

# MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

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ST. LOUIS  
APRIL  
1937  
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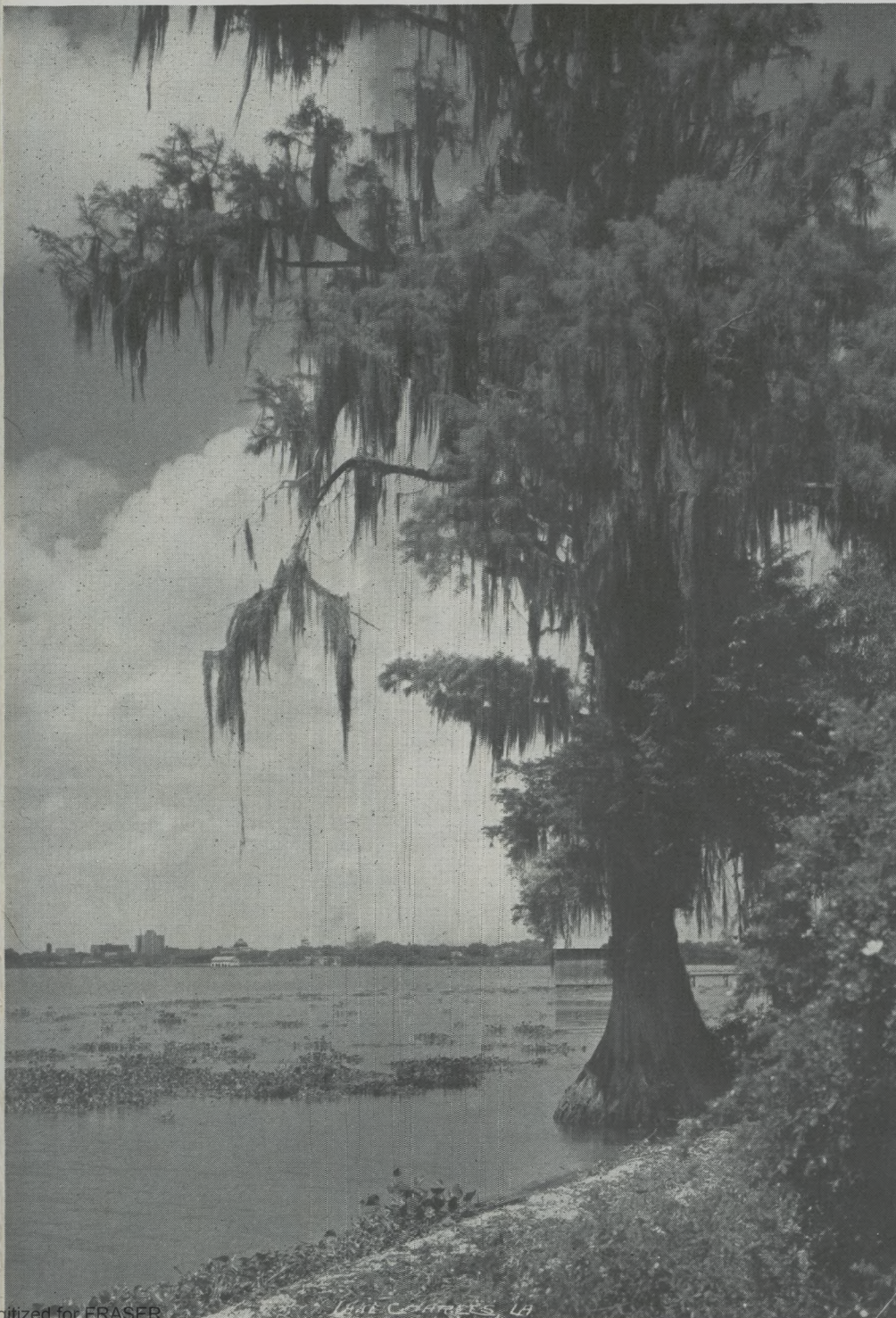
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April 14-16





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## Convention Calendar for 1937

- Alabama:** Tutwiler Hotel, Birmingham, May 27-28.  
**Arkansas:** May 4-5, Little Rock.  
**California:** Huntington Hotel, Pasadena, May 12-14.  
**Colorado:** Estes Park, June 18-19.  
**Georgia:** Rome, June 10-11.  
**Illinois:** Chicago, May 24-26.  
**Indiana:** Indianapolis, May 5-6.  
**Iowa:** Warrior Hotel, Sioux City, May 31-June 2.  
**Kansas:** Wichita, May 13-14.  
**Louisiana:** Lake Charles, April 15-16.  
**Maryland:** Traymore Hotel, Atlantic City, N. J., May 13-14.  
**Massachusetts:** New Ocean House, Swampscott, June 10-12.  
**Michigan:** Grand Hotel, Mackinac Island, June 24-27.  
**Mississippi:** Edgewater Gulf Hotel, Edgewater Park, June 8-9.  
**Missouri:** Jefferson Hotel, St. Louis, May 10-12.  
**North Carolina:** Carolina Hotel, Pinehurst, May 6-7.  
**Ohio:** Deshler-Wallick Hotel, Columbus, May 19-20.  
**Oklahoma:** Biltmore Hotel, Oklahoma City, May 6-7.  
**Pennsylvania:** Hotel Traymore, Atlantic City, May 26-28.  
**South Carolina:** Francis Marion Hotel, Charleston, May 4-5.  
**South Dakota:** Rapid City, June 2-3.  
**Tennessee:** Nashville, May 11-12.  
**Texas:** Gunter Hotel, San Antonio, May 18-20.

### General Conventions

- April 18-21:** A. B. A. executive council, annual Spring meeting, Arlington Hotel, Hot Springs Ark.  
**April 28-30:** National Association of Mutual Savings Banks, Waldorf-Astoria Hotel, New York City.  
**May 6-8:** National Safe Deposit Association, Willard Hotel, Washington, D. C.  
**June 7-11:** American Institute of Banking, Hotel Lowry, St. Paul, Minnesota.  
**September 13-16:** Financial Advertisers Association, Syracuse, N. Y.  
**October 11-14:** American Bankers Association, Hotel Statler, Boston  
**Nov. 3-7:** Investment Bankers Association of America, White Sulphur Springs, W. Va.

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# Mid-Continent Banker

The Financial Magazine of the Mississippi Valley

Vol. 33 No. 4

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# Future Prospects of the Government Bond Market

By C. G. MORGAN, JR.

Mackubin, Legg & Company  
Baltimore, Maryland

**D**URING the past several years it has been my observation that many investors are inclined to appraise the prospective future movements of the bond market by past records. They will look at charts showing that at one time  $4\frac{1}{4}$  per cent Government obligations sold at 85, and I have often heard the statement—"They sold down there once and they'll do it again."

While it is frequently necessary to refer to past movements as a guide for market relationship between various issues, and possible intermediate fluctuations, the application of this method in an attempt to judge the long term trend has recently proven quite costly. These investors have missed out on the most profitable bond market that you and I will probably ever see in so short a period of time.

There is one fundamental factor which has always controlled the long term trends of the Government bond market, and that is the *money market*. The investor who remembers "Governments" selling in the low eighties seventeen years ago, fails to remember that at the same time commercial money rates in New York City were in excess of 8 per cent, which was the cause of the excessively low prices of not only Government, but Corporation bonds. Broadly speaking, bond prices and money rates move in opposite directions, and it is the change in money rates which causes the change in bond prices. Now, as the money market exerts such influence on the bond market, it is essential that we follow the money market very closely, just as the shoe manufacturer follows the leather market, and the tire manufacturer the rubber market.

Since the first of this year we have heard a great deal about higher money rates. We have seen the rates of nine month Treasury Bills advance approximately  $\frac{1}{4}$  per cent to  $\frac{3}{8}$  per cent, and other short term rates advanced slightly. Will this trend continue, and if so what will be its effect on the prices of Government securities in

general? These are the questions we are asking ourselves. I cannot feel that this slightly higher trend of short term money rates is going to be sufficient to have a damaging effect on the general price level of Government bonds. So far, aside from the advance in the Treasury bill rate, we have seen a downward adjustment of the price of Treasury notes and the shorter maturities of Treasury bonds. Whether these maturities have fully discounted the apparently changed money conditions remains only for the future to reveal, but their market actions since the recent announcement of increased reserve requirements indicate that they have, at least for the present.

Although the volume of commercial loans has advanced considerably during the past twelve months, it appears to me that the present trend of higher money rates, which has developed since the first of the year, is more artificial than genuine, inasmuch as it has been brought about by factors other than those causing the normal supply and demand. We should therefore consider the objective of those who are able to exert this control over the money market. During the past six months the Treasury Department and the Federal Reserve Board have taken steps to adjust excess bank reserves. It would thus appear that these agencies feel the advances in bond prices have progressed to sufficient heights, but when we consider the financial policies of the present Administration, it is reasonable to assume that it is the desire of the authorities at Washington to see the prices of Government securities continue around

current levels. We must not forget that the whole basis of the financial program for recovery has been, and probably of necessity will continue to be, cheap money. The national debt, as we all well know, has grown by billions during the past six years, but the increased cost of carrying this debt, through the application of this cheap money policy, has shown a much

smaller percentage advance.

This is clearly brought out in the most recent annual report of the Secretary of the Treasury. This report shows that the interest bearing Government debt increased from \$15,900,000,000 as of June 30, 1930, to \$32,700,000,000 as of June 30, 1936, or an increase of slightly in excess of 100 per cent. The cost of carrying this debt increased from \$606,000,000 for the fiscal year, 1930, to \$838,000,000 for the fiscal year 1936, or only about 38 per cent. The annual rate of interest on the public debt declined from 3.80 per cent to \$2.56 per cent during this same period. It can therefore be seen how important a factor cheap money has been to the Government from this standpoint, and there seem to be ample reasons for the Administration to desire a continuance of cheap money for some time to come. Even if we are fortunate in having a balanced budget in the near future, many billions of Government obligations must be refunded during the next five years, and unless the Treasury can continue to enjoy rates approximating present levels, this might prove to be a rather expensive operation.

Every move on the part of those who are in a position to influence the levels of the money market has been, and no doubt will continue to be, weighed very carefully before action is taken. Therefore, it appears that we have very little to fear from the standpoint of artificially higher money rates materially affecting the present price level of Government obligations in the near future.

Now, we come to the other impor-

tant factor in the money market, and that is the normal supply and demand. As we gradually progress to greater business activity it is natural to assume that there will be more demand for bank credit. This development should receive our most careful attention. If we are dependent to a large extent on the income from our bond account we do not want to act too quickly, solely on the theory that business activity is going to cause higher money rates. The one thing we should follow carefully is the extent to which this activity requires bank credit. During the past few years there has been a vast change in the methods of doing business, and it is generally conceded that the change which has perhaps had the greatest effect on requirements for bank credit—is the improvement in transportation facilities. Within 48 hours merchants can receive goods from distant places, whereas some years ago it was a matter of weeks. This permits the merchants to carry a smaller inventory, and so requires less bank credit, as the larger corporations are usually in a better position to finance themselves than are the small local companies.

Loans on securities, which in past years have been very profitable to banks, are at present being closely watched by the Government authorities, and will no doubt be held down to a relatively moderate amount for some time to come.

A development which has probably had more effect on the requirements for bank credit in recent years than our changed business methods, is the activity of the various government agencies in the financial field. This is a condition which shows signs of changing, but the development will most probably be too slow to make any material difference in the near future.

The following figures taken from the Federal Reserve Bulletin present a rather interesting comparison of the relationship between industrial activity and bank loans during the past two years, and for a similar period ten years previous. From June 30, 1924, to June 30, 1926, the industrial production index figures advanced from 85 to 108, or 23 points. Loans of all banks in the country during the same period advanced by \$4,635,000,000. From June 30, 1934, to June 30, 1936, the industrial production index figures ad-

vanced from 84 to 104, or 20 points, while loans of all banks declined by \$599,000,000.

After considering the factors which will probably control the future movements of the money market—namely, artificial operations and industrial requirements, it appears that we will be faced with relatively low money rates, and hence comparatively higher bond prices for some time into the future.

There is another factor which will quite probably play no small part in the future of the Government bond market, and that is the investing of receipts of the various Government Trust Funds, foremost of which is the Social Security. This, together with the annual sinking fund operations, when our budget is actually balanced, will no doubt consume many millions of the bonds now in the hands of the public.

Some observers are even now expressing the belief that these operations may reach sufficient proportions to create a scarcity value on Government obligations. While such a condition may develop, it would seem unwise to look so far into the future, par-

(Continued on page 37)

## Union Planters Announces Promotions

**P**ROMOTION of three employes of the Union Planters National Bank and Trust Company, Memphis, Tennessee, was announced last month by Vance J. Alexander, president of the bank.

O. K. (Mike) Earp, who entered the employ of the bank as a bookkeeper in 1918, was advanced from the position of assistant vice president to vice

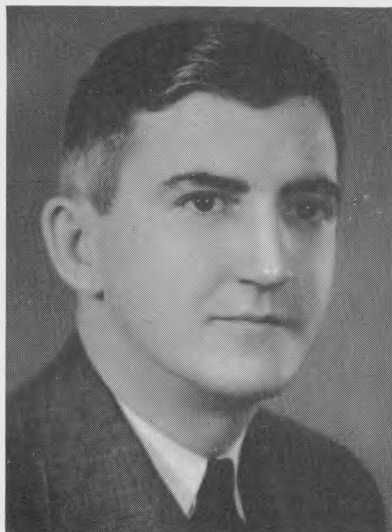
president. Mr. Earp will continue in the department designed to create new business for the institution.

Also promoted from assistant vice president to vice president was Doddridge Nichols, a native of Obion, Tennessee, who started with the institution as a clerk 19 years ago.

The third promotion went to Julian A. Lohmeyer, a native Memphian and

an employe of the bank for 14 years. He was advanced to the position of assistant cashier and will work with Mr. Earp in the development of new business.

In announcing the promotions, Mr. Alexander said the bank was continuing its policy of advancing men in the organization instead of recruiting executives not employed by the firm.



O. K. EARP



DODDRIDGE NICHOLS



JULIAN A. LOHMEYER

# F. H. A.

# Insured Mortgages

— A Safe Form of Investment

By **CLYDE L. POWELL**

**Assistant Deputy Administrator  
Federal Housing Administration**

**D**URING the period of our economic depression bankers generally hesitated to participate in various efforts made to bring about recovery. Their position can be easily understood, for any banker who had a wholesome and warranted regard for the interests of his depositors was naturally cautious after the experience of the depression years. Considerations of this type prompted many bankers to withhold their support of measures calculated to promote economic recovery.

They have been alive to the purchase of Government securities, although the yield, because of the great demand, is exceptionally low. They have maintained that they have been anxious to make loans to qualified borrowers, but have insisted that there was very little demand for credit by acceptable risks.

When the banker has said that he is ready and willing to care for all sound credit requirements he naturally has meant credit of the type that he considers safe. His idea of safety, of course, has been tempered by the experiences of the past few years when many of his loans have either proved to be losses or have become frozen assets that he found impossible to convert into cash with which to meet the demands of his depositors.

At the beginning of the depression he had an insecure feeling about the stability of deposits and it grew as deposits increased. The Federal Deposit Insurance measure has relieved him of much of his uneasiness in this respect for depositors themselves now regard funds in banks as safe and have had no incentive to start bank runs or to hoard their funds. Thus it has become necessary for the prudent banker to look about for safe investments other than those offered by Government securities and commercial loans. He cannot longer depend upon these as the main source of earnings.

The Federal Housing Administra-

tion's insured mortgage has offered him a form of safe investment and now after more than two years of trial and test bankers have come to recognize its soundness. More than 10,000 financial institutions throughout the country including national banks, state banks, building and loan associations, insurance companies and others have been approved by the Administration as mortgagees.

Insured loans cannot exceed \$16,000 nor 80 per cent of the appraised value of the property. Under regulations adopted by the Administrator mortgages may have a maturity up to 20 years and are payable in monthly installments. They bear interest which shall not be in excess of 5 per cent on outstanding balances and the mortgagee is permitted to charge, in addition to the interest, one-half of one per cent of the unpaid balances for servicing the mortgages. An additional one-half of one per cent of the original principal of the mortgage is paid by the borrower as an annual insurance premium.

This premium goes into a mutual mortgage insurance fund, created by the National Housing Act which Congress initiated with an appropriation of \$10,000,000. Losses are paid out of this fund in the form of debentures. These debentures are issued by the Federal Housing Administration upon the foreclosure of a defaulted mortgage, and the conveyance to the Administrator of the property secured by the mortgage. The debentures fall due on the first of July three years after the original maturity date specified in the mortgage on the property in exchange for which the debentures were issued. These debentures bear 3 per cent interest. They are issued for the amount of the unpaid principal of the mortgage together with interest at the rate of three per cent from the date when foreclosure proceedings were begun, plus such amounts as the

mortgagee may expend for taxes and hazard insurance on the property mortgaged.

