police power, to control and demand payment for something for which they have no responsibility.

"If we want to take the Government out of business, let's start with banking. Let's put banking back into the hands of bankers. Let's make the system what it was originally intended to be—the guardian of the credit of the nation. You cannot legalize the value of money any more than you can the price of cotton."

Adams remarked that the existing business depression had been a "great leveler of men—it proved that there are no supermen." A message of praise for him was telegraphed by President Hoover; and others who sent messages were: Governor R. S. Sterling, Melvin A. Traylor, of Chicago; Jesse H. Jones, of Houston, a director of the Reconstruction Finance Corp., and Merle Thorpe, editor of Nation's Business.

Thomas Johnson, vice-president and cashier of the Collin County National Bank at McKinney, Texas, in a recent address before the Dallas Agricultural Club, spoke on "Debts and Diversification." He urged farmers in the "black land belts" to plant first those things that can be consumed in their homes, and then to pick one or more cash "crops," such as cotton, wheat or livestock.

The firm of Witsma, Zoernig & Co., Inc., has been organized, with offices at 1523 Ambassador Building. The new firm will deal in general investments. George Witsma, Jr., is president; E. L. Zoernig, vice-president, and Harold Hanser, secretary and treasurer. Mr. Witsma, formerly vice-president of Festus J. Wade, Jr., & Co., has been in the investment business here for eighteen years. He had been a partner in the New York Stock Exchange firm of O. J. Anderson & Co. Mr. Zoernig, also formerly vice-president of Festus J. Wade, Jr., & Co., has been in the investment business here for about eight years. He had been connected some time ago with the local office of A. B. Leach & Co. Mr. Hanser has been in the investment business for eight years and previously was with Wade & Co. and the old firm of O. J. Anderson & Co.

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

A new publication, The Missouri Capital Bulletin, published at Jefferson City, Missouri, printing news at the state capital of interest to all manner of business men, carried an item in its first issue stressing the importance of better times for farmers before we can hope to have prosperity among country banks.

F. Lee Major, vice-president of the Boatmen's National Bank, St. Louis, has been appointed a member of the Committee on State Legislation, Savings Bank Division, American Bankers Association.

The County Bankers Associations of Grundy and Daviess Counties, Missouri, have consolidated into one organization. The sound reasoning that a larger group could attain better results caused the merger. The new group, known as the Grundy-Daviess County Bankers Association, is headed by Charles Hemery, president of the First National Bank of Gallatin. Other officers elected were R. J. Green, cashier of the Farmers Bank of Trenton, vice-president; W. T. Siple, cashier of the Coffey Bank, Coffey, secretary; E. M. Wilson, cashier of the Citizens Bank of Laredo, treasurer.

C. V. Estes, cashier of the Miners and Merchants Bank, Flat River, Missouri, died recently following an illness of several months.

Stockholders of the Lafayette-South Side Bank and Trust Company, St. Louis, Missouri, at their annual meeting last month reelected all directors.

Several large St. Louis banks recently bid 1 per cent on daily balances and 1 per cent on time deposits of six months or longer of 1933 city funds. Last year the banks offered 1½ per cent on daily balances and 2¼ per cent on time deposits.

The most recent statement of condition of the First Bank and Trust Company of Macon, Missouri, shows this institution to have total resources of $1,239,752. Deposits total $926,888.

Illustrating the fact that bankers are finding time these days to do other things besides keep their institutions in liquid condition, Oliver F. Richards, vice-president of the Mercantile-Commerce Bank and Trust Company of St. Louis, recently headed a division of membership convassers for the St. Louis Chamber of Commerce and came out an overwhelming victor over the opposing division. The forces were known as The Demicans and The Publicrats and the canvass was conducted along the lines of a regular political election. Richards and his men representing the Publicrats turned in 74 new memberships for a total of 6,059 votes as against 52 memberships and 4,251 votes for the Demicans. Accordingly, on the concluding day of the drive, Richards was declared elected and was duly inaugurated with great pomp and ceremony as "The New President of the United States."

OLIVER F. RICHARDS

The organization of a new bankers' association to be known as the "Tri-county Bankers Association of Harrison, Worth and Gentry Counties" was perfected at a meeting of bankers of those counties held at Albany, Missouri, on December 14. Officers elected were: President, C. S. Berndt, treasurer of the Farmers State Bank of Stanberry, Missouri; vice-president, N. T. Whaley, cashier of the First National Bank of Albany; vice-president, C. A. Jackson, cashier of the Farmers Bank of Sheridan; vice-president, N. B. Williams, cashier of the First State Bank of Hampton; secretary and treasurer, W. M. C. Dawson, cashier of the Citizens Bank of Grant City.

G. Hubert Bates, assistant cashier of the Commercial Bank at Lexington, Missouri, has been appointed chief clerk to the newly elected state auditor of Missouri, Forrest Smith. Mr. Bates served for eight years as clerk of Lafayette County, Missouri.

John Hassen, cashier of the Napoleon Bank at Napoleon, Missouri, recently figured in the news when he helped identify a murder suspect who was also accused of robbing the Napoleon Bank.

Total resources of the Clay County State Bank of Excelsior Springs, Missouri, according to the last report were $1,070,220. Deposits amounted to $950,294.

The Mercantile Bank of Louisiana, Missouri, closed August 12, has reopened for business.