The original act provided that on all mortgages insured prior to July 1, 1937, the debentures would be guaranteed as to principal and interest by the United States Government. With the success of the plan before it, Congress has amended the Act so as to continue the Government guarantee of these debentures until July 1, 1939.

This has been done not as a necessary but as a precautionary measure to encourage lending institutions to continue the practice so many of them have now adopted of negotiating insured mortgages for home owners and home builders. After more than two years of experience in the field of insured mortgages involving more than 113,000 mortgages amounting to nearly half a billion dollars, the Federal Housing Administration has been called upon to issue debentures for only 12 defaulted mortgages amounting to a little more than \$50,000. Of these, one foreclosed property has been sold by the Administrator for an amount sufficient to cover the total of the debentures issued against the loan, and to return a small amount to the original mortgagor. Thus the amount of debentures outstanding at the present time is slightly in excess of \$47,000.

In the meantime the total of the mutual mortgage insurance fund including the original appropriation and the earnings from premiums and other sources stands at more than \$16,000,000. The amount should exceed \$20,000,000 by the first of the next fiscal year, July 1, 1937. Thus it will be seen that the Government may never be called upon to pay out any funds on account of its guarantee of these debentures.

The bank or lending institution will never be called upon to enter the real estate business to protect its interests.

(Continued on page 33)

## Arkansas Groups Close Annual Meetings

THE 1937 group meetings of the Arkansas Bankers Association were concluded last month with meetings of Group Four held at El Dorado on March 16, Group Two at Heber Springs, March 18, and Group One at Marion, March 19. More than 300 persons attended the meetings, which is believed the largest group ever in attendance at the annual sessions. Last month the MID-CONTINENT BANKER reported on the meeting of Group Three, held at Fayetteville.

Speakers at the meetings included Grover Jernigan, State Bank Commissioner; J. H. Penick and Robert E. Wait, vice president and secretary, respectively, of the Arkansas Bankers Association; J. J. Pyeatt, president of the Junior Bankers Section of the Association; W. A. McDonald, vice president of the Commercial National Bank, Little Rock, and chairman of the Association's legislative committee; A. G. Kahn, president of the Union National Bank, Little Rock; Lawrence B. Burrow, attorney, Little Rock; B. A. Lynch, president of the Farmers Bank & Trust Co., Blytheville; Clarence C. Twist of Twist; John Mack Smith, attorney of Marion; W. L. Deal, and O. B. Robbins, director and president, re-

spectively, of the Cleburne County Bank, Heber Springs; Tom Shiras, president of the Peoples Bank, Mountain Home; Mrs. B. L. Ross, wife of the president of the Phillips National Bank, Helena, speaking for her husband who was ill with the flu; M. G. Wade, vice president and cashier of the First National Bank, El Dorado; Basil Hoag, assistant cashier of the State National Bank, Texarkana; J. C. Landes, cashier of the Peoples Bank & Loan Company, Lewisville; Garland Hurt, cashier of the Citizens National Bank, Camden; Chas. A. Gordon, cashier of the Simmons National Bank, Pine Bluff; and J. K. Mahony, attorney of El Dorado.

New group officers were elected as follows:

Group One: chairman, Wade Scales, vice president of the Bank of Augusta, Augusta; vice chairman, R. C. Mitchell, cashier of the New First National Bank, Paragould; secretary, E. L. Moore, vice president and cashier of the First National Bank of Lawrence County, Walnut Ridge.

Group Two: chairman, J. H. Deener, cashier and secretary of the Security Bank, Searcy; secretary-treasurer,

Neill Fletcher, cashier of the First State Bank, Lonoke.

Group Four: chairman, F. M. Holt, cashier of the Merchants & Planters Bank, Warren; vice chairman, C. C. Spragins, cashier of the Citizens National Bank, Hope; secretary and treasurer, G. C. Johnston, cashier of the Dermott State Bank, Dermott.

Group Two probably will hold its 1938 meeting in Morrilton; Group Three at Fort Smith; and Group Four at Texarkana.

Bankers from many surrounding states as well as within Arkansas attended the meetings, including many from St. Louis, several from New York, and delegations from Memphis banks.

### Elected Vice President of Boatmen's National Bank

The board of directors of the Boatmen's National Bank, St. Louis, elected Harry F. Harrington vice president in charge of operations of that institution



HARRY F. HARRINGTON

on March 16, 1937. Prior to his promotion, he held the position of auditor.

Born at the turn of the century, Harry began his banking career at the early age of fifteen. After acquiring a thorough background of practical banking by working up through the various departments, he was made assistant auditor in July, 1921, and appointed auditor in May, 1928.

For many years Mr. Harrington has been a member of the St. Louis Conference of Bank Auditors and Comptrollers and was elected chairman of that group for the year 1932-33. He is a member of the Missouri Athletic Association, where his recreation specialties are handball and volley ball.

## Dietz, Chamberlain Offices



Pictured above is a view in the offices of Dietz, Chamberlain & Co., newly formed St. Louis investment firm with offices in the Boatmen's Bank building.



# Possibilities of Bank Stock Investment Trusts

By CARLYLE L. DETJEN

Detjen & Company, St. Louis

IT is probably safe to say that the "average" investor is not a pronounced success. If he avoids the speculations which masquerade as investments, he still must face the perplexing problem of making a skillful selection of the sound securities best suited to his needs. Questions of diversification, maturity and income confront him. His task is not easy, but modern investment science, as applied in the operation of the restricted management type investment trust, affords him an investment which is ideal in its purpose to provide a security which combines:

1. *Largest fixed yield consistent with safety.*
2. *Assurance of stable minimum yield.*
3. *Appreciation of principal.*
4. *Permanently increasing net income.*
5. *Expert and specialized supervision.*
6. *Regular income without attention.*

The restricted management type of investment trust was created to enable investors to acquire an interest in the stocks of leading companies without the inconvenience of the many duties attached to holding the shares of numerous institutions. As an investment company it can accomplish many things which investors cannot very well do for themselves. It can afford to employ the best investment talent available. To the tasks of analyzing balance sheets and appraising the character of management and the possibilities of expansion, it brings the services of many trained minds—men with wide and successful experience, who have contacts and affiliations which frequently enable them to learn facts that are not at all widely known. Thus it can often avoid pitfalls that would entrap the individual, and frequently, because of advance knowledge of favorable conditions, it will substantially increase the safety value of its assets.

A restricted management type trust with its assets invested in the stocks of the nation's largest and most successful banks has a particular appeal. Bank stock trust shares present an out-

The author of this article was one of the first men to sell investment trusts in the Middle West. He was at one time connected with A. W. Porter, now president of A. W. Porter & Company, New York, and an early leader in the investment trust field in this country, and with the late Walter Arndt, who was active in the organization of several investment trusts and was considered an outstanding authority on the subject.

standing opportunity to share in the profits that will necessarily result from continued business recovery. The potential earning power of our largest banks was never greater. The leverage factor made possible by the huge total of interest-free deposits, the drastic write-offs of the depression years, and the present low interest levels combine to place our largest banks in a position which is exceptionally favorable to the investor. The demand for money seems to be increasing and interest rates are stiffening. These two factors spell increased bank earnings.

A survey of a picked list of seventy-five of the nation's largest banks reveals some interesting facts. In every year through the recent depression everyone of these banks continued to pay dividends. These seventy-five banks have an average age of eighty-five years and have paid dividends without interruption for an average of sixty-four years. These banks represent only one-half of one per cent of the total number of banks in the nation, yet they represent nearly fifty per cent of all bank deposits in the United States.

The stability of cash dividends has been one of the outstanding attributes of principal bank stocks. Moreover, the service offered by banks is in de-

mand in bad times as well as in good times. Even during the recent depression these characteristics have been pronounced. And at a time when many of our leading industrial, railroad and utility corporations had severely restricted, and in many instances entirely eliminated, dividends.

The largest banks of the nation constitute the bulwark of American industry and commerce and have not been influenced by the fashion or decay of a single industry. Many of these banks furnished credit to the harness maker years ago, and today are financing automobile manufacturers. The leading banks at the turn of the century are the leading banks of today. They are, in a sense, partners with every big business. Moreover, the safety of banks is being increased by strict Federal and State supervision. Risk is being minimized by the huge surplus accounts which these institutions are building and by the extraordinary industrial and geographical diversification found in their loans and in their investments. In addition, the nation's largest banks command management of the highest calibre. A composite board of directors embracing the large New York banks would include a high percentage of the leaders of finance and industry.

From 1910 to 1930 the stock of a group of our large eastern banks sold on an average of about 2½ times book value. At current prices the ratio is only a little more than 1½ times book value. Obviously a return to the average nominal level will result in substantial appreciation. Other favorable factors which deserve mention include the increasing importance of New York as the money center of the greatest creditor nation in the world, continued population growth, and augmented profits to be obtained by expanding trust business.

If tested and not at all occult principles are established and obeyed, if management is practically and professionally skilled, shares of restricted management type trusts invested in stocks of the nation's leading banks would appear to offer an ideal investment medium.

# Can You Answer These Ten Legal Questions?

By CHARLES H. WAGER

Attorney at Law, St. Louis

**1.** A well known oil company rented a filling station from a banker in Louisiana. The oil company painted the station in its own particular, distinctive colors and painted thereon its own particular, distinctive designs. The lease provided that the oil company would return the station to the owner at the end of the lease and would restore it then to the condition in which it was at the date of the lease. Do such provisions require the oil company to paint out and obliterate the distinctive colors and designs painted on the station by it when the lease terminates?

**2.** A Tennessee banker bought some life insurance and paid the premiums thereon for ten years. The company became insolvent. Should his claim against its liquidator be for the premiums paid or for the value of the insurance?

**3.** Johnston went into bankruptcy. Lane, the trustee of his estate, opposed and contested his discharge as a bankrupt because of the issuance by Johnston of certain alleged false financial statements prior to the bankruptcy. Johnston hired Shiely as his attorney. Shiely brought about a successful termination of the contest in Johnston's favor. Shiely applied to the bankruptcy court for an allowance out of the bankrupt's estate for his services. A New York bank was involved heavily in the matter and was therefore interested in the outcome. Should Shiely's application be granted?

**4.** Scoleson sued a Minnesota bank for salary due over the period from January 1, 1931, to January 1, 1932. The bank counterclaimed, asserting that he converted to his own use its funds in an amount greater than the alleged salary due during that period. Scoleson replied that the bank had previously sued him and his bonding company for conversion; that a final judgment had been obtained

in that case; and that the matter was res adjudicata and could not be urged as a counterclaim in the suit instituted by him. The bank thereafter replied that its suit for conversion covered the diversion of funds over a period of time other than the period involved in Scoleson's salary suit against it and that its action in counterclaiming as it did was proper. Are the bank's contentions sound?

**5.** A tax specialist agreed to prosecute a claim against the United States for an alleged overpayment of income tax in consideration of one-third of the amount recovered. He further agreed that he would pay his own personal expenses in connection with the assertion of the claim and that he should receive nothing if nothing was recovered. The man with whom the contract was made subsequently asserted it was unenforceable because it was a contract of champerty and maintenance. Are such contentions well founded?

**6.** A Wisconsin banker operated a retail coal yard. Gabler bought five dollars worth of coal at the yard on credit and failed to pay as agreed. The banker turned the account over to a collector to handle. The collector advertised it and other accounts for sale to the highest bidder in orange colored handbills which he circulated generally throughout the city where the coal yard was located. The advertisement stated that the accounts were guaranteed by the owners to be correct and undisputed and that they would be advertised until sold. Gabler sued the banker for damages, claiming his right of privacy was violated. Can he recover?

**7.** Stevens, an Arizona banker, conveyed certain real estate there to his son. Concurrently with the delivery of the conveyance the son acknowledged in writing that he held the property in trust for his father and would reconvey it to him on de-

Correct answers to these questions will be found on page 46 of this issue.

mand. Later differences developed between Stevens and his son. Stevens demanded a reconveyance, but his son refused to give him one, asserting that his father had verbally agreed, subsequent to the conveyance, that he, the son, should have the property. Will effect be given to the son's assertions?

**8.** A trust company invested trust funds in a note and mortgage, taking title in its individual name without the knowledge of Patterbottam, the beneficiary, but in good faith. It then entered this transaction on the separate books of its trust department and executed a declaration of trust, a method of transfer generally used by reputable institutions. Patterbottam, upon learning of the trust company's conduct, disavowed the mortgage, which had by that time greatly decreased in value because of a general decline in real estate values. Should the courts sustain this disavowal?

**9.** McNeff, a Utah banker, was also the agent for an insurance company. He was directed by the company to cancel immediately a certain policy sold by him. The company had the right to do this under the terms of the policy. McNeff willfully failed to carry out the company's orders. This action on his part resulted in a loss to the company. It sued McNeff for damages. Can it recover?

**10.** Clamp executed in favor of a New York bank a note for five thousand dollars due in thirty days. Ryan guaranteed the payment of the note. Clamp did not pay the note as agreed, however, he made payments on it from time to time over a period of about nine years in his capacity as an individual and not as agent for Ryan. Ten years after the note was given, Clamp went bankrupt. The bank sued Ryan, the guarantor. In that state the applicable statute of limitations is six years. The bank's claim against Ryan was, therefore, outlawed unless Clamp's payments prevented the statute from running. Should the bank recover a judgment against Ryan?

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FOUNDED



IN 1847

# The Port of New Orleans

By **A. W. PARRY**

**Vice-President, Tampa Inter Ocean Steamship Co.,  
New Orleans, Louisiana**

**T**HE Port of New Orleans is the hub of what is probably the most extensive transportation system in the world. Here some 13,000 miles of navigable inland waterways and some 50,000 miles of railroads converge and exchange traffic with some 90 steamship lines plying to all principal ports of the world.

The port itself has over forty miles of water front on the Mississippi River, and eleven miles on the inner harbor canal which connects the river with Lake Pontchartrain. The principal facilities of the port are owned by the State of Louisiana and administered by the Board of Commissioners of the Port of New Orleans, an agency of the State which was created in 1896. There are, in addition, modern, up-to-date railway terminals. The public facilities of the port extend over 7½ miles of the harbor, and represent an investment of approximately fifty mil-

lion dollars, not including land values. There are seven miles of wharves, most of which are covered with steel sheds equipped with a complete sprinkler system. The average width of the sheds is 200 ft., which affords ample room for the assembly, transfer, loading and discharging of cargo. Then there is the grain elevator, equipped with every modern device, and with a storage capacity of nearly three million bushels. In addition, the cotton warehouse, which was built at a cost of over six million dollars, is the largest shipside cotton warehouse in the United States. The port is equipped with every modern, up-to-date device for the expeditious handling of bulk cargoes, such as coal, sulphur and various ores, from car to ship, and vice versa. There are many other facilities, such as special equipment for the handling of bananas, cof-

(Continued on page 37)

## Groups in Illinois Hold Annual Meetings

**U**NDER a new ruling, the twelve groups of the Illinois Bankers Association held their annual meetings last month, instead of in June, as previously. Dates and places of meetings were: Group Eleven, March 16, at Belleville; Group Two, March 18, Dwight; Group Three, March 18, Mt. Prospect; Group Seven, March 18, Tuscola; Group Four, March 24, Kewanee; Group Six, March 24, Peoria; Group One, March 29, Chicago; Group Nine, March 30, Quincy; and Group Ten, March 30, at Olney.

Groups Eight and Twelve did not meet, but their executive councils met and passed on nominations for officers of the State Association. The nominating committee of Group Six, headed by Wm. E. Stone, Jr., vice president of the First National Bank, Peoria, presented their recommendations for State officers at the meeting of the Group.

Speakers at the meetings included: Hon. Henry J. Allen, former governor and United States senator for Kansas, journalist and newspaper publisher; Dr. Carl B. Spaeth, Rhodes scholar, Oxford University, England, and pro-

fessor of law, Northwestern University; George P. Lloyd, vice president of the Illinois Securities Company, Joliet; Prof. Frederic E. Lee, department of economics of the University of Illinois; Wood Netherland, vice president of the Mercantile Commerce Bank and Trust Co., St. Louis; James Roy Jackson, director of the Investment Analysis Bureau, and director of the department of finance, School of Commerce and Finance, St. Louis University; J. F. Schmidt, vice president of the Illinois Bankers Association, and vice president of the State Bank of Waterloo, Waterloo; S. Nirdlinger, executive vice president of the First Galesburg National Bank and Trust Co., Galesburg; H. E. Godehn, vice president of the Moline State Trust and Savings Bank, Moline; R. O. Byerrumm, vice president of the First Trust and Savings Bank, Davenport.

Officers of the odd-numbered groups were elected this year, following the Illinois Bankers Association's policy. New group officers are:

Group Three: president, Wm. Busse, Jr., president of the Mt. Pros-

pect State Bank, Mt. Prospect; vice president, Paul W. Ballance, president of the Villa Park Trust and Savings Bank, Villa Park; and secretary-treasurer, H. J. Bacon, cashier of the Cary State Bank, Cary.

Group Seven: president, A. A. Jones, cashier of the Dewey State Bank, Dewey; vice president, Fred Grant, vice president of the National Bank of Mattoon, Mattoon; and secretary-treasurer, M. C. Norton, assistant cashier of the First National Bank, Champaign.

Group Eleven: president, C. R. Torrence, vice president and cashier of the First State Bank, Chester; vice president, W. C. Gschwend, vice president and cashier of the Alton Banking and Trust Co., Alton; secretary, C. A. Heiligenstein, trust officer, First National Bank, Belleville; and treasurer, T. G. Braden, cashier of the Old National Bank, Centralia.

### Equitable Securities Office Opened at New Orleans

Equitable Securities Corporation, Nashville, Tennessee, announces the opening of a New Orleans office at 1433 Whitney Bank building, under the management of H. Frank Burkholder, assistant vice president who has been identified with the firm for the past



H. FRANK BURKHOLDER

six years. For three years Mr. Burkholder was manager of the firm's Nashville office, and for the past two years he has been manager of the municipal trading department in the main office at Nashville. Equitable Securities Corporation also maintains branch offices in New York, Atlanta, Chattanooga, Knoxville, Memphis, Birmingham and Greensboro.

# The Oil Bank of America



IT IS QUITE NATURAL that a bank cradled in the development of the Oil Industry, should fully understand the complexities involved in its financing. Making Oil Production Loans is a highly technical undertaking but our officers and directors are thoroughly familiar with the involved details. It is their business to know how to handle them. If you have occasion to do Oil Financing, let us participate with you. All the skill of performance that has given this bank its unique position is shared generously with our correspondents.

## NATIONAL BANK OF TULSA

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# NEWS OF THE BANKING WORLD

Prospective changes in interest rates and the condition of the bond market were two things uppermost in the minds of bankers who attended the annual Spring Savings Conference of the American Bankers Association held last month in New York City. Professor Marcus Nadler of New York University was a featured speaker, and said that the raising of reserve requirements marks the end of declining interest rates. He stated, however, that he did not believe that there were good grounds for the generally held fears of a sharp break in high-grade bonds, and that fear was the only thing that can bring about a break in the bond market at this time. "Past experience has shown that a sharp decline in long-term bonds takes place only in a period of great economic stress," he said. Noble R. Jones, savings executive of the First National Bank, St. Louis, and president of the

Savings Division of the A. B. A., struck the keynote for the convention when he said: "Every savings banker owes a very definite obligation to his immediate community, particularly just at this time, to unselfishly encourage and foster the ideals of thrift as a real contribution to our country's future prosperity and financial stability."



Bankers from all over the South gathered at Atlanta last month for the two-day regional conference sponsored by the American Bankers Association. Tom K. Smith, president of the Boatmen's National Bank, St. Louis, and president of the American Bankers Association, told those in attendance at the meeting that bankers face a big problem in deciding how much work now performed by the government can be turned back to chartered banks, and pointed out that the Association

is making studies to serve as the basis for negotiations with government officials on the curtailment of Federal banking activity. Robert V. Fleming, president of the Riggs National Bank, Washington, D. C., and immediate past president of the Association, told delegates that banking is still a mystery to many people and that promotion of better relations and better understanding between bankers and the people of this country is one of the most important problems which bankers have to face. One entire session of the two-day meeting was given over to a discussion of public relations problems, with J. A. Reagan of Rocky Mount, North Carolina, R. M. Johnson of Jackson, Mississippi, Alex Lindholm of Atlanta, Georgia, and Mr. Fleming as featured speakers. Another entire session was devoted to a discussion of bank management problems, with

(Continued on page 15)

## Louisiana Clearing House Meetings

FIVE Regional Clearing House Association meetings were held in Louisiana last month. The First, or Northeastern Association, met at Monroe on March 8; the Southeastern Association met at Baton Rouge, March 9; the Southcentral Association at Houma, March 10; the Southwestern Association, Crowley, March 11; and the Central Association, Alexandria, March 12.

W. B. Jacobs, vice president and cashier of the First National Bank, Shreveport, and president of the Louisiana Bankers Association, was a featured speaker at each meeting, addressing the groups on "Talking with You About Our Association." Other speakers at the meetings included: J. W. Bateman, director of the Agriculture Extension Department of Louisiana State University; Hon. Elward Wright, mayor, city of Houma; W. B. Machado, assistant vice president of the Hibernia National Bank, New Or-

leans, and secretary of the Louisiana Bankers Association; Frank P. Stubbs, Jr., assistant trust officer of the Commercial National Bank, Shreveport; and E. E. Soulier, executive vice president of the First National Bank, Lafayette.

New officers of the various Associations were elected as follows:

**First (Northeastern) Association:** President, J. C. Macpherson, vice president and cashier of the Bank of St. Joseph and Trust Co., St. Joseph; secretary-treasurer, W. F. Prickett, cashier of the Winnsboro State Bank and Trust Co., Winnsboro (re-elected).

**Southeastern Association:** Chairman, Sprague Pugh, cashier of the Iberville Trust and Savings Bank, Plaquemine; and secretary, C. E. Schonberg, president of the Commercial Bank and Trust Co., Covington.

**Southcentral Association:** Chairman, M. L. Funderburk, president and trust officer of the Citizens Bank and Trust Co., Houma (re-elected); and secretary, A. A. LeBourgeois, cashier

of the LaFourche National Bank, Thibodaux.

**Southwestern Association:** Chairman, L. J. Larcade, president of the Planters Trust and Savings Bank, Opelousas; secretary, A. S. Dudley, assistant cashier of the Calcasieu-Marine National Bank, Lake Charles.

**Central Association:** Chairman, T. S. Butler, vice president of the LaSalle State Bank, Jena; and secretary, J. A. Nugent, cashier of the Bank of Winnfield and Trust Co., Winnfield.

Highlights of the meeting of the Northwestern Association, held February 22 at Shreveport, were reported last month in the MID-CONTINENT BANKER. New officers of the Association are: President, V. V. Whittington, president and cashier of the Bank of Benton, Benton; vice president, C. O. Holland, president of the Peoples Bank and Trust Company, Minden; and secretary, R. McL. Jeter, vice president and trust officer of the Continental-American Bank and Trust Company, Shreveport.

## News of Banking World

(Continued from page 14)

P. D. Houston of Nashville, Tennessee, W. W. Woodson of Waco, Texas, J. L. Dart of Jacksonville, Florida, and J. F. Flournoy, Jr., of New Orleans as featured speakers. Other featured speakers at the general sessions included: Merle E. Robertson, president of the Liberty National Bank and Trust Company, Louisville; Oscar Wells, chairman of the board of the First National Bank, Birmingham; Richard Stockton, vice president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina; F. F. Florence, president of the Republic National Bank and Trust Company, Dallas; James H. Penick, vice president and cashier, W. B. Worthen Company, Bankers, Little Rock; W. B. Gladney, vice president, Bastrop Bank and Trust Company, Bastrop, Louisiana; Lane Young, vice president, Citizens and Southern National Bank, Atlanta.

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❑ **Net profits** of member banks of the Federal Reserve System showed a large increase in 1936, according to figures released by the Federal Reserve Board. Although current earnings showed little increase, there was a substantial decline in losses, and net profits for 1936 amounted to 8.6 per cent of total capital funds, as compared with 4.1 per cent in 1935, and an average of 8.9 per cent in 1928 and 1929. Similar figures released by the FDIC covering 7,584 insured state banks not members of the Federal Reserve System showed that net profits for these banks in 1936 amounted to 7.5 per cent of total capital funds.

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❑ **Almost 90 per cent** of all national banks have notified the Comptroller of the Currency that they have published their notices terminating double liability on their capital stock, as permitted under Title 12, USC, Section 64a. Nearly 600 national banks have not as yet taken advantage of this opportunity.

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❑ **Representative Patman** of Texas has launched a drive in the House to enlist support behind legislation for Federal ownership of the twelve Federal Reserve Banks. Press dispatches indicate that the proposal will meet with enough opposition to defeat it, but you never can tell just what will happen at Washington.

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❑ **RFC loans** to banks and trust companies have been repaid to the extent of 91 per cent, according to a report of

the RFC. Disbursements totaled \$1,977,470,527, and the amount paid to the close of February amounted to \$1,791,654,277.

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❑ **As the initial step** in their plan to enter the open investment market for the first time in their history, the Federal Home Loan Banks last month appointed Everett Smith of New York as their financial representative. Mr. Smith will make his headquarters at 31 Nassau Street, New York, but his duties will be nation-wide in scope. He enters his new post with a background of 16 years of experience with the Discount Corporation of New York, of which he was assistant treas-

urer. Upon graduating from Yale in 1915 he joined the Equitable Trust Company, shifting in 1921 to the Discount Corporation. During the World War he served as an ensign in the naval aviation service.

The Federal Home Loan Banks heretofore have obtained their funds solely through subscriptions to their capital stock by the United States Treasury and member institutions, consisting of building and loan associations, savings and loan associations, cooperative banks, homestead associations, insurance companies and savings banks. Under the Act creating these banks in 1932, the United States Treas-

(Continued on page 44)

## Union Planters Opens Remodeled Quarters

**U**NION Planters National Bank and Trust Company, Memphis, Tennessee, played host to 10,000 friends and patrons Monday, March 1, as it celebrated the opening of its enlarged and remodeled banking quarters pictured below. Flowers from more than 100 friends were piled high on desks in all parts of the bank.

"We feel justified in making the improvement, because this section of the nation is growing and we are growing with it," said Vance Alexander, president, in commenting on the new quarters.

"Prospects for a good business year are bright and we felt that we should

be in a position to take advantage of it. The enthusiasm of our friends has exceeded our expectations and we are glad that they are pleased with our new quarters."

Thronged crowded the banking quarters all day. By 1:00 o'clock in the afternoon 7,500 flowers had been given to the visitors.

Approximately 200 letters and telegrams congratulating officials on the \$150,000 improvement were received. The bank also was favored that day with a number of new corporation and correspondent accounts, as well as increases in balances from many of its customers.



View of the enlarged and remodeled lobby of the Union Planters National Bank and Trust Company, Memphis, Tennessee.

# News of Missouri Banks & Bankers

☐ **South Side National Bank**, St. Louis, has elected the following officers: president, Frank J. Wiget; vice president and cashier, Adolph Etling; assistant cashiers, F. E. Heilmann, Charles L. Betschart and Harry J. Robert. The latter two are newly elected. Total deposits of the South Side National now exceed \$4,000,000, having increased more than \$1,000,000 during the past year.

☐ **Bank of Centerview**, Centerview, Missouri, with deposits of \$114,692 and total resources of \$150,566, has been taken over by the Peoples National Bank, Warrensburg.

☐ **Walter Kimberlin**, formerly cashier of the Bank of Bourbon, Bourbon, Missouri, has been elected inactive president of the bank, and John Rohrer, formerly president, is now cashier.

☐ **F. H. Muenstermann** has been advanced from assistant cashier to cashier of the United Bank, Union, Missouri.

☐ **Security National Bank Savings and Trust Company**, St. Louis, has retired \$200,000 of preferred stock issued to the Reconstruction Finance Corporation, completing the retirement of all its senior issue. Capital account of the bank is now \$1,000,000, consisting of \$350,000 common stock and \$650,000 surplus.

☐ **E. F. Swinney**, chairman of the First National Bank, Kansas City, Missouri, completed 50 years of service with that bank last month.

☐ **A. W. Yarnell**, 83, vice president of the Farmers and Traders Bank, California, Missouri, died recently.

☐ **Peoples Bank**, Henley, Missouri, recently made another increase in its surplus account, which now stands at \$10,000.

☐ **Arch Mayden** has been named assistant cashier of the Security Bank, Branson, Missouri.

☐ **W. K. Hunter**, 74, president of the Bank of Versailles, Versailles, Missouri, died recently at San Antonio, Texas.

☐ **Fred B. Brady**, vice president of the Commerce Trust Company, Kansas City, Missouri, recently spoke at the annual alumni dinner in Kansas City of the Chillicothe Business College.

☐ **J. C. Welman**, cashier of the Bank of Kennett, Kennett, Missouri, has been elected president of the Kennett Business and Professional Association.

☐ **W. C. Darrow**, 87, vice president of the Citizens Bank, Ava, Missouri, died recently.

☐ **Announcement** was received just as this issue was ready to go to press of the election of Arthur L. Chandler as an assistant vice president of the First National Bank, St. Louis. Mr. Chandler will be associated with B. H. Lang, vice president of the bank, in the handling of milling and grain accounts.

☐ **Sidney Silverman**, vice president of the First National Bank, Kansas City, Missouri, recently completed 40 years of service with the bank.

☐ **First National Bank**, Clayton, Missouri, has retired \$5,750 of its "A" preferred stock.

☐ **Andrew Scott Buchanan**, 67, manager of the safe deposit department of the City National Bank and Trust Company, Kansas City, died recently of pneumonia.

☐ **Wood Netherland**, vice president of the Mercantile-Commerce Bank and Trust Company, St. Louis, discussed

"Government Activity in the Lending Field" at the American Bankers Association's eastern savings conference held in New York last month. Noble R. Jones, president of the American Bankers Association's savings division and manager of the savings department of the First National Bank, St. Louis, presided at three of the sessions.

☐ **Collier Boggess**, cashier of the Citizens Bank, Liberty, Missouri, has been elected president of the Clay County Bankers Association. Other officers are: vice president, A. E. Keeney, vice president of the National Bank in North Kansas City; secretary-treasurer, Frank R. Hull, assistant cashier of the Excelsior Trust Company, Excelsior Springs.

☐ **East Side Bank of Commerce**, Kansas City, Missouri, has been absorbed by the Commerce Trust Company.

☐ **W. A. Hawkins**, president of the Canton State Bank, Canton, Missouri, has been elected president of the newly organized Scotland, Clark and Lewis County Bankers Association. Other officers are: vice president, H. E. Hiller, cashier of the Exchange Bank, Kahoka; and secretary-treasurer, Carroll Bozarth, cashier of the Farmers and Merchants Bank, La Grange.

☐ **Hugh Stephens**, chairman of the board of the Exchange National Bank, Jefferson City, recently spoke before the Kansas City Chamber of Commerce, advocating the continuance of the present road system. Mr. Stephens is president of the Citizens' Road Association of Missouri.

☐ **Elmer Von Doersten** has taken up his new duties as treasurer of the Tower Grove Bank and Trust Company, St. Louis. Mr. Von Doersten has been in the banking business 28 years, having started as an office boy

## BONDS FOR BANKS

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in the Mechanics-American National Bank, St. Louis, in 1909, when he was only fourteen years old. While working in the bank, he completed his schooling at McKinley High School at night. During the World War he left the bank to serve in the navy, and emerged a Chief Petty Officer after twenty-one months of service, and twenty-one trips across the Atlantic.

When the Mechanics-American National Bank merged with the First National Bank in 1919, Mr. Von Doersten went to the First National where he remained until last month at which time he resigned to become treasurer of the Tower Grove Bank and Trust Company. In 1934 he was made assistant cashier of the First National. At that institution he became well acquainted with bankers throughout the Mid-Continent area, having assisted many banks in systematizing their banking methods, and installing various accounting systems.

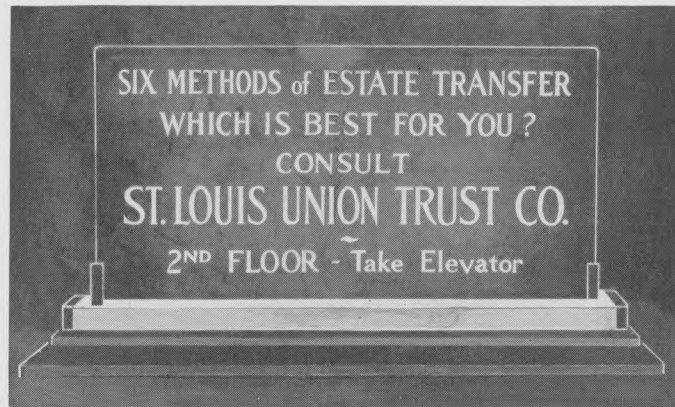
As was announced in the last issue, James K. Vardaman, Jr., is the new president of the Tower Grove Bank and Trust Company. James V. Dunbar, formerly counsel for the bank, became vice president and counsel on April 1. He has discontinued his law practice to devote his full time to the bank.

¶ **Frank Fuchs**, assistant cashier of the First National Bank, St. Louis, and well-known territorial representative of that institution, addressed a meeting of the Pike County (Missouri) Bankers Association last month on the subject, "We the Bankers."

¶ **J. E. Deacy**, formerly cashier, has been elected vice president and director of the Lawson Bank, Lawson, Missouri.

¶ **H. L. Bell**, former vice president, is now president of the Iron County Bank, Ironton, Missouri, and A. P. Crow is now vice president.

¶ **Sidney Maestre**, president of the Mississippi Valley Trust Company and chairman of the board of the Chamber of Commerce, St. Louis, has been named head of a committee to make plans for a dinner May 28 in commemoration of the tenth anniversary of Charles A. Lindbergh's flight from New York to Paris. The dinner will inaugurate the first international aerobic contest and St. Louis air race, to be held at Lambert-St. Louis Field, May 28 to 31. Invitations for the dinner, honoring the original backers of the Lindbergh flight, have been sent to prominent figures in aviation. Fred D. Fagg, newly appointed director of the Bureau of Air Commerce, is expected to attend.