L. C. Hudson, cashier of the Security Bank of Edina, Missouri, has resigned and has been succeeded by Raymond Turner.

Frank P. Giltner, cashier of the Joplin National Bank and Trust Company of Joplin, Missouri, has been elected treasurer of the local Kiwanis Club for the coming year.

Gail Hunsaker, assistant cashier of the Citizens National Bank of Kirksville, Missouri, has resigned.

The Polk County Bank of Bolivar, Missouri, has acquired the business of the First National Bank of Bolivar.

The Bank of Sullivan, Sullivan, Missouri, and the Marceline State Bank of Marceline, Missouri, have installed tear-gas equipment as a protection against daylight holdups.

H. A. Buschmann, cashier of the Bank of Poplar Bluff, Poplar Bluff, Missouri, has resigned.

After an illness of three weeks Benjamin F. Ferguson, vice-president of the Bank of Manchester, Manchester, Missouri, and well known resident of St. Louis County, died.

Bullet-proof glass and other protective equipment recently prevented a holdup of the Hickman Mills Bank of Hickman Mills, Missouri.

J. G. Doolittle, cashier of the Farmers Bank of Foster, Missouri, and a friend riding with him were killed instantly when their car was struck by a train at a crossing about four miles south of Butler, Missouri. Another friend in the car was seriously injured.

Protective equipment has been installed by the Banking House of Wilcoxson and Company of Carrollton, Missouri.

J. T. Magee, 76, cashier and one of the founders of the Farmers and Merchants Bank at New Cambria, Missouri, died December 11.

Member institutions of the Missouri Bankers Association in all parts of the state have indicated an overwhelming sentiment in favor of repealing the new federal tax on bank checks, it was announced recently by M. E. Holderness of the First National Bank of St. Louis, president of the association, who made public the returns of a questionnaire.

Out of 597 replies received, 580 advocate repeal, twelve opposed, and three were noncommittal, he said. A total of 885 questionnaires had been sent out.

"Collection of the tax this year from the day it became effective on June 21 until the present time cost banks on an average of $165 in extra labor and supplies, the tabulated returns show. The law made no provision for reimbursing banks for this added expense and the cost of collection must be borne by each institution, a feature which has brought sharp criticism.

"Some idea of the amount of the tax monies being collected is gained in the figures announced for November. The 597 reporting banks collected $95,195, or an average of $159 per bank for that one month. About 10 per cent of the orders drawn on banks are in the form of nontaxable counter receipts."

A majority of the banks assert they have lost accounts due to the tax, but only 188 give figures. These 188 show a loss of 14,712 accounts aggregating $1,441,642. It is the general experience the tax has caused a large decrease in the number of checks drawn, with the consequent keeping of more cash on hand to pay bills.

The Mercantile Bank opened for business December 12 at Hammond, Indiana, a city of sixty-five thousand population, in the heart of the steel mill district, which had been without banking facilities since the seven banks in Hammond closed about a year ago.

Alexander Berger of St. Louis is president and the board of directors consists of prominent business men of Hammond.

Mr. A. G. Elam, for many years cashier of the Perry State Bank, Perry, Missouri, and for the past year cashier of the Citizens Bank at Appleton City, Missouri, is vice-president and cashier.

Mr. Elam has had a very enviable banking record, is well known to Missouri bankers and, until eliminating himself some days ago to accept the position with the new Hammond, Indiana, bank, was prominently mentioned for the position of Commissioner of Finance for the State of Missouri.

Alas! The same quality that makes you a "small investor" also makes you trust swindlers.—Robert Quillen.

A dollar these days will buy about everything except what a fellow has to sell.—Florida Times Union.

Technically, revising the war debts means bringing them down to date; but Europe merely means bringing them down to zero.—Dallas (Tex.) News.

Forty-six years ago, Congress was urged to abolish banks in order to bring about an end to the depression of 1886.—J. A. Spekenhier in the Louisiana Lantern.

KANSAS NOTES

That Kansas bankers are becoming bandit-conscious is proved by the number of banks which have recently installed tear gas protection. During the last month the following Kansas banks installed this method of protection: Four banks in Abilene; The Bank of Herington, Herington; two banks in Canton; The Citizens State Bank and the First National Bank, Clifton; The Bank of Palmer, Palmer; First National Bank and Central National Bank, Junction City; and the First National Bank, Elkhart.

A burglary alarm system of protection has been installed in the First National Bank at Alma, Kansas.

James E. Hunter, for nine years president of the First National Bank of Louisburg, Kansas, died recently.

The directorate of the American State Bank of Great Bend, Kansas, has been increased from five to nine members. The American State vas consolidated with the First National Bank in November.

An effort to rob the State Bank of Stilwell at Stilwell, Kansas, was frustrated recently when a two-ton safe crashed through the floor of the institution as six men were prying it from its cement base. The bandits escaped.

Efforts are being made to establish a vigilante at Lawrence, Kansas, to protect the three banks of that city.

W. C. "Rocky" Cantrall is the new cashier of the State Bank of Fredonia, Kansas, taking the place of F. J. Cambern, who resigned.

The Commercial State Bank of Bonner Springs, Kansas, reopened for business December 16. The bank was closed September 22, 1932. L. G. Lebrecht of Kansas City has been named president under the reorganization plan.

John W. Potter, 55, president of the State Bank of Turon, Kansas, died December 15.

Ralph Beckett has been elected cashier of the Patrons Cooperative Bank of Olathe, Kansas.

R. B. Temple has been chosen president of the Industrial State Bank at Wichita, Kansas, succeeding George Herman, who was forced by ill health to relinquish the office he had held since the bank was organized. Mr. Herman, however, continues with the institution, as first vice-president.

Thad C. Carver, 67, president of the Peoples Bank, Pratt, Kansas, died at his home, December 1, of bronchial pneumonia. He was a past president of the Kansas Bankers Association, was for three years a member of the executive council of the American Bankers Association, and had served on the Kansas State Banking Board.

With the installation of its new bullet-proof turret commanding the whole of its interior, the First National Bank of Wichita, Kansas, now boasts the most elaborate system of protection against bandits of any financial institution in the State.

The turret is over the main entrance of the bank, and during all business hours a guard is stationed there. This guard is armed with a riot gun, high-powered rifle and revolvers.

At the guard's hand are controls of the bank's elaborate tear gas system, which can instantly discharge the vapor from many points in the bank.

The turret, too, has electrical alarm connections direct to the police station. From here can be operated the electrically controlled automatic doors. All alarms can be sounded.

The guard is protected by bullet-proof screens and bulwarks, while with his weapons he can command the entire interior and every door, immune from any fire bandits might direct at him.

New Ruling on Stock Losses and Tax Returns

The Bureau of Internal Revenue has ruled that deductions in income tax returns for losses on stocks and bonds held two years or less can be made only after gains from stock and bond sales or exchanges have been subtracted from the losses.

However, such losses may be carried forward and entered as deductions in income tax returns for 1933 up to the amount of the taxpayer's net income for 1932.

Previously the total loss on stock and bond transactions could be entered as a deduction, without reference to the gains from such transactions.

For example, a taxpayer having a net income of $50,000, who lost a total of $200,000 on stock and bond deals, but made a gain of $100,000 from them, would formerly have entered the $200,000 loss for a deduction in his income tax return.

Under the new ruling, which is set out in three provisions, he would be allowed to enter a loss of only $100,000, although he could carry forward on his 1933 return an additional loss of $50,000, since his income was that amount. In this case, he would not be allowed a deduction for $50,000 of his loss in stocks and bonds.

The provisions apply only to individuals and corporations, not to brokers or those buying stocks and bonds for resale.

Some people just never can be satisfied. When a wire dispatch told about hailstones the size of golf balls falling in Kansas, one man wanted to know whether it meant the new or old size.—Jackson (Miss.) News.

LEGAL TENDER

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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.

Editor's Column

The personnel officer of a large Los Angeles bank writes, "There are literally hundreds of high-class, well-educated, ambitious young men knocking at our door, looking for positions. When I see men of my own staff who are not on their toes, who are not sufficiently interested in their own futures to take A. I. B. courses, I feel that our institution would be better off to release such men and hire those applicants who are anxious to work and study their way to the top."

Under the carelessly employed and ofttimes meaningless term "brains" are a number of concepts which are more genuinely applicable to the progress which we, working in and for the A. I. B., hope and expect to make. Certainly the "intellect," which might be roughly defined as the capacity for clear thought, can be improved thereby. And one's "intelligence," or the power of quick perception, can be sharpened in the classrooms. As can also "understanding," and "insight." As for "genius," which is simply another name for extraordinary achievement in some given field, if one is concerned about the others, he needn't worry about this particular faculty. And speaking of "ability," or technical proficiency, it should go without saying that the A. I. B. can add palpably to one's skill in any one or all of the branches of banking.

All of these things being demonstrably true, we should not only have a wider range of subjects covered by those who are already enrolled, but also a greater number of students. Let's see if we can't increase our enrollment during the next semester.

Do You Know

That "wrapped money" may be said to have been an early form of paper money? In the feudal days Japanese exchange houses issued coins in gold and silver wrapped in paper which bore the seal "Mitsuis," the name of the head of the house, and the amount of coins contained therein. So high was the prestige of the house of Mitsuis that the packages circulated at face value without being opened.

❖ ❖ ❖

That money in circulation usually rises about $45,000,000 between Wednesday and Saturday of each week?

❖ ❖ ❖

That stockholders of the First National Bank of Uniontown, Pennsylvania, which closed in 1915, recently received dividends which brought the aggregate to $460 for every $100 share of stock, depositors long ago having received $1.16 on the dollar? The rise in coal-land values is said to be the cause.

❖ ❖ ❖

That the capital of any one of three New York City banks, the Chase National Bank, National City Bank and the Guaranty Trust Company, today is larger than the total of sixty-two banks operating in the city fifty years ago?

❖ ❖ ❖

That due to a general shortage of money, cigarette coupons are said to have come to have semilegal status with the Japanese? They are reported to be offered and accepted in payment of purchases, and various individuals are carrying on a brokerage business in these coupons.

❖ ❖ ❖

That in the three months between June 30 and September 30, 1932, the ten largest commercial banks of this country regained deposits of more than $465,000,000 or nearly 52 per cent of those lost in the first half of this year?

—A. F. BOETTCHER.

Become a Thorough Banker

Thoroughness counts—always. Without it we can manage to get along somehow, but eventually the fellow who has taken the trouble to cultivate it outstrips us. Any man who ever achieved real or lasting success in any field of endeavor was thorough, regardless of what were his shortcomings, eccentricities, or other faults. We don't have to take time off to prove this statement; just read a few biographies or make it a point to review the progress of some of our present leaders.