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## ARKANSAS STATE AND MUNICIPAL BONDS

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# News of Kansas Banks and Bankers

KAN.

☐ **T. J. (Dusty) Rhodes**, assistant banking commissioner of Kansas for the past eight years, has become affiliated with Stern Bros. & Co., Kansas City, and will work in eastern Kansas, out of Topeka.

☐ **Walter L. Feldner**, formerly cashier, has been elected vice president of the Southwest National Bank, Wichita, Kansas; and Frank G. Huey, formerly assistant cashier, has been named cashier.

☐ **Edward Wolfe** of Osage City has been elected president of the First National Bank, Burlingame, Kansas, succeeding J. T. Pringle, retired.

☐ **C. L. Frickey**, president of the Farmers National Bank, Oberlin, Kansas, is taking active charge of the bank during Elwood Brooks' absence to serve as state bank commissioner. Ralph Brown has been elected assistant cashier of the bank.

☐ **Pat Donahue**, 69, vice president of the First National Bank, Centralia, Kansas, died recently.

☐ **S. C. Olson**, cashier of the Farmers State Bank, Jetmore, Kansas, has been elected president of the new Hodge-man and Ness County Bankers Association; and O. J. Weir, vice president of the First State Bank, Ness City, has been named secretary.

☐ **Lewis P. Rall**, president of the Zenda State Bank, Zenda, Kansas, and Mrs. Rall returned recently from San Diego, California; and Frank D. Rall, cashier, and Mrs. Rall, returned from an auto trip to Mexico City.

☐ **David J. Evans** has been appointed special representative of the Commercial National Bank, Kansas City, Kansas, in the correspondent bank division. He retains the title of assistant secretary-treasurer of the affiliated Kansas Trust Company.

☐ **Lloyd B. Ferrell**, formerly connected with GMAC in Wichita, Kansas, has resigned to become vice president of the Southwest National Bank of that city.

☐ **True Earl Jaseph**, formerly cashier of the Jarbalo State Bank, Jarbalo, Kansas, has become associated with the Leavenworth Savings and Trust Company and City State Bank, Leavenworth.

☐ **Mrs. True Earl Jaseph**, formerly assistant cashier, has become cashier of the Jarbalo State Bank, Jarbalo, Kansas.

☐ **Guy Hadsell**, formerly assistant cashier of the First National Bank, Linn, Kansas, has resigned to become assistant cashier of the First National Bank, Logan.

☐ **Ray H. Firestone**, who was cashier of the Dover State Bank, Dover, Kansas, has become associated with the Guaranty State Bank, Topeka, which took over the Dover State.

☐ **J. E. Hayes** has been named cashier of the First National Bank, Manhattan, Kansas.

☐ **William Henry Lyon**, vice president of the Miami County National Bank, Paola, Kansas, died recently.

☐ **Bank of Pleasanton**, Pleasanton, Kansas, recently celebrated its golden anniversary.

## BANK INVESTMENTS and BANK EARNINGS

Up to a few years ago, when the major portion of a bank's funds was utilized for commercial loans chiefly of local character, successful banking was dependent primarily upon a knowledge of local conditions and local trends.

Today when a great proportion of bank deposits is placed in investment securities representing government and corporate obligations in the United States and in all parts of the world, bank earnings are largely determined by the income received from these securities.

This change in the character of bank assets calls for a broad knowledge of the investment field, and for up-to-the-minute information about the many factors that enter into the determination of security values.

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☐ **A. J. Nigg**, assistant cashier of the Bank of White Water, White Water, Kansas, has been elected president of the Butler County Bankers Association. George H. Waitt, cashier of the Rose Hill State Bank, Rose Hill, was elected vice president and Mark Godding, of the El Dorado National Bank, secretary-treasurer.

☐ **H. W. Grass, Jr.**, cashier of the Farmers and Merchants State Bank of Bush County, La Crosse, Kansas, died recently after a heart attack.

☐ **A. G. Burton**, vice president of the Peabody State Bank, Peabody, Kansas, died recently at the age of 63.

☐ **Midland National Bank**, Newton, Kansas, on its recent forty-fourth anniversary, raised surplus from \$50,000 to \$75,000. Deposits now exceed \$1,000,000.

☐ **Bank of Tescott**, Tescott, Kansas, recently celebrated its 50th anniversary.

☐ **Mid-Continent Banker's** representative in Kansas and interested friends have this month sent us statements of condition showing the following deposits of banks in the state: Andover State, Andover, \$145,237; Caldwell State, Caldwell, \$625,723; Farmers State, Canton, \$221,107; State Bank of Canton, Canton, \$277,138; Centerville State, Centerville, \$76,500; First National, Centralia, \$323,439; Peoples State, Cherryvale, \$615,970; Exchange National, Clyde, \$257,990; Condon National, Coffeyville, \$2,371,815; Cullison State, Cullison, \$108,948; State Bank of Downs, Downs, \$453,997; Durham State, Durham, \$96,865; Citizens State, Ellsworth, \$1,092,043; Security State, Eskridge, \$314,191; Citizens National, Eureka, \$270,506; Fowler State, Fowler, \$178,221.

Citizens National, Frankfort, \$388,457; State Bank of Fredonia, Fredonia, \$369,753; First National, Goff, \$142,379; Farmers State, Hays City, \$841,545; Haysville State, Haysville, \$125,568; Farmers State, Ingalls, \$85,766; Isabel State, Isabel, \$196,130; Farmers State, Jetmore, \$301,704; Linn State, Linn, \$143,365; First State, Mullinville, \$139,386; Plains State, Plains, \$335,776; Plainville State, Plainville, \$273,484; Saffordville State, Saffordville, \$62,134; First National, Scott City, \$484,737; Ford County State, Spearville, \$211,852; Santa Fe State, Sublette, \$161,670; Tampa State, Tampa, \$158,375; First National, Wellington, \$1,313,797.

☐ **Robert H. Bradford** has been promoted from vice president to president of the El Dorado National Bank, El-

Dorado, Kansas, succeeding the late Robert H. Hazlett; and T. A. Helling has been chosen vice president.

☐ **A. C. Hedrick**, vice president and cashier of the Hutchinson State Bank, Hutchinson, Kansas, and R. W. Samuelson, cashier of the Planters State Bank, Salina, have been appointed members of the State Banking Board of Kansas by Governor Walter A. Huxman. W. J. Breidenthal, cashier of the Riverview State Bank, Kansas City, and W. A. Buzick, vice president and cashier of the Sylvan State Bank, Sylvan Grove, were reappointed.

☐ **The First National Bank**, Pratt, Kansas, is retaining double liability on its stock. The bank was chartered in 1902 and has deposits of about \$2,000,000.

☐ **V. N. Barton** has been advanced from assistant cashier to cashier of the First National Bank, Sedan, Kansas, succeeding the late J. O. Bradley, who died recently at the age of 53.

☐ **J. A. Davison**, 86, who founded the oldest bank of Wichita, Kansas, The Commercial Bank, in 1891, died recently.

The prudent banker is cautious in the use of superlatives. The "best" is too often a matter of opinion. The "strongest" can be proven so only under conditions no one would wish to put to the test.

But the straight line will always be the shortest distance between two points, and the quickest collection returns will result from use of the fastest means available.

For lowest costs use the facilities of our direct collection service in twenty-four-hour continuous operation.

... THE ...  
**PHILADELPHIA NATIONAL BANK**

Organized 1803

PHILADELPHIA, PA.

Capital and Surplus . . . \$30,000,000

Member of the Federal Deposit Insurance Corporation



¶ **First National Bank** of Vinita, Vinita, Oklahoma, which holds the third oldest bank charter in the state, celebrated its 45th anniversary last month. Its birthday party was attended by bankers throughout the state. Honoring the historic day, the bank issued a 24-page booklet, in which the history and photographs of the bank and

the town carry out a unified theme, set forth in a headline on every two facing pages—"Just a Good Bank in a Good Town."

Some had the idea, the booklet says in conversational manner, that the bank was started by progressive citizens who felt that Vinita had "grown up," and should have a bank; others

that business brought by the crossing of the M. K. & T., Atlantic and Pacific, and Frisco railroads at Vinita marked the institution's beginning—but both are wrong. The bank was started when Sam LeForce rode up to the door on his cow pony and, wheeling around, says:

"Understand you fellows are going to start a bank."

"That's right," was the answer.

"She's open this morning."

"What I heard," says Sam, "and I've come to be your first depositor."

And the customers, depositors, borrowers, and loyal friends who followed Sam LeForce have built the First National, until it is today a remarkably sound institution, with deposits which increased during the past 10 years from \$932,169 to \$1,648,236, loans from \$345,800 to \$643,226, capital from \$60,000 to \$80,000, surplus from \$12,000 to \$80,000, and undivided profits from 6,691 to \$28,262.

¶ **Following recent announcement** of an 11 1/9 per cent dividend on common stock of the First National Bank, Tulsa, Oklahoma, \$30 a share was bid, but failed to bring any offers from owners of the stock. The day preceding the dividend announcement, the common was quoted at \$25.25 bid, \$26.25 asked. A total of \$700,000 in preferred stock held by the Reconstruction Finance Corporation has been retired, the last of an original \$1,250,000 block. New capital structure is \$2,000,000, all represented by common stock. First National of Tulsa has enjoyed net profits for 1937, at the close of business March 9, of more than \$364,290.

¶ **J. P. Carson**, cashier of the National Bank of Commerce, Hugo, Oklahoma, is president of the city's newly formed Young Business Men's Club.

¶ **Approximately 250** northeastern Oklahoma bankers attended the annual meeting of Group Four, Oklahoma Bankers Association, held recently in Tulsa. F. F. Cochran, vice president of the Exchange Bank, Skiatook, was elected president of the group: Roy B. Patton, vice president of the American Exchange, Henryetta, was chosen vice chairman; and L. F. Thompson, president of the American National Bank, Bristow, secretary-

## Reason It Out Thus:

"From the center of the country the Commerce operates its transit 24 hours a day. It has a tremendous list of direct points and uses air mail in forwarding items of \$100.00 and over.

"Increased reserve requirements make quick collections very desirable. Therefore I'll send more items to

## Commerce Trust Company

Capital and Surplus 8 Millions

Established 1865

Kansas City, Missouri

Member Federal Deposit Insurance Corporation

treasurer. An outstanding feature of the program was a speech by Dan Otis, A. B. A. agricultural expert, on the work 2,600 key bankers are doing in cooperating with farmers.

☐ **Charles M. Hoover**, 50, cashier of the First State Bank, Foss, Oklahoma, was killed instantly in an automobile accident recently.

☐ **H. J. Stover** has been elected vice president of the First State Bank, Jet, Oklahoma.

☐ **W. N. Green**, 48, president of the Atoka State Bank, Atoka, Oklahoma, died recently.

☐ **First National Bank**, Tulsa, Oklahoma, is to be completely air-conditioned.

☐ **Verser Hicks**, assistant vice president, purchased in the name of the National Bank of Tulsa, Tulsa, Oklahoma, a grand champion Southdown lamb weighing 110 pounds, for 61 cents a pound, at the recent Junior Live Stock Show. Plans are being made to keep the animal in eastern Oklahoma for foundation stock breeding purposes.

☐ **W. S. Murray**, 72, president of the Security State Bank, Mooreland, Oklahoma, since 1910, died recently in Los Angeles.

☐ **J. F. Matchett**, assistant vice president of the National Bank of Tulsa, Tulsa, has been appointed to the aviation committee of the Tulsa Chamber of Commerce.

☐ **Bankers in Oklahoma**, as elsewhere, are vitally interested in and willing to cooperate with a program for improvement of livestock raising and agriculture, contrary to the belief of many people not familiar with financial institutions, Verser Hicks, assistant vice president of the National Bank of Tulsa, Tulsa, said recently in an article on the importance of agriculture to banking in the *Tulsa Daily World*. Because agriculture is the basic industry of the country and changes in it leave their mark on the entire community life; because even the larger city banks, if they do not serve farmers directly, serve them indirectly through correspondent bank accounts, agricultural prosperity is vital to banking prosperity, Mr. Hicks declared.

☐ **J. B. Milam**, president of the Bank of Chelsea, Chelsea, Oklahoma, recently returned from a business trip to New Mexico.

☐ **Robert Clark** has been elected assistant cashier of the First State Bank, Fairfax, Oklahoma.

☐ **Falkner C. Broach**, vice president of the National Bank of Tulsa, Tulsa, Oklahoma, has been appointed on the Local Government Committee of the Tulsa Chamber of Commerce.

☐ **Elmo Thompson**, vice president of the First National Bank and Trust Company, Tulsa, Oklahoma, recently addressed a joint meeting of the Chamber of Commerce and the Business and Professional Women's Club at Ottawa, Kansas. Fred W. Brombacher, secretary of the Ottawa Chamber of Commerce, is a former Tulsa banker.

☐ **Charles A. Smoot**, assistant cashier of the National Bank of Tulsa, Tulsa, recently was snowbound for two and one-half days at Hays, Kansas, on a business trip to that section. He reports that oil in Russell County rivals that in Oklahoma for its endless supply.

☐ **Lester Dennis**, formerly assistant cashier, has been promoted to vice president of the Exchange National Bank, Ardmore, Oklahoma. Tom H. Hefley has been promoted from assistant cashier to cashier, and Charles A. Combs advanced from teller to assistant cashier.

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NEW YORK

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# NEWS OF TEXAS BANKS and BANKERS

Mid-Continent Banker's representative in Texas and interested friends have sent us recent statements of condition showing the following deposits of banks in the state: First State Bank, Gladewater, \$1,411,398; First National Bank, Livingston, \$576,830; First State Bank, Livingston, \$241,006; and First National Bank, Longview, \$4,362,048.

R. W. Bolding has been elected president of the Hallsville State Bank, Hallsville, Texas. H. L. Rogers has been advanced from cashier to vice president, and R. V. Haggard from assistant cashier to cashier.

The Commercial State Bank, Nacogdoches, Texas, has become The

Commercial National Bank, with deposits of more than \$1,442,129, capital of \$100,000, surplus of \$100,000, and profits of \$10,000. Thos. E. Baker is president of the bank. Other officers are: vice president, F. H. Tucker; cashier, Aaron B. Cox; and assistant cashiers, John J. Rudisill, W. W. Davison, and W. G. Blount.

Talco State Bank, Talco, Texas, has shown a 400 per cent gain in deposits since the discovery of oil in the area. A year ago deposits amounted to \$37,000; at present they exceed \$159,952.

James M. Beaty, incorporator of the First National Bank, Handley, Texas, and its president for 18 years, died recently at the age of 84.

P. P. Butler has been advanced from executive vice president to president of the American National Bank, Beaumont, Texas, succeeding the late C. H. Stroeck; and A. E. Weaver, cashier, has been made vice president also.

E. B. Caskey, president of the First National Bank, Quanah, Texas, died recently at the age of 60.

Crawford H. Booth, a founder of the Taylor National, now the First-Taylor National Bank, Taylor, Texas, and for many years its president, died recently at the age of 93.

Ira A. Swope, assistant cashier of the San Angelo National Bank, San Angelo, Texas, died recently, of complications which developed from a bullet wound he received in a holdup shooting at the bank, December 9, 1927, in which William Schneeman, president, and Karl Word, cashier of the old Guaranty State Bank, where the holdup took place, died a few hours after the shooting.

George West, formerly cashier of the First National Bank, Burnet, Texas, has been elected vice president of the First State Bank, Burnet.

First National Bank, Beaumont, Texas, has installed the first bank tel-autograph system in the city, one of the most modern alarm systems in the South, a complete code calling system, and a stamp machine timing entrance into the safe deposit vault. The bank's new quarter-million-dollar building was recently opened.

Victoria National Bank, Victoria,



## The Speed-Up

The pace of life has quickened. Travel and communication are swift beyond the imagination of yesterday.

But man changes slowly. A generation is nothing in the history of the race.

Today the speed-up of modern civilization puts new and terrific stresses on the individual. All of us feel the pressure. Most survive triumphantly.

But here and there a hidden weakness appears. In positions of trust a loss is discovered. Another life—another business faces ruin.

But the residents of National Surety Town live securely, protected against the repercussions of theft or defalcation. They deal with certainties in a world of uncertainty.

National Surety representatives everywhere—themselves picked men—are selling fidelity bonds and blanket bonds; plus protection against burglary, forgery, and many other dangers.

**NATIONAL SURETY CORPORATION**  
VINCENT CULLEN, PRESIDENT  
New York

Copyright National Surety Corporation, 1937

Texas, will completely remodel and modernize its home.

¶ **Texas City National Bank**, Texas City, Texas, has been granted the largest building permit issued during the city's present era of development, for the erection of a new home, in the amount of \$30,000.

¶ **Republic National Bank**, Dallas, Texas, has retired \$1,500,000 in preferred stock, and reserves against that stock have been transferred to the surplus account, setting the bank's capital at \$4,000,000, surplus at \$3,000,000, undivided profits at \$254,434, and reserves for interest, taxes, etc., at \$200,531.

¶ **Dawson Cooper**, formerly assistant cashier, has become cashier of the First National Bank, Gatesville, Texas, succeeding the late F. W. Straw.

¶ **Construction** will begin soon on the new addition to the home of the San Jacinto National Bank, Houston, Texas.

¶ **Pittsburg National Bank**, Pittsburg, Texas, has retired 20 shares of preferred stock, par value \$2,000, and issued a dividend of 20 shares in common stock, par value \$2,000. Outstanding capital after the change consists of \$23,000 preferred and \$27,000 common stock.

¶ **First National Bank**, Port Neches, Texas, has retired 125 shares of preferred stock, par value \$12,500, and issued a dividend of 125 shares common stock, par value \$12,500. Outstanding capital after the change consists of \$12,500 preferred and \$37,500 common stock.

¶ **Red River National Bank**, Clarksville, Texas, has retired 312½ shares of preferred stock, par value \$25,000, and issued a common stock dividend of 500 shares, par value \$25,000. Outstanding capital after the change consists of \$25,000 preferred and \$75,000 common stock.

¶ **Union National Bank**, Laredo, Texas, has been granted a charter. Ed. S. Russell is president, and P. H. Stanford cashier of the new bank, which is a conversion of the Union State Bank and Trust Company of that city.

¶ **First National Bank**, Amarillo, Texas, has issued \$200,000 of preferred stock sold to the Reconstruction Finance Corporation, and has decreased its preferred stock "A" from \$200,000 to \$100,000.

¶ **C. L. Carpenter** has been elected assistant cashier of the National City Bank, Waco, Texas.

¶ **Louis A. Strother** has been named assistant cashier of the National Bank of Commerce, Dallas, Texas.

¶ **A. J. Toole, Jr.**, and W. B. Gilbert, formerly assistant cashiers, have been named vice presidents of the Dallas Bank & Trust Company, Dallas, Texas. O. A. Mangrum, vice president, was named trust officer. Dallas Bank has voted to become a national bank.

¶ **R. P. Broyles** has been named

assistant cashier of the First National Bank in Dallas, Dallas.

¶ **Pat Henry, Jr.**, and S. N. Adams have been named assistant cashiers of the Republic National Bank & Trust Company, Dallas.

¶ **Weldon Miller**, formerly assistant cashier, was promoted to cashier of the Grand Avenue State Bank, Dallas.

¶ **A. D. Moore** has been elected vice president of the Oak Cliff Bank & Trust Company, Dallas.

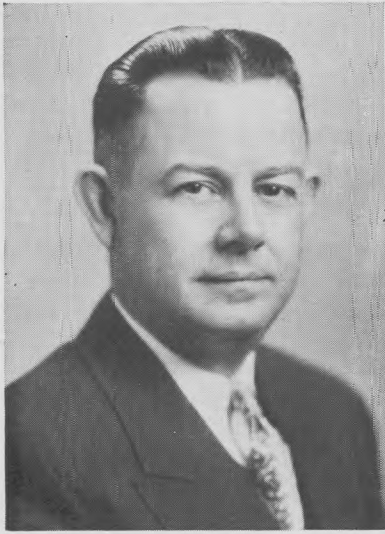
*Long experience,  
geographic location  
and a nation-wide network  
of correspondent banks  
make  
Continental Illinois  
collection service  
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with speed and efficiency*

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NATIONAL BANK  
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Assistant Vice President, First National Bank,  
St. Louis.



LACHLAN M. VASS  
Lachlan M. Vass & Co., New Orleans.



JOHN A. BANDI  
Vice President, National Bank of Commerce,  
New Orleans.



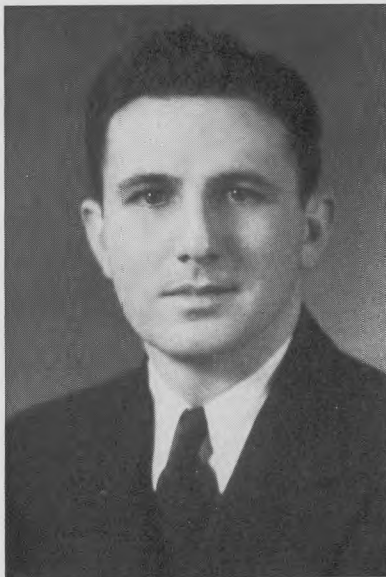
W. O. CRAWFORD  
Assistant Vice President, Mississippi Valley  
Trust Co., St. Louis.



J. S. BEASLEY, JR.  
Edward Jones & Company, New Orleans



CECIL C. COMBS  
Assistant Vice President, Boatmen's National  
Bank, St. Louis.



JAMES F. HUNT  
Assistant Vice President, Union Planters Na-  
tional Bank and Trust Company, Memphis.  
Federal Reserve Bank of St. Louis



G. W. OWEN, JR.  
Cashier, Hibernia National Bank, New Orleans.



J. F. FLOURNOY, JR.  
Vice President, Whitney National Bank,  
New Orleans.



# Louisiana Bankers Will Meet at Lake Charles, April 14-16

**L**AKE CHARLES bankers anticipate a large attendance at the thirty-seventh annual convention of the Louisiana Bankers Association to be held in their city, April 14-16. Charleston Hotel is headquarters for the convention, and Lake Charles bankers will welcome convention delegates at a party on the roof of the hotel, from 5:00 p. m. to 7:00 p. m. on April 14. At 8:00 p. m. that evening there will be a preconvention meeting of the executive council of the Association in the ball room of the hotel.

The convention will open at 9:30 a. m., April 15, in the ball room of the Charleston hotel, and after community singing and the invocation, the address of welcome will be given by Mayor J. H. Handley of Lake Charles. This will be followed by the address of W. B. Jacobs, vice president and cashier of the First National Bank, Shreveport, and president of the Association, and by the reports of T. G. Nicholson, president of the First National Bank of Jefferson Parish, Gretna, and treasurer of the Association, and W. B. Machado, assistant vice president of the Hibernia National Bank, New Orleans, and secretary of the Association. There will be one additional speaker at this session. Other business will include the reports of the executive council and the legislative committee, the appointment of the resolutions committee and

the selection of the nominating committee.

The second session of the convention will convene at 9:30 a. m., April 16. At this session there will be a



*Ships loading cargo at Port of Lake Charles.*

guest speaker, reports of the various committees will be presented, and the annual election of officers will be held. The convention will adjourn at noon, April 16.

Entertainment plans include a party for the ladies at the residence of W. T. Burton at 10:30 a. m., April 15, a barbecue at the Lake Charles Golf Club at 1:00 p. m. the same day, and a dance that evening at the Majestic hotel. There will also be a ladies' luncheon at the Majestic hotel at 12:15 p. m., April 16. The annual golf tournament of the Association will be held at the

Lake Charles Golf Club on the afternoon of April 15. Delegates will be accorded golf privileges at this club during the convention.

Lake Charles is beautifully located just 35 miles from the Gulf of Mexico on Lake Charles. The city enjoys ideal climate at all times, and an idea of the natural beauties of its location may be gained from the picture on the front cover of this issue. But Lake Charles is far more than just a beautiful city—it is rapidly becoming one of the most important industrial cities in the Southwest. New oil fields, new industrial development and unusual expansion in the movement of exports through the Port of Lake Charles combine to make it a city that is destined to grow sanely and steadily. Though the Port of Lake Charles is comparatively new (having been opened for deep sea transportation in 1926), it now handles an annual tonnage in excess of 3,000,000 tons, and valued at more than \$32,000,000. Lake Charles is geographically situated closer by rail mileage than any other Gulf port to many points in Louisiana, Arkansas, East Texas, Eastern Oklahoma and such important shipping points as St. Louis and Kansas City.

The recognition of this area for the development of chemicals has attracted nationwide attention with the

(Continued on page 27)

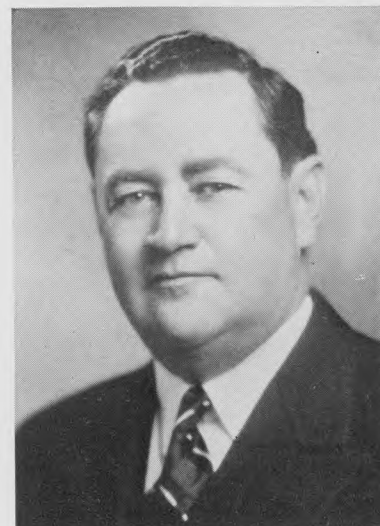
## YOU'LL SEE THEM AT THE LOUISIANA CONVENTION



**J. CARROLL WALKER**  
Vice President, Mercantile-Commerce Bank and Trust Company, St. Louis.



**ADDISON O. WOOD**  
Hibernia National Bank, New Orleans.



**ERNEST G. COFFMAN**  
Vice President, First National Bank, St. Louis.



NEWS  
OF

# LOUISIANA BANKS AND BANKERS



☐ **The First National Bank**, Lake Charles, Louisiana, has retired 20 shares of preferred stock, par value \$500. Outstanding capital after the change consists of \$97,500 preferred and \$100,000 common stock.

☐ **First National Bank**, Ruston, Louisiana, has retired 262½ shares of preferred stock, par value \$17,500. Outstanding capital after the change consists of \$20,000 preferred and \$50,000 common stock.

☐ **J. D. O'Keefe**, president of the Whitney National Bank, New Orleans, Louisiana, has been re-elected president of the New Orleans Clearinghouse Association. Rudolf S. Hecht, chairman of the board of the Hibernia National Bank, was chosen vice president.

☐ **First National Bank**, Arcadia, Louisiana, has retired 176 shares of preferred stock, par value \$8,800. Outstanding capital after the change consists of \$41,200 preferred and \$50,000 common stock.

☐ Louisiana investment bankers who have been appointed to national committees of the Investment Bankers Association of America for 1936-37 are:

Claude G. Rives, Jr., vice president of the Whitney National Bank, and vice president of the Investment Bankers Association, to the business problems committee; Chapman H. Hyams, III, of Moore & Hyams, to the industrial securities committee; John Dane, president of Dane & Weil, Inc., all of New Orleans, to the municipal securities committee; and William R. Barrow, of Barrow, Leary & Company, Shreveport, to the state and local taxation committee.

☐ **Sidney J. White**, of New Orleans, Louisiana, formerly a general partner, has been admitted as a special partner to E. A. Pierce & Company; and Albert J. Wolfe of the same city has been admitted as a general partner.

☐ **American National Bank**, Mansfield, Louisiana, has changed its name to the First National Bank. Capital of the bank is \$50,000, and surplus and profits are \$29,835.

☐ **Robert L. James**, new president of the Calcasieu-Marine National Bank, Lake Charles, Louisiana, was recently given an honorary dinner by his friends. P. B. Doty, president of the First National Bank, Beaumont, Texas, was master of ceremonies.

☐ **J. F. Flournoy, Jr.**, vice president of the Whitney National Bank, New Orleans, Louisiana, addressed the Regional Conference of the American Bankers Association held at Atlanta, Georgia, March 25 and 26, on "Income From Banking Services." Advocating increased service charges, Mr. Flournoy said that the earning power of the commercial banking system as a whole has been almost cut in half since 1929. "A reasonable profit," he suggested, "would be 1½ per cent of the average ledger balance, or at least 25 per cent of the cost of handling the account, whichever is greater."

☐ **W. B. Gladney**, vice president of the Bastrop Bank and Trust Company, Bastrop, Louisiana, addressed bankers attending the March 25th morning session of the Regional Conference of the American Bankers Association at Atlanta, Georgia, on "The Bankers Part in Building an Agricultural Community." Mr. Gladney was one of the featured speakers at the opening session of the two-day conference, at which current banking methods and policies were discussed for the purpose of promoting better relations between bankers and the American public.

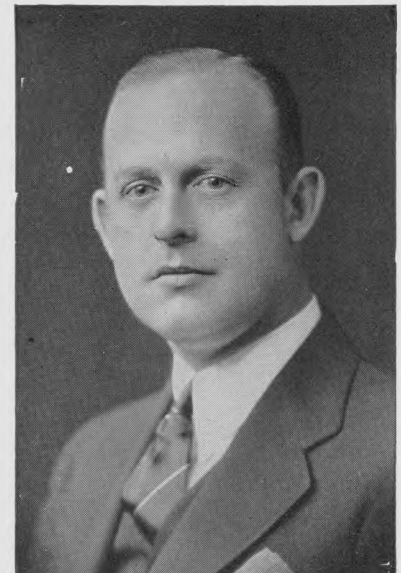
## YOU'LL SEE THEM AT THE LOUISIANA CONVENTION



WALTER W. SCHROEDER  
Vice President, National Bank of Commerce,  
New Orleans.



W. B. MACHADO  
Assistant Vice President, Hibernia National  
Bank, New Orleans.



CARL A. CHARLSON  
Assistant Vice President, Commerce Trust  
Company, Kansas City.

### Laplace Is Candidate for Executive Council

John B. Laplace, assistant manager of the Credit Department of the Whitney National Bank, New Orleans, Louisiana, has announced his candidacy for the Executive Council of the American Institute of Banking at the annual election to be held at the convention, June 7-11, at St. Paul, Minnesota.

Mr. Laplace, or "John" as he is better known to his many banker friends, is an Institute graduate and has been



JOHN B. LAPLACE

a member of the New Orleans Chapter of the A. I. B. since 1918. He served as vice president of the chapter in 1933-1934, and as president in 1934-1935. He was a member of the chapter's board of governors in 1931-1933 and has served as a member of every committee of the chapter. John has attended several national conventions of the A. I. B. and served as associate councilman for Louisiana in 1935-1936. William H. Keck, Jr., of the Hibernia National Bank, New Orleans, is chairman of the campaign committee. New Orleans Chapter is proud to present Mr. Laplace as a candidate for this office.

### Louisiana Bankers Will Meet at Lake Charles

(Continued from page 25)

recent construction of a \$7,000,000 plant at Lake Charles for the Mathieson Alkali Company. Industrially, Lake Charles also occupies a position of importance in the rice world, with three large rice mills operating in the territory, one of which is reputed to be the largest rice mill in the United States.

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Our comprehensive system of correspondent banks in the Southern States provides us with adequate facilities for the efficient handling of business in the broad New Orleans trade area.

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### INVESTMENT PROBLEMS

Whether you wish to sell or buy securities, or if information is desired, why not let **your** problems be **our** problems.

We cordially invite the Louisiana Bankers to use our complete facilities which are geared to meet the requirements of all classes of investors. There is no obligation.

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**NEWS of MISSISSIPPI BANKS AND BANKERS...**

Capital National Bank, Jackson, Mississippi, voted last month to increase its common capital \$150,000 and add \$50,000 to the bank's paid-in surplus. This will be accomplished by the sale of 5,000 shares of common stock of \$30 par value at \$40 per share. The bank's preferred capital of \$180,000 remains unchanged, but the common capital will be increased from \$150,000 to \$300,000, and the paid-in surplus will be increased from \$50,000 to \$100,000. Earned surplus of \$220,-

000 remains unchanged. Deposits of the bank have more than doubled in the past three years and are now more than \$9,000,000.

W. W. Willis, well-known Meridian, Mississippi, business man, has been elected president of the First National Bank of that city, succeeding L. Rothenberg who died recently.

G. L. Donald, president of the Deposit Guaranty Bank and Trust Company, Jackson, Mississippi, announced

last month that the bank had purchased the seventeen-story Merchants Bank building in Jackson at a cost of \$650,000. Included in the transaction were the safe deposit vaults, money vaults, bank fixtures and all furniture and equipment in addition to the two-story building adjoining the structure on the east where the Deposit Guaranty Bank and Trust Company first opened for business twelve years ago with \$100,000 capital and \$25,000 surplus.

Deposit Guaranty Bank and Trust Company is Mississippi's largest bank, and the seventeen-story structure which it has acquired is the largest, finest and best equipped bank building in the state and one of the best



## Serving the Mid-South

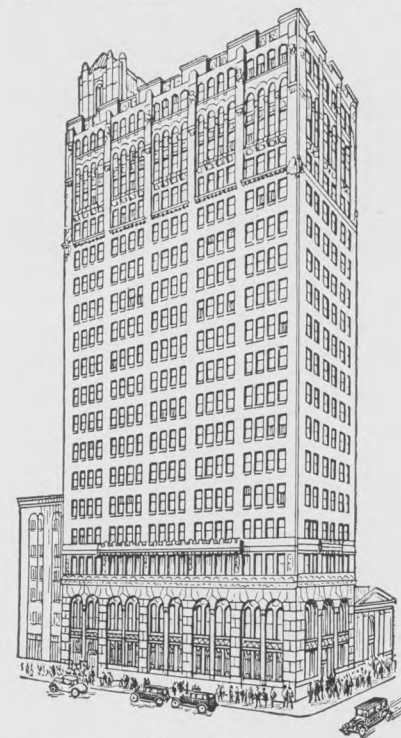
For over 67 years—since 1869—U.P. National has been privileged to serve as a prompt, efficient, **DEPENDABLE** connection in the Memphis territory for banks and bankers everywhere. We solicit new correspondents on this record of dependable service.