By availing yourself of the unusual opportunities so easily placed before you by the Bank Management Commission of the American Bankers Association, you can become a thorough banker. A little effort, the systematic and conscientious use of some of your spare time, and before you realize it, you will find yourself embarked upon a most fascinating study—that of analyzing bank operations and banking practices, or the why and wherefore of every routine transaction or major operation that takes place in your particular institution. You will soon develop, slowly but surely, that intellectual curiosity about your job and your bank's way of transacting its business, that will improve and enlarge your powers of observation and analysis to a remarkable degree.

The Bank Management Commission is composed of a group of alert and able bank executives and is engaged in the practical work of studying banking with the end in view of improving the management and operation of banks throughout the country. The results of these labors are published from time to time in booklets which can be purchased from the secretary at small cost; in fact the cost to A. I. B. students is only fifteen cents per copy. They are as follows:

No. 1—**Loan Administration policies:** Deals with conversion of funds into earning assets, turnover of loan lines, diversification, rediscounts, loan rates, small loans, suggested financial statements.

No. 2—**Profit and Loss Operations:** Presents operating expense ratios, analysis and cost of departmental transactions, interest paid, salary costs and efficiency, account analysis.

No. 3—**Secondary Reserves and Security Buying:** Tells how to determine the amount and composition of a secondary reserve, and discusses the investment account, capital structure, and conversion of demand and time deposits.

No. 4—**Unprofitable Practices and the Remedy:** Discusses unprofitable banking services and remedies, per item charges, charges to cover float losses with installation plan and charge schedules.

No. 5—**Does the Account Pay?** A simple and effective plan of account analysis, with analysis forms and short-cuts.

No. 6—**Duties and Qualifications of Executive Bank Officers:** Covers activities in operative and financial management with subdivision of duties; personal and professional qualifications of bank officers for the various types of major bank activities.

No. 7—**Credit Department Organization:** Credit department organization for the smaller and for the larger bank with suggested credit file forms and financial statements.

No. 8—**Man Power in Banking Institutions:** Deals with employment, education, and development of employes, personnel analysis and compensation, welfare activities; and presents a program for development of man power.

No. 9—**Practical Bank Analysis and Installation of Measured Service Charges:** Discusses analysis of bank operating costs, installation and practical application of measured service charges, showing forms, schedules of charges, etc.

No. 10—**Bank Management by Budget and Accrual:** A plan for budgeting of funds and conversion of deposits, budgeting of income and expense, and a plan of accrual accounting.

No. 11—**Investment Policies of Banks:** Presents guiding principles for setting up and maintaining proper primary and secondary reserves, investment account, and local loan portfolio.

Special—**Survey of Bank Operating Ratios:** Survey covering sources of profit, interest paid, commercial deposits, salaries, service charges. Contains charts showing ratios and comparisons of different sized banks in various sections of the country.

Special—**Regional Clearinghouse Associations, City Clearinghouse Associations:** Two manuals dealing with the organization and operation of regional clearing house associations and city clearing house associations respectively. They present organization plans, suggested articles of association, and rules and regulations; credit bureau organization with suggested forms for different types of bureaus; plans for different systems of clearing house examination.

These descriptions of the various booklets were furnished by the Bank Management Commission and will give anybody interested a good idea of their contents. They are published at cost, and A. I. B. students can purchase one or more at fifteen cents per copy, or the entire set of fourteen bound into a single volume with a binding of library buckram, carefully indexed, for $3.50. The cost to others is twenty-five cents per copy, or set of fourteen bound and indexed as above for $3.80. Orders should be addressed to Bank Management Commission, American Bankers Association, 22 East 40th Street, New York City.

—EDWARD LAYTON.

Saving vs. Spending

Move on! No tramps wanted! Be on your way in twenty-four hours! Keep moving! Vamoose! Don't light here! We have our own unemployed! Get out and stay out! Vagrants leave! Don't hesitate because you are not welcome! Scores of other similar phrases have become the pass words given 200,000 vagabond American boys throughout the land who are in search of work, food and a place to sleep, according to a recent article as it appeared in the Post-Dispatch by Newton D. Baker. We do not for a moment doubt his veracity when compared with personal incidences and statistics.

This large army of homeless and heartbroken children (ordinarily called tramps) and scores being added daily, together with the 15,000,000 other unemployed people, will become a threat to our financial institutions of tomorrow. There are those who blame our capitalistic system for all their ills and misfortune. Yes! Unfortunate, indeed it is, when a country, such as ours, so rich in natural resources and ability in connection with our institutions striving for higher learning and a higher standard of living has produced thousands upon thousands of young men and young women with a hopeless future.

Why? That answer is yet to be definitely discovered. There are those who would say it is the fault of the individual, that they are the makers of their own distress and do not possess the stamina nor fortitude to provide for themselves. But we are all familiar enough with human nature to know what the strain upon a young person without guidance, forsaken, with a hungry stomach and the mind robbed and starved of ideals produces. We know that such an afflicted person becomes discouraged and bitter and is in no condition to combat the elements nor recognize his blighted future.

Perhaps you say, "What has this to do with the American Institute of Banking?" Everything. It lies within our province, not as the Institute, but as individual members to keep in mind this deplorable state of affairs. We are concerned because it affects directly and indirectly our financial structure. The ill-conceived argument advanced within the past few years to spend your money instead of saving it is perhaps reaping its toll now. It is playing havoc among our young people, making them penniless, homeless and less everything that means good citizenship. The fallacy of this misleading advice, to those who don't understand, is best exemplified when we read the bulletin of the Savings Division 1927-1932 of the American Bankers Association, which shows the decrease of savings deposits to be $7,047,340, representing a drop from $51,399,446 a year ago to $44,352,106. A decrease which took place during a period when the population increased 752,400. Quoting from the same paper: "The high record of 53,188,348 depositors in 1928 has now dwindled to 44,352,106, a loss of over 8,000,000; despite a population increase in the United States during this time of 4,809,000."

These vagabond boys and our financial institutions have a distinctly close relation when we consider their increase in number and the influence upon our country. Therefore, as supporters of the institutions for which we work and being economic student members of the American Institute of Banking, it becomes incumbent upon us to apply sound logic towards this grave situation in order to avoid a collapse of all that which has been built up during the past generations. We have the mental capacity, the utmost hope and confidence in our people and feel that nothing serious will eventually happen, but, why allow it to get any worse? We, as Institute members, have the facilities and the opportunity to study these unhealthy conditions and learn the cause. The effect we know. We can learn whether the cause is unbalanced foreign relations, frozen local business situations, the capitalistic system, the fault of the individual or whether, perhaps, in the last analysis, the idea advanced, to spend in order to stimulate business instead of to save, is already too deeply ingrained in the minds and hearts of the American people to their detriment.

We can not conclusively say what the real difficulty is, but, certainly there is an inseparable relationship existing between these 200,000 boys drifting towards the wind, 15,000,000 unemployed, a decrease of 8,000,000 individual savings depositors and the fact that these people are now on charity because not sufficient provision was laid by to take care of the day when earning power ceased. In other words too much was spent when large incomes were commonplace rather than saving the surplus above the requirements of normal living. Therefore, whatever wrong theory was practiced it is up to us to locate it and substitute one which carries with it a more secure future.

—O. M. STREIFF.

Book Reviews

INDUSTRIAL MANAGEMENT IN THIS MACHINE AGE: by Francis A. Westbrook, M.E.; *Thomas Y. Crowell Co.,* New York City.

How modern factories are manned and run is the interesting subject expounded by Mr. Westbrook, himself a practical engineer and writer for industrial magazines. He has not, however, contented himself with writing from acquired experience alone; on the contrary, he has personally visited and corresponded with scores of factories and their executives. As he says: "The only satisfactory way to secure such data has been to get it first-hand." His findings are consequently presented, not in textbook style, but by use of the illustration method. He constantly cites cases where such-and-such practices are in vogue. As a result, he has presented an extremely valuable industrial document—one which will, by reason of its data, instantly attract the student of economics or management both in and out of college; and one which, at the same time, can not be overlooked by the careful plant manager or executive who wishes to avail himself of the best current practice, or to profit by the mistakes of others who have gone before.

Among the subjects treated are scientific research, technical control, organization of the various departments, plant maintenance, cost accounting, budgetary control, warehousing, the education of foremen, and the stabilization of employment. The assistance of many industrial societies, trade associations, and business-paper editors, as well as industrial enterprises, was solicited to make the work exhaustive, as were also numerous writings of the author himself.

The author is eminently qualified to treat his subject authoritatively. After securing his M.E. in the Engineering Department of Columbia University, Mr. Westbrook was successively and successfully associated with the New York Telephone Company, the Hi-Po Battery Company, the Habirshaw Cable & Wire Corporation and Claud Neon Lights. He has also written extensively for scientific journals and general periodicals.

—CARROLL SIBLEY.

LAISSEZ FAIRE AND AFTER, by O. Fred Boucke, *Thomas Y. Crowell Company,* New York.

In one of the chapters of *A New Deal,* written by Stuart Chase and reviewed in these columns some time ago, Mr. Chase had a lot of good, clean fun ridiculing the old model economists who, once in ever so many whiles, made the gesture of stopping the economic machinery of the world, solemnly and reverently poking a rim here and a spoke there, even venturing occasionally, to lay an inquiring finger on the hub of one of the larger wheels, while they discoursed learnedly on how it worked. Of course, it is not possible to miss the point, which is that the economic machinery, alas, cannot be stopped; furthermore, that if it could be, we would not find either the cause or the remedy for the dynamic disturbances in our economic machinery by examining it while it was static.

Difficult and uncertain of accuracy as must be the attempt, then, to probe, to test, and to venture conclusions about our system based only on such information as we can gather while the wheels churn on at their dizzying speed, the attempt, nevertheless, must be made if we are to arrive at any conclusion at all.

Nay, it has been made. A brave effort and a strong one, with expert, scholarly conclusions is offered in Professor Boucke's *Laissez Faire and After.* His chapter-by-chapter inferences are:

I. The chief question is not how rich some people are, but what goods and services they buy for their personal use or for production. The make-up of national wealth is more significant than its total or per capita value.

II. *The application of science to industry on a large scale has made some rights of property and contract a public menace.*

III. The advantages of modern technology rest on physical facts distinct from those exploited by business control.

IV. Technical progress and private ownership of productive wealth have created a vicious circle of large profits, expansion and capitalization, actual and imputed interest charges, and further needs of large profits to the detriment of many consumers.