# UNION PLANTERS NATIONAL BANK & TRUST CO.

MEMPHIS, TENN.

SINCE 1869

★ Member Federal Deposit Insurance Corporation ★



Building purchased by Deposit Guaranty Bank and Trust Company, Jackson, Mississippi.

in the South. Simultaneously with the purchase of this property, the bank announced an increase of \$206,000 in capital funds, and the immediate write-off of \$100,000 on the \$650,000 purchase price of the building which cost \$1,045,610 when it was built in 1930.

It is understood that the bank will enlarge its present lobby in the building which it now owns by taking in the back one-third of the adjacent two-story structure on the east which was also acquired in the transaction.



# NEWS OF ARKANSAS

## Banks and Bankers



☐ **The First National Bank of Conway**, Conway, Arkansas, has opened a savings deposit department to satisfy an increasing demand for that service, according to H. C. Couch, Jr., president.

☐ **The State National Bank**, Texarkana, Arkansas, has retired 13 shares of preferred stock, par value, \$1,300. Outstanding capital after the change consists of \$238,700 preferred and \$260,000 common stock.

☐ **The Malvern National Bank**, Malvern, Arkansas, has retired 100 shares of preferred stock, par value, \$2,500, and issued 100 shares of common stock, par value, \$2,500. Outstanding capital after the change consists of \$22,500 preferred and \$27,500 common stock.

☐ **The Citizens National Bank**, Camden, Arkansas, has increased its common capital stock from \$50,000 to \$100,000.

☐ **James G. Clark**, 77, one of the organizers of the old Bankers Trust Company, Little Rock, and formerly connected with banks in Gurdon, Prescott and Arkadelphia, died recently at his home in Arkadelphia, after an illness of two years.

☐ **First State Bank**, Plainview, Arkansas, opened a teller's window last month at Perryville.

☐ **James H. Penick**, vice president and cashier of W. B. Worthen Company, Bankers, Little Rock, Arkansas, and vice president of the Arkansas Bankers Association, was one of the speakers at the regional meeting of the American Bankers Association, held in Atlanta, Georgia, recently.

☐ **S. H. Williams**, cashier of the First National Bank, Lake Village, Arkansas, has been elected president of the Lake Village Chamber of Commerce.

☐ **M. G. Wade**, vice president and cashier, and Roy E. Smith, trust officer of the First National Bank, El Dorado, have been elected chairman and secretary, respectively, of the South Arkansas Regional Clearinghouse Association.

☐ **Mercantile Bank**, Jonesboro, Arkansas, recently celebrated its fifth anniversary. Deposits have increased from \$125,000, at the time of its organization, to \$1,861,781 at present.

☐ **Mid-Continent Banker's** representative in Arkansas and interested friends have sent us this month financial statements showing the following deposits of banks in the state: First National Bank, DeQueen, \$456,241;

McIlroy Bank and Trust Company, Fayetteville, \$1,214,508; Merchants National Bank, Fort Smith, \$9,632,193; Bank of Gravett, Gravett, \$221,088; First National Bank, Gravett, \$223,680; Farmers Bank, Greenwood, \$260,024; Peoples Bank and Loan Company, Lewisville, \$181,010; First National Bank, Lewisville, \$322,280; National Bank of Mansfield, Mansfield, \$258,547.

☐ **J. H. Johnston** has been placed in charge of the Shirley, Arkansas, branch of the Cleburne County Bank of Heber Springs opened recently.

☐ **The Phillips National Bank**, Helena, Arkansas, is planning the erection of a new banking building.

### All Non-Par Items Are Handled Direct!

We offer complete facilities for the speedy handling of all items. Direct connections with over 100 banks in Arkansas. Worthen Service saves time and money.

*Member Federal Reserve System*

### W. B. Worthen Co., Bankers

*Member Federal Deposit Insurance Corporation*

"Since 1877"

Little Rock, Arkansas

### AUSTRALASIA and NEW ZEALAND

## BANK OF NEW SOUTH WALES

ESTABLISHED 1817

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

Paid-up Capital . . . . .	£ 8,780,000
Reserve Fund . . . . .	6,150,000
Reserve Liability of Proprietors . . . . .	8,780,000
	<hr/>
	£ 23,710,000
Aggregate Assets 30th Sept., 1936	£ 115,150,000



A. C. DAVIDSON, General Manager

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

Head Office: GEORGE STREET, SYDNEY

London Offices: 29, Threadneedle Street, E.C. 2; 47 Berkeley Square, W.1.

Agency arrangements with Banks throughout the U. S. A.

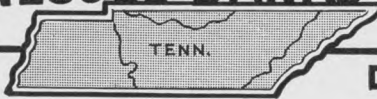
### STATE AND MUNICIPAL BONDS

Bought » Sold » Quoted

**CHERRY, VILLAREAL & CO. Inc.**

117 WEST SECOND LITTLE ROCK, ARKANSAS TELEPHONE 7134

# NEWS OF TENNESSEE BANKS AND BANKERS



☐ **Norman Eubank**, cashier of the Peoples Bank, Vanleer, Tennessee, is the only active bank officer serving in the seventieth general assembly of the State Legislature.

☐ **Harry P. Pickering**, for many years cashier of the Northern Bank of Tennessee, Clarksville, Tennessee, died recently.

☐ **Chas. E. Taylor**, vice president of the Ducktown Banking Co., Ducktown, Tennessee, has been elected chairman of the newly formed county bankers association of which Bradley, McMinn and Polk counties are members. W. C. Parrish, cashier of the First National Bank, was elected secretary.

☐ **Hinton G. Kittrell**, formerly cashier of the Farmers and Merchants Bank, Mt. Pleasant, Tennessee, and cashier of the Phoenix National Bank, Columbia, died recently, of pneumonia.

☐ **H. E. Jones**, president of the Wash-

ington Trust and Savings Bank, Bristol, Tennessee, has been elected president of the Bristol Clearinghouse Association. Other officers are: first vice president, W. F. Fulton, vice president of the First National Bank; second vice president, C. S. Carter, president of the Dominion National Bank; and secretary-treasurer, A. E. Anderson, cashier of the Dominion National Bank.

☐ **George M. Clark**, for three years executive vice president of the Morris Plan Bank, Chattanooga, Tennessee, has been elected president of the bank.

☐ **W. T. Ray**, formerly assistant cashier, has been named president of the Bank of Monterey, Monterey, Tennessee, succeeding his father, W. B. Ray, retired.

☐ **Thos. H. Broadus**, executive vice president of the Park National Bank, has been elected president of the Knoxville Clearinghouse Association, Knoxville, Tennessee. Other officers

are: vice president, William Rule, vice president of the Commercial Bank and Trust Company; and secretary-treasurer, W. Eugene Luttrell.

☐ **Cecil Gilley** and **Thomas Johnson** have been elected assistant cashiers of the Peoples Bank and Trust Company, Manchester, Tennessee.

☐ **Harry T. Burns** has become president of the Sweetwater Bank and Trust Company, Sweetwater, Tennessee, having bought the interest of M. E. Robertson, formerly vice president and cashier. E. H. Thomas has been made vice president, and Sam J. Pickel, assistant cashier, has been acting as cashier since Mr. Robertson's resignation.

☐ **Hal J. Ramer**, cashier of the Martin Bank, Martin, Tennessee, has been appointed chairman of the Agricultural Committee of the Martin Chamber of Commerce; and Milburn Gardner, cashier of the City State Bank, has been made chairman of the Industrial Committee.

☐ **Robert P. Bass**, formerly assistant cashier, has been elected cashier of the Whiteville Savings Bank, Whiteville, Tennessee, and Barney S. Wilkes has been chosen assistant cashier.

☐ **P. T. Love**, vice president and cashier of the Hamilton National Bank, Morristown, Tennessee, has been named vice president of the Morristown Chamber of Commerce.

☐ **J. W. Simpson**, president of the Bank of Commerce, Morristown, Tennessee, has resigned to manage the southern office of a group of yarn mills at Greensboro, North Carolina, his former home.

☐ **The Commercial National Bank**, Chattanooga, Tennessee, has retired 250 shares of preferred stock, par value \$25,000, and issued 250 shares of common stock, par value, \$25,000. Outstanding capital after the change consists of \$375,000 preferred and \$275,000 common stock.

☐ **The Traders National Bank**, Tulsa, Tennessee, has retired 200 shares of preferred stock, par value, \$10,000. Outstanding capital after the change consists of \$40,000 preferred and \$50,000 common stock.



## 65 million times a day!

WITHIN the next twenty-four hours, sixty-five million telephone calls will be made over Bell System wires. Each one will be a separate transaction—made to order for the individual who is calling.

To give you such a highly personalized service, there are 300,000 Bell System men and women located in every part of the country—each doing his or her part.

That you can depend on them night and day is a big factor in considering the telephone's value to you.



BELL TELEPHONE SYSTEM

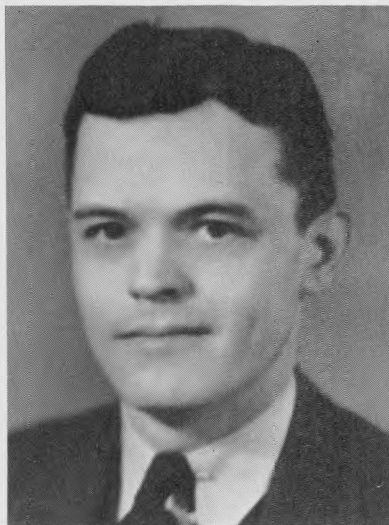
Manager of Advertising



WILLIAM M. SHERRILL

Now manager of advertising for the First National Bank in St. Louis, having succeeded Frank Fuchs who was recently elected assistant cashier and is now engaged in territorial work. Mr. Sherrill has had many years of experience in financial advertising and also has filled various positions in commercial banks. He has served as treasurer and a director of the St. Louis Advertising Club; as director of the Financial Advertisers Association of America; and as treasurer and secretary of The Tennessee Society of St. Louis.

Meet Mr. Featherston



WALTER B. FEATHERSTON

New member of the Mid-Continent Banker staff now traveling in Tennessee and Mississippi. He will call on you soon for news or other items pertaining to your bank or officers, and will greatly appreciate your cooperation in supplying him with information which we desire for our news columns.



is engaged primarily in facilitating wholesale distribution and retail sales of the following products of General Motors Corporation and its world-wide affiliates: CADILLAC. LA SALLE, BUICK, OLDSMOBILE, PONTIAC, CHEVROLET automobiles: FRIGIDAIRE appliances for refrigeration and air conditioning: DELCO lighting, power and heating equipment; GMC trucks; BEDFORD, VAUXHALL, OPEL, BLITZ—

foreign made automotive vehicles.

The business consists of investments in self-liquidating credits, widely diversified as to region and enterprise, capital employed being in excess of \$80,000,000.

In obtaining short term accommodation, GMAC issues one standard form of note. This obligation it offers to banks and institutions, in convenient maturities and denominations at current discount rates.

**GENERAL  
MOTORS  
INSTALMENT  
PLAN**

These NOTES are available, in limited amounts, upon request.

EXECUTIVE OFFICE NEW YORK · BRANCHES IN PRINCIPAL CITIES

There are 9 reasons for using our service when you rebuild or remodel. Here is . . .

**Reason No. 2**

(write for the other 8)

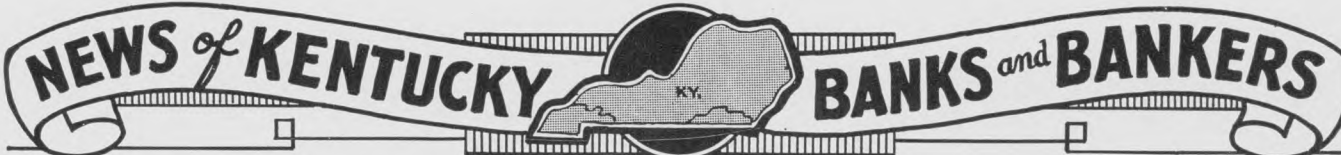
**"Our organization has remained intact through good times and bad"**

That reason is more important than it appears at first glance. The more specialized the organization, the more important it is to keep it intact. A baseball team is a good example. Loss of a few stars may ruin pennant hopes. We carried on through the depression without the loss of any stars, and are able to serve you today even better than at any time in the past 25 years.

No building or remodeling job is too large, and none is too small. We handle everything, from preliminary design to the finished job. You pay but one cost, which we quote in advance and guarantee not to exceed. May we have our representative call?

**ST. LOUIS BANK BUILDING  
AND EQUIPMENT COMPANY**  
9th and Sidney • St. Louis

# NEWS of KENTUCKY BANKS and BANKERS



☐ **The State Bank and Trust Company**, Richmond, Kentucky, recently moved into its completely refinished, refurnished and enlarged quarters.

☐ **Farmers National Bank**, Danville, Kentucky, has approved plans for its new home. The contract, calling for a two-story structure of fireproof construction of colonial style, was awarded to H. A. Churchill and Associates, Inc., architects of Lexington.

☐ **Farmers National Bank**, Scottsville, Kentucky, has retired 240 shares of preferred stock, par value \$15,000. Outstanding capital after the change consists of \$50,000 of common stock.

☐ **First National Bank**, Paintsville, Kentucky, has retired 300 shares of preferred stock, par value \$30,000. Outstanding capital after the change amounts to \$100,000 of common stock.

☐ **Liberty National Bank and Trust Company**, Louisville, Kentucky, has issued \$250,000 of preferred stock, class "B," to be sold locally.

☐ **Bankers** in Louisville, Paducah, and other flood-stricken cities, used housewifely ingenuity in bringing conditions in their banks back to normal. Thousands of dollars in coins were tied in sacks and stacked in the basement, to be counted and separated after a thorough baking by gas stoves. The water-soaked bills and valuable papers had to be dried out separately and pressed with an electric iron. Louisville reports that deposits of banks in that city are more than \$10,000,000 greater at the present time than they were before the flood.

☐ **The Farmers Bank and Trust Co.**, Frankfort, Kentucky, formed recently by merger of the Farmers Deposit Bank and the Capital Trust Co., has changed its name to the "Farmers Bank and Capital-Trust Company."

☐ **Alfred H. Eckles, Jr.**, has resigned his office as assistant treasurer of Kentucky and will become connected with the Planters Bank and Trust Co., Hopkinsville, Kentucky, of which bank his

father is president. Mr. Eckles has been assistant treasurer of Kentucky since January, 1936, and is the youngest the state ever had.

☐ **Robert Hudson** of Brownsville, Kentucky, has been appointed a state bank examiner by Hiram Wilhoit, commissioner of banking in Kentucky.

☐ **Edwin H. Hilliard** of J. J. B. Hilliard & Son, Louisville, Kentucky, has been appointed to the state and local taxation committee of the Investment Bankers Association of America.

☐ **The Columbus Bank**, Columbus, Kentucky, has been taken over by the Clinton Bank, Clinton, Kentucky.

☐ **Richard H. Higgins**, 68, director in leading banking and manufacturing firms in New York City, and at one time associated with the Citizens National Bank, Louisville, died recently.

☐ **Claud Mimms**, 72, organizer of the old Bank of Guthrie, Guthrie, Ken-

*"The Oldest National Bank in the South"*

## FIRST NATIONAL BANK

of

## LOUISVILLE

*Established 1863*

Banks in our territory find here complete commercial banking facilities based on an experience of nearly seventy-four years of constructive banking.

*Member Federal Deposit Insurance Corporation*

# TEXAS Securities

» We have active markets in Texas Municipals and Preferred stocks of Southwestern Utility and Industrial companies. Offerings desired.

## Rauscher, Pierce & Co.

Magnolia Bldg.

Dallas, Texas

L. D. 841

A. T. & T. 186



tucky, and at one time its cashier, died recently, of heart disease.

¶ **J. E. Hoodenpyl**, cashier of the First National Bank, Greenville, Kentucky, was recently elected president of the Progressive Bankers' Forum. Other officers are: vice president, Phil E. Chappell, cashier of the Planters Bank and Trust Company, Hopkinsville; and secretary, A. B. McKnight, Central City.

¶ **Louisville** has invited the American Institute of Banking to hold its 1938 convention in that city. During the Derby season Louisville entertains over 50,000 visitors, so Louisville knows how to show visitors a good time. The 1937 convention of the A. I. B. will be held in St. Paul in June.

¶ **Clinton Bank**, Clinton, Kentucky, has taken over the Bank of Columbus, Columbus, one of the oldest established banks of the county and section of the State in which it is located.

¶ **Deposits** of the Liberty National Bank and Trust Company, Louisville, Kentucky, increased more than \$3,281,000 in the year ending March 31, 1937, and now total more than \$25,692,000.

### F. H. A. Insured Mortgages

(Continued from page 7)

Its portfolio need not contain any frozen assets in the form of defaulted mortgages or foreclosed properties.

Mortgages insured by the Federal Housing Administration have a factor of marketability that in many respects is unique. For example, Home Loan banks are authorized to lend to non-members of the system up to 90 per cent of the face value of these mortgages and take them as security, for the advance. They are eligible as collateral for borrowing by members of the Federal Reserve System from Federal Reserve Banks. In addition the R. F. C. Mortgage Company which is a subsidiary of the Reconstruction Finance Corporation, is authorized to buy from any original approved mortgagee such of these mortgages as cover homes constructed on or after April 1, 1935, and will further enter into agreement to purchase such mortgages as the Federal Housing Administrator has executed commitments to insure. The R. F. C. Mortgage Company purchases are made on a basis to earn a net return of 4½ per cent.

Moreover, the National Housing Act as amended provides that mortgage associations may be formed with a

minimum capital of \$2,000,000 and with power to issue debentures up to 12 times their capitalization. Thus facilities may be furnished to place debentures based on Government insured mortgages in the hands of the public. These will constitute a type of security altogether different from the old style mortgage participations that have proved hazardous in the past. Surrounded by the many safeguards of the insured mortgage plan these associations should prove to be an attractive vehicle for investment.

Nor should the fact be overlooked that an active institutional market has already developed for Federal Housing Administration insured mortgages. Statistics relating to purchases of such mortgages up to December 31, 1936, showed that 594 such institutions had purchased insured mortgages aggregating over \$60,000,000. Of these institutions, 67 are insurance companies, including 49 life insurance companies. Among the large purchasers of insured mortgages have been the National Life Insurance Company of Vermont and the Comptroller of New York State.

The Federal Housing Administration's insured mortgage offers a safe form of investment for those portions of banking resources which are available for long-term financing purposes.

Now more than **61%** of all Tennessee Banks bank with *The American National Nashville*

— ★ —  
**Bankers  
KNOW  
Banks**  
— ★ —

● It is significant that bankers, who know banks . . . who appreciate efficient service . . . who are conservative in their selection of a depository for the funds of their depositors . . . prefer the American National.

This preference by so large a majority of Tennessee bankers is a strong endorsement of the sound policies, able management and the quality of service rendered.

You are invited to enjoy the same facilities for the handling of your business, that has earned the preference of more than 61% of all banks in Tennessee.

**THE AMERICAN NATIONAL BANK**  
NASHVILLE

Member Federal Deposit Insurance Corporation

CHARTER MEMBER FEDERAL RESERVE SYSTEM

Enjoy the "Sunday Players," each Sunday afternoon at 4:30 — W.L.A.C.



As your

**Louisville Correspondent**

*We Offer*

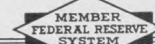
**The kind of service  
you want—  
when you want it.**

MEMBER

Federal Deposit Insurance Corporation

**THE LOUISVILLE TRUST COMPANY**

*Fifth and Market  
Highland and Baxter*



# News of Illinois Banks and Bankers

- Plans are being made to organize a new national bank to be located in the Field Building at La Salle and Adams Streets, Chicago.
- Plans are being made to organize a new bank for the Belmont-Sheffield-Clark district of Chicago.
- Capital structure** of the State Bank of Woodstock, Woodstock, Illinois, has been increased from \$50,000 to \$100,000.
- B. H. Ryan**, executive vice president of the State Bank of East Moline, East Moline, Illinois, has been elected president of the Quad-City Clearing House Association. Other officers are: vice president, G. Herbert Pemberton, president of the Rock Island Bank and Trust Company, Rock Island; and secretary-treasurer, Joseph E. Shearer, cashier of the Moline State Trust and Savings Bank, Moline.
- Fred G. Harrison** has been elected president of The Bank of Herrin, newly organized bank at Herrin, Illinois. Clay E. Tudor was named vice president, and H. A. Whittenburg, cashier. The bank has a capital stock of \$50,000, surplus of \$5,000, and undivided profits of \$2,500. Herrin has been without a bank for four years; although in 1929 more than \$5,000,000 were on deposit in the city's three banks.
- James Austin Hemingway**, 69, for 30 years secretary of the old Foreman Trust and Savings Bank, Chicago, died recently in Hollywood, Florida.
- William S. McConnell**, 67, vice president of the State Bank of Woodstock, Woodstock, Illinois, died recently, following an operation.
- Samuel Vaughton Crossman**, 52, cashier of the Bank of Edwardsville, Edwardsville, died recently of thrombosis.
- Charles A. Burns**, formerly connected with the First National Bank, Chicago, Illinois, has been named vice president of the Sears-Community State Bank.
- Unfortunate Mrs. Anna Maciaga** of Chicago is a good advertisement for any bank. She hid her life's savings, \$7,400, in a small tin box in the basement of her home, with a revolver, intended to safeguard the money. Recently a burglar took both while she was out shopping.
- Clarence E. Estes**, 65, retired vice president of the Continental Illinois National Bank and Trust Company, Chicago, Illinois, died recently.
- T. W. Hall**, president of the First National Bank, Carmi, Illinois, died recently at the age of 76.
- R. J. Dwyer**, formerly vice president, has been made cashier, also, of the State Bank of Mundelein, Mundelein, Illinois, following the resignation of John G. Wirtz.
- Mid-Continent Banker's** representative in Illinois and interested friends have sent us this month financial statements showing the following deposits of banks in the state: First National Bank, Allendale, \$649,012; First National Bank, Ava, \$402,412; Bartelso Savings Bank, Bartelso, \$87,619; Belleville National Bank, Belleville, \$1,102,914; St. Clair National Bank, Belleville, \$2,399,494; National Bank of Colchester, Colchester, \$264,036; Du Quoin State Bank, Du Quoin, \$1,885,794; Bank of Evansville, Evansville, \$610,178; Greenup National Bank, Greenup, \$259,689; First National Bank, Highland, \$1,396,149; First National Bank, Lacon, \$738,102; Lacon State Bank, Lacon, \$262,352; First National Bank, Litchfield, \$1,041,878.
- Farmers State Bank, Medora, \$104,727; First National Bank, Millstadt, \$829,624; City National Bank, Murphysboro, \$1,060,385; First National Bank, Newton, \$519,328; Peoples State Bank, Newton, \$860,388; State Bank of Niantic, Niantic, \$573,543; Farmers State Bank, Pittsfield, \$1,422,497; State Bank of Rock Island, \$6,407,177; Peoples National Bank, St. Francisville, \$363,196; State Bank of St. Jacob, St. Jacob, \$374,147; First State Bank, St. Peter, \$287,370; State Bank of Steeleville, \$617,023; Citizens National Bank, Toluca, \$716,890; Vergennes State Bank, Vergennes, \$105,279; Danforth Banking Company, Washington, \$1,049,613; First State Bank, Winchester, \$578,569; Neat, Condit and Grout National Bank, Winchester, \$646,017.
- W. K. Cannady**, vice president of the First National Bank, Wood River, Illinois, died recently.
- Belleville National Bank**, Belleville, Illinois, is remodeling its bank building.
- State Bank of Steeleville**, Steeleville, Illinois, recently moved into its new brick home.
- Arthur H. Evans**, who has been a member of Mercer-Allied Corporation, New York City investment managers, has been named vice president of the American National Bank and Trust Company, Chicago, to be associated with the trust department.
- A. T. Landreth**, director, has been elected president of the Farmers State Bank, Alto Pass, Illinois.
- W. R. Dorris**, cashier of the First National Bank, O'Fallon, Illinois, will attend the Graduate School of Banking at Rutgers University this summer.
- The Arlington Heights National Bank**, Arlington Heights, Illinois, recently opened for business, with common capital of \$50,000, par value, \$100, surplus \$10,000, and undivided profits \$5,000. Officers are: H. H. Franzen, president; C. W. Ewert and Hugo J. Thal, vice presidents; and A. H. Franzen, cashier.
- Mercantile Trust and Savings Company**, Quincy, Illinois, has installed a Yeo Victory rotary night depository and full depository equipment, manufactured by the Bank Vault Inspection Co.
- First National Bank**, East St. Louis, Illinois, organized in May, 1934, earned \$14.37 per share, or 23 per cent, on its invested capital during 1936. A 5 per cent dividend was declared. Deposits increased 32 per cent to \$4,311,913.
- Frederick F. Blossom**, president of the Central National Bank and Trust Co., Peoria, Illinois, and Mrs. Blossom, recently returned from a three weeks' vacation at Miami Beach, Florida.
- W. R. McGaughey**, president of the Millikin National Bank, Decatur, Illinois, and Mrs. McGaughey, recently returned from a motor trip to Biloxi, Mobile, and Hot Springs. Mr. McGaughey is a former president of the Illinois Bankers Association.
- Deposits** of the Central National Bank and Trust Company, Peoria, Illinois, now exceed \$11,843,248. Loans and discounts are more than \$3,223,951, and resources total more than \$13,217,546.

## Flood Crisis at Elaine, Arkansas, Described

The heroic part bankers and bank employees played in meeting the banking needs of their community, while operating under the most difficult conditions, during the recent flood which engulfed the Ohio-Mississippi river valley, has now been written in history. The following letter from Catherine M. Reid, cashier of The Elaine Bank Exchange, Elaine, Arkansas, speaks for itself of the crisis which was met and met courageously by Miss Reid, The Elaine Bank, and banks and bankers throughout the stricken area:

"Being subject to overflow from the backwater of White River, the people of Elaine know what to expect when the rivers are at flood-stage; but when the U. S. engineers put out the report



This photograph was snapped just as flood waters covered the main street of Elaine, Arkansas.

on January 26 that the Mississippi levee at Mellwood, ten miles away, would go out any minute putting twenty feet of water in the town, the people were thrown into a panic.

"All business houses immediately closed their doors, began packing and moving out their stocks as fast as they possibly could. In a few hours where a bustling little town had been doing a normal business, all stores were vacant of all merchandise, the counters and showcases on scaffolds that reached to the ceilings, and doors and windows boarded up to protect the glass from floating logs and debris.

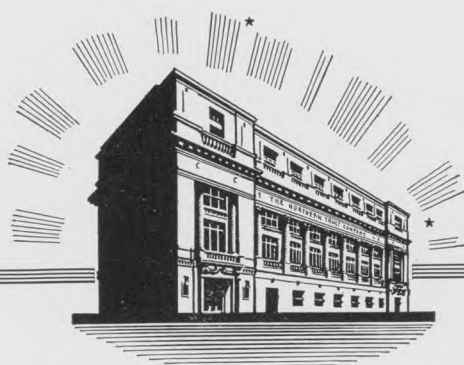
"So great was the demand for conveyances of every kind that it was nearly midnight before a truck could be secured to move the belongings of

the bank. All things that could be left behind had been hurriedly packed and stored in a safe place. Finally when the trucks had been loaded with the office equipment, books, and current records, and started on their way to higher ground and safety, the writer, in the dead of night quietly and quickly opened the vaults, removed all the money to her car, and, alone except for an eleven-year-old child, safely transported it to Helena where it was kept in her bedroom the remainder of the night.

"Next morning when the money was taken to the Phillips National Bank (Helena) for deposit, they very

graciously offered to let us carry on our business in their establishment, and here we have been ever since, orphans of the storm, so to speak, but not without a friend in need.

"It is a matter of record that the main levee at Mellwood did not break, but the backwater slowly crept over the little town bringing death to all forms of life and destruction to all property in its path. Practically every store was flooded, and very few homes had been built high enough to escape the ravages of the muddy waters. There is no way of estimating the damage done to the property in that section."



## FOR OUT-OF-TOWN BANKS

*a Chicago connection is  
offered here*

● Correspondents, like other clients of The Northern Trust Company, soon come to appreciate their friendly relationship with this 47-year-old institution. They find that facilities here are modern and complete... that their individual affairs always receive the close, personal attention of the officers whenever matters of more than routine importance arise. Other out-of-town banks in search of a Chicago connection are invited to make inquiries.

## THE NORTHERN TRUST COMPANY

NORTHWEST CORNER LA SALLE AND MONROE STREETS, CHICAGO

*Member Federal Deposit Insurance Corporation*

**THE EXCHANGE  
NATIONAL BANK**  
OF JEFFERSON CITY, MO.

*Member Federal Deposit Insurance Corporation*

**Send Us Your Collections**



# NEWS OF INDIANA

## BANKS AND BANKERS

☐ **Jed Coppock** has been chosen to manage the insurance department of the Union Trust Company, Union City, Indiana, succeeding Walter Bill, who recently resigned to enter private business.

☐ **Harry Nagel**, vice president of the Fifth-Third Union Trust Company, Cincinnati, Ohio, recently spoke before the Kiwanis Club of Vevay, Indiana, on "Banks and Banking."

☐ **Farmers National Bank**, Princeton, Indiana, has retired 250 shares of preferred stock, class "B," par value \$25,000. Outstanding capital after the change amounts to \$75,000 preferred stock "B," and \$100,000 of common stock.

☐ **The Knisely National Bank**, Butler, Indiana, has retired 50 shares of preferred stock, par value \$5,000, and 50 shares of common stock, par value \$5,000. Outstanding capital after the change amounts to \$20,000 preferred, and \$30,000 common stock.

☐ **American National Bank**, Indianapolis, Indiana, has retired 7,500 shares of preferred stock, par value \$75,000. Outstanding capital after the change amounts to \$925,000 preferred and \$1,000,000 common stock.

☐ **Lafayette National Bank**, Lafayette, Indiana, has retired 300 shares of preferred stock, par value \$6,000.

☐ **Seymour National Bank**, Seymour, Indiana, has retired 250 shares of preferred stock, par value, \$20,000. Outstanding capital after the change consists of \$72,000 preferred and \$175,000 common stock.

☐ **Mid-Continent Banker's** representative in Indiana and interested friends recently sent us financial statements showing the following deposits of

banks in the state: Akron Exchange Bank, Akron, \$698,177; State Bank of Akron, Akron, \$133,385; Auburn State Bank, Auburn, \$1,150,990.

☐ **W. L. Lyons & Co.**, members of the New York Stock Exchange, Louisville, Kentucky, have opened a branch office at Kokomo, Indiana, under the



HOLMAN R. WILSON

management of Holman R. Wilson and Forrest A. Harness. The new branch office is located in the Armstrong-Landon building. Mr. Wilson was formerly in charge of the firm's Cincinnati office, and Mr. Harness was formerly active as a lawyer.

☐ **H. N. Holland** is the new assistant cashier of the Farmers State Bank, Lapaz, Indiana.

☐ **L. S. Armstrong**, cashier of the St. Joseph Valley Bank, Elkhart, Indiana, has been elected 1937 president of the Elkhart Clearinghouse Association.

☐ **M. S. Rummel**, formerly assistant cashier, has been elected cashier of the First National Bank, Goshen, Indiana, succeeding the late C. E. Cornell.

☐ **American Trust Company**, South Bend, Indiana, enjoyed an increase in deposits exceeding 71 per cent during 1936.

☐ **A. L. Jensen** is now cashier of the Bank of De Motte, De Motte, Indiana.

☐ **George S. Anderson**, formerly executive vice president, has been elected president of the First National Bank, Elkhart, Indiana. Coryn B. Wright has been promoted from vice president and cashier to executive vice president and cashier; Gordon F. Weith from assistant vice president to vice president; and Russell L. Hoak from assistant cashier to assistant vice president.

☐ **Dr. John T. Middleton**, president of the Johnson County National Bank, Franklin, Indiana, died recently at the age of 74.

☐ **Albert J. Karges**, president of the board of directors of the old Central Union Bank, Evansville, Indiana, and a director of the National City Bank, died recently at the age of 75, of a paralytic stroke.

☐ **A. G. Haig**, president of the Bloomfield State Bank, Bloomfield, Indiana, died recently at the age of 65, of influenza.

☐ **Application** has been filed for a national charter for a new banking institution to be organized at Warsaw.

☐ **William P. Flynn**, vice president of the Indiana National Bank, Indianapolis, has been named by Governor Townsend as a member of the Indiana Commission for Financial Institutions. The Commission is the controlling body of the Department of Financial Institutions and has supervision over state banks, loan, trust and similar institutions.

☐ **Peoples Trust Company**, Linton, Indiana, opened a branch bank at Jasonville recently. W. H. Walters is in charge.

☐ **Citizens Loan and Trust Company**, founded at Bloomington, Indiana, in 1900, recently observed its thirty-seventh anniversary of service.

☐ **Ludie Warner**, 74, member of the family which owns and operates the Summitville Bank and Trust Company, Summitville, Indiana, died recently of heart disease.

☐ **Dr. Charles J. Kneer**, 68, vice president of the Oaklondon State Bank, Oaklondon, Indiana, died recently.

☐ **J. O. Sanders**, formerly vice president, has been elected president of the First National Bank, Huntingburg, Indiana.

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## Port of New Orleans

(Continued from page 12)

fee, etc. These facilities have all been designed with the view of avoiding port congestion, and always taking into consideration the possibility of expansion, room for which is almost unlimited. Last year, some 2500 vessels entered and cleared the Port of New Orleans, handling upwards of eleven million tons of cargo.