V. That risk and net profits are quantitatively related is an assumption never to be verified, either by long-run or short-run data.

VI. Under modern conditions competition is not self-perpetuating, but a step toward business control. However, not all control is monopoly in the traditional sense.

VII. In so far as business depressions can be traced to economic causes, these *operate oftenest through* a lack of consumers' purchasing power.

VIII. National planning is practicable only amidst a public ownership of productive resources.

IX. Foreign trade policies in the United States should and can be subordinated to mass welfare.

X. Barring outright socialism, the chief means toward permanent national prosperity in this country are tax revision, social insurance, and a federal regulation of certain investment fields. *Continuity, not equality,* of incomes is our principal need.

XI. Economists will have to discard various postulates and theorem formulated in the past, and still held.

XII. Human nature is a social product rather than inborn and fixed. Laissez Faire thus is not a logical application of primal instincts, but an institution liable to decay.

XIII. Individual, group, and national interests conflict at many points, and must be reconciled increasingly by government action.

XIV. There are few immutable economic laws. Political economy is essentially an art expressive of wishes and valuations which change with times.

There is no need for further commendations. The foregoing summaries are replete with their own wisdom, they are the products of a trained and brilliant mind, carefully garnered from hours of profound thought. I recommend the book earnestly, confident that its large views, its humane philosophy, and its sound conclusions will be of untold benefit.

—CECILIA KIEL.

Power

By RICHARD W. HILL,
National Secretary, American Institute of Banking

A single drop of water holds electrical relations equivalent to a powerful flash of lightning.

So stated Michael Faraday, scientific man of genius, upon whose discovery of electromagnetic induction rests most modern electrical science.

Michael Faraday himself was, metaphorically, but a drop of water in England's ocean of poverty. Born the son of a poor blacksmith, he was a bookbinder's apprentice until the chance hearing of a lecture on chemistry by Sir Humphrey Davy loosed the electricity of genius in him. That human drop of genius became a thunderbolt which jarred science into revolution.

Far up in the northernmost reaches of Greenland, a small group of scientists live in voluntary exile, shut off from the rest of humanity, and enduring the cold, bleak danger and loneliness of the place for the sake of making tests and observations for the United States Weather Bureau that advance man's knowledge of weather conditions over the whole world.

Isolated, did I say? Almost, but not quite. In their possession is a small black box containing a few coils of wire, bits of metal, and simple batteries. From these emanate extremely fine radiations, which travel the great wastes, pass through the heavy and coarser vibrations in the roar of city streets (still retaining their own peculiar coordination and identity), and in a space of time that can scarcely be measured, reach the big radio room at the office of The New York Times and acquaint the operator with all that goes on in that remote spot. In the same manner is the news of the active world sent back to them.

The physical means by which this news is transmitted is radio-energy, i. e., the energy of radiation of ether waves. This same energy is capable of doing quite a different thing. In certain bodies of high atomic weight, this dynamic property spontaneously emits rays invisible to the human eye, but capable of penetrating objects opaque to ordinary light. Radioactive rays act upon a photographic plate, discharge an electrified body, and cause luminosity in some substances.

These examples illustrate the same thing—energy. What is energy? It is a force existing in many different forms which has the power to do things, move things, or change things. Everything around us in the seen and unseen world moves, radiates, and vibrates. Everything has energy.

If the above is true of inanimate things, how much more is it true of man, who not only has the kind of energy described above, but in addition has an inherent energy of mind which is far more powerful? Mental energy is creative. Physical energy is destructive. It runs into disaster unless it is bridled and controlled by the mental energy of man. The great falls of Niagara would be useless to the world, except as a scene of beauty, were it not that man's energy has skilfully planned the use of turbines under the forcing stream of water which supply electric power and light for a vast portion of northeastern United States.

Every man in the world contains within himself potential energy strong enough to make him reach greater heights than he thinks are possible to attain. It needs only the proper moment, the proper inspiration to unleash those forces.

It is a sad fact that many of us draw from our innate capacities only enough power to bump along, or, at most, enough to attain our small ambitions. We are as niggardly in the expenditure of our energy as though we expected mental and physical bankruptcy at any moment.

Human power contains a paradox. It increases with spending. The more we use our powers, the more power we have to use. Tap your sources of power, and you will find a well nigh inexhaustible supply. Most of us "can't" because we think we can't. We fear to start lest we shall not be able to finish.

Do not be afraid of overdoing. More people rust out than wear out. There is no more exhilarating feeling in the world than to know that you are going full blast, your powers unflagging, untiring, and ever increasing.

Answers to Legal Questions on Page Eleven

1. No. Courts, on equitable principles, have power to restrain sales of real estate under mortgages or deeds of trust and have frequently done so in proper cases. However, the exercise of this beneficent power has usually occurred where fraud, restraint, oppression, usury, mistake, or other facts disclosing an unconscionable advantage have been shown. Unless such elements appear, the courts have refused to stay the exercise of the power of sale in a mortgage or deed of trust when all the necessary requisites of a valid sale have been observed and pursued. It cannot be said with absolute finality that no economic or financial stringency or distress would warrant the intervention of equitable principles in restraining the power of sale in instruments securing debts, but certainly the mere facts of a general depression and the probability that the property will bring a low price at forced sale are not enough to warrant the intervention of equity and the issuance of an injunction.

2. The estate of Florence Nickels is chargeable with the burial expenses, including the expense of a monument, but is not chargeable with the medical expenses of her last illness because the medical expenses were actual incidents to her support whereas the funeral expenses were not. Funeral expenses are, under general law, chargeable to decedents' estates and this general law applies in this case for it is a much stronger reason for making the charge against her estate than is some reason that it should be chargeable to her husband because it was part of her support when in reality it was no part thereof. Under decisions in most states a husband is liable for the expenses of the last illness of his wife rather than her estate, however the authorities are in conflict as to whether he, rather than her estate, is liable for her funeral expenses. Some states hold that the husband must pay the funeral expenses if he is able to do so and if it would operate to the detriment of his wife's creditors if he did not do so.

3. No. A person is presumed to be innocent until he is proved to be guilty. The presumption exists until a verdict of guilty is brought in by the jury. Alibi is not only a proper defense but to an innocent man it is always an essential defense. Indeed, it may be his only defense. It affords, when established, the most perfect and physically conclusive evidence of his innocence. To instruct a jury that this refuge of an innocent man, actual or presumptive, is a rogue's defense is impliedly to assign the defendant to a class to which in fact he may not, and in law he certainly does not, at that stage of the trial, belong. It throws discredit upon and disparages a perfectly legal defense and strongly indicates the impression the case has made upon the court. Any instruction which tends to belittle or disparage an alibi defense because it is that type of defense is erroneous and constitutes prejudicial error. In the present case the defendant should be allowed a new trial.

4. The bank should prevail. The words "as per contract" on the face of a promissory note, which are separate and distinct from the rest of the note, do not destroy its negotiability. Generally speaking, whenever a bill of exchange or promissory note contains a reference to some extrinsic contract in such a way as to make it subject to the terms of that contract, as distinguished from a reference importing merely that the extrinsic agreement was the origin of the transaction or constitutes the consideration of the bill or note, the negotiability of the paper is destroyed. Such is not the case here. The words do not qualify the promise to pay but rather indicate that the note was made pursuant to or in accordance with some contract. In short, they appear to be in the nature of a memorandum identifying the note more than anything else.

5. Yes. The bank could not insist that it had a valid lease on the premises with the oil company because no lease was approved and because a lease for such a period as the one contemplated is not binding unless in writing and signed by all parties thereto. However, the bank did spend certain sums on alterations, which expenditures were caused by the representations of the local agent that the lease was approved. Since the local agent had conducted all the negotiations the bank was within its rights in considering that his representations to the effect that the lease had been approved were true and were binding on the company. Accordingly, it is entitled to reimbursement for such expenditures as it made on account of the misrepresentations of the local agent of the oil company.

6. Yes. The test is whether the maintenance of the property or, rather, the maintenance of the attractive nuisance, was the proximate cause of the damage. Unquestionably it was. Proper safeguards were not taken to keep children from entering the mine and no safeguards were taken to keep the mine safe even if they did enter into it. The mine taken in its entirety constituted the attractive nuisance. The gas was just as much a part of the mine as the manway. Damages are therefore recoverable for injuries done by the gas.

7. No. The partition should not be granted. A provision in a will which prohibits or postpones a partition of the estate, is valid, and since a will is to be executed in accordance with the intent of the testator, no partition will be granted where the will expressly or by implication directs that the property be kept intact. The rule that a will must be carried out as much as possible in accordance with the intent of the testator is controlling rather than any rule indicating that the restriction is void because it is repugnant to the fee.

8. No. The bank and Kidder attempted to exempt from the conveyance between themselves a fixture by an external agreement not a part of and not referred to in the deed. This they could not do so as to make the agreement binding on Kidder's successors who had no notice of same. As between Kidder and the bank the elevator was personal property but Ammons was not informed of this and since it was attached to and made a part of the building Ammons rightfully considered that it came to him as part of the transaction whereby he obtained the property. Accordingly, his rights are paramount to those of the bank. They would not have been, however, if the bank had reserved the elevator to itself in the deed from it to Kidder.

9. Imsholtz should receive the letters patent. The death of a party to an escrow agreement will not abrogate that agreement. Here Ware agreed that the bank should deliver the letters patent to Imsholtz if he paid $500 within 30 days. Generally speaking a man's heirs are bound by his contracts with reference to property belonging to him. The bank was the agent of both parties and was obligated to carry out the agreement whether both parties lived or not. If Ware had lived the escrow would have been carried out. It is only fair that it be carried out in the event of his death.

10. No. Thresher's lien statutes are special creatures of the law and the statutes must be strictly carried out in order to perfect them. It is mandatory that the statement setting forth the lien claimed be verified and the lack of a verification on the statement filed, which was to serve as a notice to the public, necessarily defeats the lien, for the requirement is made so as to insure truth and veracity in such statements. Furthermore the lien is not valid even though Jordan swore to the truth of the statement before the notary because the statement cannot be reinforced by outside references. It must be complete within itself to have effect as a statutory lien.

Charges Big Cities Got R. F. C. Loans

More than 80 per cent of the billion dollars loaned secretly by the Reconstruction Finance Corporation during the five months' period prior to July, 1932, when Congress ordered publicity of fresh loans, went to bank and railroad corporations and most of the bank loan funds were received by large institutions, John T. Flynn, author and economist, declared in an article appearing in the January Harper's Monthly.

Delving deeply into activities of the R. F. C. during what he terms "a period of darkness," Mr. Flynn takes issue with direct statements of President Hoover, charges Eugene Meyer, governor of the Federal Reserve Board, Charles G. Dawes, former vice-president, and the Comptroller of the Currency with issuing statements to camouflage R. F. C. transactions, and claims that political expediency rather than a desire to revive business characterized many of the loans.

"Three weeks after the R. F. C. started to function," according to Mr. Flynn, "the Comptroller of the Currency declared that $24,000,000 had been lent to banks scattered all over the country. The number of the banks were scattered indeed. But the money was not. Twenty-one millions out of the 24 went to just two banks.

"Two weeks later the White House issued a statement that the R. F. C. had lent $61,000,000 to financial institutions, including 255 banks, mostly small country banks. But the fact is that of the $61,000,000, $41,000,000 went to just three banks."

Mother: "Willie, never do anything which you would be ashamed for the whole world to see."

Willie: "Hooray! Then I won't have to take any more baths!"

When a man begins to bluster he is admitting that he has no more arguments to offer.

Mississippi Minstrels Play to a Packed House

WITH the house so crowded that it was difficult to tell whether it was a Democratic rally or a personal appearance of Greta Garbo, the Strassburger Hall curtain raised on the evening of December 21 to the invigorating strains of "Happy Days Are Here Again," and the Mississippi Minstrels and Valley Vanities were on. The cast was drawn from the personnel of the Mississippi Valley Trust Company, St. Louis; the house contained the rest of that institution's personnel, their friends and families, and many of the officers including Sidney Maestre, president of the bank.

It is difficult to criticize the show because there was so little to criticize; it is difficult to tell what happened because there was so much. But it is easy to say that from the opening gong to the closing curtain the Mississippi Minstrels and Valley Vanities were a "howling" success. Laughter and applause due to the antics of the Minstrels, led by Interlocutor Carroll Sibley, and the performance of the Vanities cast, more than once seriously interrupted the continuity of the show.

Sibley, in the fashion of the old-time medicine man, started the show with an exposition of the English language which left the audience with a very distinct realization of its lack of understanding of Mr. Webster's famous tome. Then followed several singing and dancing skits interspersed by wisecracks of the minstrels which served as a hilarious introduction for the many entertainers.

Herb Heil delighted the audience with "You're My Everything," and then Sibley, in classic language, modestly recounted a story involving beautiful maidens in danger and a thrilling rescue which he effected. John Bogdanor and Lillian Mercer next entertained the assembly with a heart-throbbing rendition of "I Ain't Got Nobody," fast repartee and a dance.

Jack Kelly singing, "If I Should Wake and Find Your Arms Around Me," Bus Brown singing, "Whatcha Goin' to Do When the Rent Comes 'Round?" William Brady's rendition of "A Little Street Where Old Friends Meet," and Flora Mitchell crooning, "Harvest Moon," followed in order. All were presented in a professional style that might be envied by many of our people who earn their living these days under the guise of "entertainers."

Elmer Wagner sang "Shantytown" as the next number of the program and then entered into a witty discussion with the Interlocutor and Dick Guth, Al Herthel and Alvin Crowe, dressed in their darktown finery.

"Old Man River," sung by Archer O'Reilly, came as a climax to the show and was followed by "Shortening Bread" as an encore.

In addition to Miss Lillian Mercer in blackface and Miss Flora Mitchell in a specialty number, the stage was also favored with the feminine charm and voices of the Misses Josephine Hickey, Adele Warren, Wilma Dosenbach, Alberta Funk and Rowena Clawsey. Miss Mildred Hart accompanied the soloists and chorus.

Messrs. Ed. Brockmeyer, Ray Grellner, Robert Svoboda and Victor Stepka added their masculine voices to create an unusually good chorus.

The real mainspring of the show was Bill Heaton, that organizer without equal, whose capable direction was clearly in evidence throughout the entire production.

After the show, dancing, bridge and turkey raffles were the order of the evening, with Mildred Hart and Erwin Steis winning the prize foxtrot while Marie Signaigo and John Vollman captured the honors in the waltz. Mrs. Ann Wall and William Brady won turkeys and Mary McCabe and Al Herthel took the attendance prizes.

A new type of investment trust, with special features designed to overcome inelasticity inherent in the fixed-trust type, has been announced by Administrative and Research Corporation, New York.

The trust, Quarterly Income Shares, Inc., is comprised of common stocks in thirty-five American corporations, all of which have continued to pay dividends throughout the period of depression. They include 9 industrial companies, 7 foods and tobacco companies, 2 merchandising companies, 5 banks, 4 oils and 8 utilities. Funds may be placed in 25 other corporations, which constitute a reserve list. The investment in each company is limited to 5 per cent of the total assets of the trust.

Elasticity is in the reserve list and it has a provision which permits, but does not require, the addition of one eligible company in any calendar year, but only after three months' written notice. Any company may be removed from the eligible list by the board. Another provision is designed to cover extreme situations where it might become desirable to add more than one eligible company in a calendar year, to be governed by vote of 51 per cent of the outstanding shares.

Members of the cast of the Mississippi Minstrels and Valley Vanities and a few of the officers of the Mississippi Valley Trust Company.

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