With this vast business, there is little likelihood of congestion in New Orleans, such as frequently has occurred at other ports. Our docks can accommodate 80 large vessels at one time, which far exceeds any requirement which can be anticipated at this time. Moreover, our facilities have been maintained efficiently, and improved where possible. In 1930, the Board of Commissioners spent one million and a half dollars for the installation of a modern sprinkler system throughout the docks, since which time the three or four dock fires which have occurred were immediately extinguished, with a loss of about \$25.00. During the twenty years prior to the installation of the sprinkler system, the fire loss was about twenty-five million dollars. This means something tangible to the importer and exporter. It means cheaper insurance rates.

## Prospects of Government Bond Market

(Continued from page 6)

ticularly as we remember such beliefs were expressed ten years ago when the national debt was being very rapidly retired through the application of Treasury surpluses and sinking fund operations—but something happened. However, the investments of Government trust funds should not be overlooked as a possible future market factor on the favorable side.

There are many cross currents which have developed from time to time, such as fears of conditions abroad, Congressional activities, labor unrest, and occasionally a general case of the jitters.

While some of these past fears may not appear again others will no doubt replace them and play a part in the day to day market movements. These developments should, of course, receive consideration, but from a sound long term investment standpoint they should not be acted on impulsively. Their influences are usually temporary, and not as disturbing as anticipated.

It has been my observation during the past few years that temporary mar-

ket reactions came from the unexpected and not the expected.

For the months immediately ahead, and probably for the remainder of this year, I would guess that we will witness a rather nervous market. My reason for this is due to two factors: first, the general feeling that the market is around the top, which should cause profit taking whenever the market enjoys upward spurts, and second, the desire to keep funds employed, which should result in buying on downward reactions.

Do not view long term prospects of the Government bond market purely from an historical standpoint. Select, what in your opinion will be the real controlling factor—judge the bond market in terms of this controlling factor, and do not change your course until you see the prospects of a basic change in your controlling factor.

## L. K. Billings Joins Staff of City National

L. K. Billings, who has long been identified with correspondent bank activities as a representative of one of the large metropolitan banks, has now become associated with the Banks



L. K. BILLINGS

and Bankers Division of the City National Bank and Trust Company of Chicago, which is in charge of William H. Miller, vice president.

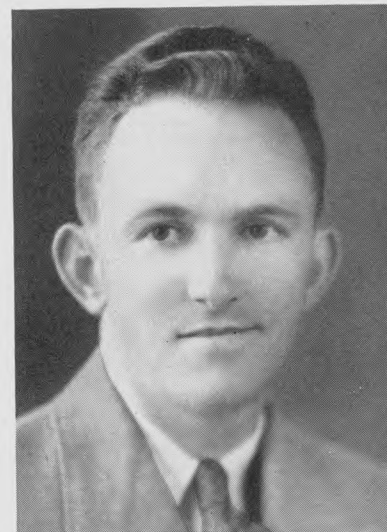
Prior to 1929, the time Mr. Billings engaged in correspondent bank work, he was a state bank examiner for Indiana, in which capacity he served for a number of years.

Mr. Billings was born in Williamsport, Indiana, and came to Chicago in 1929.

## Spaulding Is Candidate for A. I. B. Office

J. H. Spaulding, president of the Chattanooga, Tennessee, chapter of the American Institute of Banking, and a member of the staff of the Hamilton National Bank of that city, has announced his candidacy for membership on the National Executive Council of the American Institute of Banking at its 1937 convention to be held June 7-11 at St. Paul, Minnesota.

Mr. Spaulding, who is better known in A. I. B. circles as "Red," is an Institute graduate and has served his chap-



J. H. (RED) SPAULDING

ter faithfully and well as chairman and member of various committees, as a member of the board of governors for two terms, as chapter vice president in 1935-1936, and as president during the current term.

Nationally, Mr. Spaulding served as representative for District Three in the National Public Speaking Contest held at Pittsburgh in June, 1931. He also served as a member of the National Public Speaking Committee in 1932-1933, as chairman of District Three of the National Public Speaking Committee in 1933, as a member of the National Debate Committee in 1935-1936, and as leader of the debate section at the first Southeast Chapter Presidents' Conference held in Birmingham in 1935. In addition to these national activities, Mr. Spaulding was a speaker at the Second Southeast Chapter Presidents' Conference held in Atlanta in 1936, and he has been called upon frequently to address various bank group meetings in connection with the promotion of the Institute's educational program. He also has been Executive Councilman for Tennessee since June, 1934.

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# MUNICIPAL BOND

## Very Moderate Liquidation of Tennessee Municipals

By EDWIN S. GARDNER

Equitable Securities Corporation,  
Nashville

**U**NDER the stimulus of falling bond prices in the general corporate and municipal markets during the past month, municipal bond prices in Tennessee have crumbled in a gradual but orderly fashion. Liquidation has been very moderate and trading has been held to rather small proportions. At certain times in the past few weeks there was a distinct hesitancy on the part of both dealers and investors in making bids for bonds that came on the market. Toward the latter part of the month, however, trading became somewhat more stabilized at the lower levels, with institutional accounts becoming attracted by the more generous yields available.

Indicative of the average increase in yields are the price levels of various issues of the State of Tennessee during the last week in March, compared with the approximate prices prevailing a month previous. The Gas Tax 6's of 1943 are now on about a 2.75 per cent yield basis compared with a 2.50 per cent basis near the end of February; the Highway 6's of 1946 and 1947 at about a 3.40 per cent basis against 3.20 per cent; and the Highway 3.90's of 1955 and 1958 at a 3.50 per cent yield versus 3.25 per cent. Harking back about a year, it is interesting to observe that the 3.90's of 1955 and '58 were selling at about a 3.25 per cent basis in April, 1936.

Indications are that news will shortly be forthcoming relative to the proposed revision in the State's bonded indebtedness. Governor Browning, in conjunction with financial experts in New York, has been arranging for several months a new set-up for the total debt, which, though not yet disclosed, is reputed to be looking towards caring for the large 1939 maturities and the saving of large sums in interest charges. The plan not only is to take in the \$97,400,000 direct debt of the State, but also a more scientific arrangement to care for the \$31,400,000 indirect debt which the State has agreed to reimburse to counties over a period of years out of 1 cent of the gasoline tax. This latter indirect debt results from the state's having agreed to pay the counties for certain expenditures on highways.

The improvement in the State's finances in the last two years has been tremendous, both on account of the large increases in gasoline tax collections, from which a major portion of the interest and principal of the debt is paid, and on account of the reduction in the deficits of former years. Therefore the new plan of the Governor's for fiscal rearrangement is being looked forward to with avid interest by dealers and investors alike.

## Decline in Governments Affects Kansas Bonds

By WALLACE PAYNE

*Estes, Payne & Company, Topeka*

**T**HE recent decline of government securities has seriously disturbed the Kansas municipal bond market. A recent issue of Sedgwick County 2 1/4 per cent bonds were sold at 99.334, and several municipalities have been unsuccessful in making satisfactory sales of 2 per cent and 2 1/4 per cent issues.

The new issues offered have not been well taken, and it is difficult at this time to predict at what level the municipal market may be stabilized.

There has been very little liquidation of municipal bonds, bankers apparently are waiting to see the trend of the government market before making any changes in their portfolios.

## State of Kentucky Completes Refinancing Program

By THOMAS GRAHAM

The Bankers Bond Company,  
Louisville

**T**HE general Kentucky municipal market for the month of March has not been affected adversely by the general decline in bond prices except for the obligations of first and second class cities which have been selling on a very low yield basis. There has been some tendency to liquidate City of Paducah obligations, due to fear of the financial situation of the city and the damages caused by the flood.

The State of Kentucky has completed its refinancing program and only has outstanding 3 per cent Warrants against the general fund at the present time. The probability is that in the next five months all 3 per cent Warrants issued in 1936 will be retired and by September 1 the gross Warrant indebtedness of the State

# NEWS SECTION

should amount to around \$13,000,000 to \$14,000,000.

There has been a strong demand for Warrants, due to the short term character of this paper, the market depending on the date of issuance. We anticipate the first call for 3 per cent Warrants will be some time in April and this will further strengthen the demand for the 3 per cent Institutional and General Expenditure Warrants.

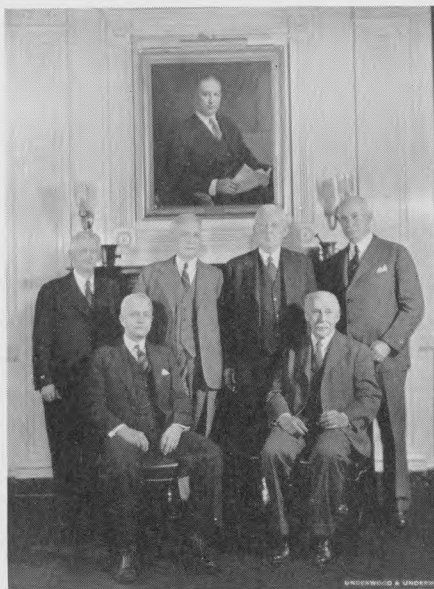
## Arkansas Refunding Program Agreement Is Signed

**G**OVERNOR CARL E. BAILEY of Arkansas has signed an agreement with Stifel, Nicolaus & Co., Inc., St. Louis, and A. C. Allyn & Co., Inc., Chicago, which launches the \$150,000,000 highway debt refunding program of Arkansas. Under the agreement, the two bond houses, as refunding agents, will attempt to replace, by May 1, 1938, approximately \$147,680,000 of highway, toll bridge and road district bonds, bearing interest at rates varying from 3 per cent to 5 per cent, with new obligations carrying a lower interest coupon. The contract provides that other bond houses or banks may become parties to the contract with the approval of Governor Bailey and the original bankers.

Compensation to the refunding agents will be at the rate of 1/2 of 1 per cent of the par value of all 3 1/2 per cent or lower-rate bonds issued by the State in exchange for higher-coupon bonds, or for bonds sold to provide funds with which to call outstanding bonds. In addition, they would receive 1/8 of 1 per cent on the sale or exchange of Series B 3 1/2 per cent highway and toll bridge bonds issued in 1934 to pay defaulted interest, and on the outstanding 3 per cent road district bonds. Bonds must be sold at premiums before the refunding agents can receive more than \$50,000 for handling the operation. Furthermore, the contract provides that if it becomes possible to sell bonds to the Reconstruction Finance Corporation or other Federal agencies, the agreement with the refunding agents may be cancelled without cost to the State. Under the contract it is possible for the refunding agents to earn maximum compensation of approximately \$490,000. Governor Bailey states that Arkansas could save \$26,000,000 under the "least favorable circumstances" at a cost of \$50,000. The transaction cannot cost the State more than the

\$320,000 appropriated by the legislature for expenses. Highway, road and toll bridge debt comprises about 90 per cent of the total bonded debt of Arkansas, which on December 31, 1936, amounted to \$163,279,861.

**P**ictured below are six members of the "Fifty-Year Club" of the Chemical Bank and Trust Company, New York. The photograph was taken in the board room of the bank before a portrait of Percy H. Johnston, president chairman. The "Fifty-Year Club" is composed of six officers and employees whose combined length of service with the Chemical amounts to 333 years. Dean of the group is John



"Fifty-Year Club" of Chemical Bank and Trust Company, New York.

F. Flaacke, Assistant Secretary, who has served the bank for almost sixty-six years. Other members with their length of service are: Walter A. Smith, fifty-seven years; John Voorhis, fifty-five years; Eugene I. Pascal, fifty-five years; Howard W. Tooker, fifty years; Samuel T. Jones, vice president, fifty years. Those standing in the photograph, left to right, are: Mr. Pascal, Mr. Tooker, Mr. Voorhis and Mr. Jones. Those seated, left to right, are: Mr. Flaacke and Mr. Smith.

**T. C. Potts**, of Crenshaw, has been elected vice president of the Merchants and Farmers Bank, Kosciusko, Mississippi. John C. Lucas has been elected trust officer and assistant cashier, and S. A. Coleman, assistant cashier.

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# St. Louis Stock Exchange Transactions

[Summary of Sales February 26 to March 25, 1937]

	High	Low	Last	Total Sales
Amer. Inv., Com.	37½	35	36½	1357
Brown Shoe, Com.	49½	47½	47½	435
Burkart, Com.	34½	32	32	1960
Century, Com.	96	90	93	158
Coca-Cola Botl.	140	130	.....	224
Columbia Brew.	6	5	.....	748
Dr. Pepper, Com.	48	42	42	2907
Ely-Walker, Com.	32	30	.....	800
Emerson, Pfd.	125	112	.....	443
Falstaff Brew.	11½	10	10½	7048
Griesed'k-W. Br.	39	34	39	360
Hamilton-Brown	5½	4	.....	1795
Hussman-Lig., Com.	23	20¾	20½	2289
Huttig S. & D., Pfd.	90	85	90	109
Huttig S. & D., Com.	18	17	.....	450
Hyd. P. B., Pfd.	13	11½	12	1007
Hyd. P. B., Com.	3	1¾	.....	948
Int'l Shoe, Com.	48½	46	46½	1143
Johansen Bros.	10	10	.....	5
Johnson S.-S., Com.	16	14½	.....	75
Key Co., Com.	14½	13¼	.....	420
Knapp-Mon., Pfd.	35¼	34¼	.....	140
Knapp-Mon., Com.	35¾	34	.....	819
Laclede-Christy	22	19	.....	1631
Laclede Steel	32½	28	.....	2743
Landis Mach., Com.	22	21¾	.....	75
McQuay-Norris	58	53¾	54	280
Meyer-Blanke, Com.	22½	19¼	.....	901
Mo. Portland, Com.	26½	23	23	2128
Nat'l B. M., Com.	70	58	.....	322
Nat'l Cdy., Com.	13¾	12	12	697
Nat'l Oats, Com.	27	27	.....	25
Nich-Beazley	2	1½	1½	700
Pedigo Co.	7	6	.....	112
Rice-Stix, 1st	117¼	117¼	.....	13
Rice-Stix, Com.	13½	10¾	.....	2513
St. L. Bk. Bldg.	7½	6¾	.....	2010
St. L. Car, Pfd.	80	80	.....	55
St. L. Car, Com.	15	14	.....	550
St. L. P. S., Pfd.	47½	4½	.....	401
St. L. P. S., Com.	50c	40c	.....	636
Scruggs-V. B., 1st	95	95	.....	66
Scruggs-V. B., 2nd	95	95	.....	50
Scruggs-V. B., Com.	20	17½	.....	1557
Scullin, Pref.	29½	22¾	26¾	9263
Sec. Inv., Pfd.	112	111¾	.....	26
Sec. Inv., Com.	58	58	.....	5
Sieloff, Com.	12	12	.....	200
S. W. Bell, Pfd.	128	125½	.....	751
Stix, Baer-Fuller	13½	12½	.....	541
Wagner, Com.	48¾	45	47	4641
Central Brew, Com.	5	4½	.....	885

## CURRENT QUOTATIONS

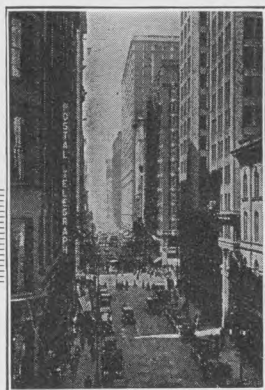
FURNISHED BY EDWARD D. JONES & COMPANY, ST. LOUIS, MISSOURI  
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	Bid	Asked	Bid	Asked
American LaFrance, 5½s, 1956	93	94	85F	86F
American Machine & Metal, 4s, 1943	97	98	106	107
American Utilities Service, 6s, 1964	80	81	67	69
Aransas Compress, 6s, 1939	101	103	99½	101½
Arizona Power, 4½s, 1950	100	102	63	65
Arkansas Missouri Power, 5s, 1957	88	89	.....	.....
Arkansas Missouri Power, 6s, 1953	92	93	93	95
Arnold Print Works, 6½s, 1941	82	83	81½	82½
Associated Elec., 5s, 1961	63	64	.....	.....
Baltimore & Ohio, 4½s, 1939	100	100½	37F	38F
Central Electric & Telephone, 5s, 1955	97½	98½	.....	.....
Central Gas & Electric, 5½s, 1946	78	78½	57	58
Central Indiana Power, 6s, 1947	91	92	93	90
Central Iowa Telephone, 5½s, 1947	101½	103	99	71
Central Kansas Power, 6s, 1946	99	101	93	95
Central Manufacturing District, 5½s, 1941	104	106	.....	.....
Central Public Utility, 5½s, 1952, W. S.	7F	8F	78	80
Central States Electric, 5½s, 1952	101	103	102	104
Century Electric, 5s, 1941	99	101	97	99
Chattanooga Railway, 5s, 1956	82	84	59	61
Chicago District Electric, 4½s, 1970	103	103½	99	99
Chicago Herald & Examiner, 6½s, 1950	99½	100½	100¼	101¼
Chicago Produce District, 5s, 1948, W. S.	102½	104½	100	101
Cities Service, 5s, 1958	71	73	25F	27F
Cleveland Tractor, 5s, 1945	99	100½	44½	45½
Commonwealth Edison, 3¾s, 1965	101	102	96	98
Commonwealth Utilities, 6s, 1938	100½	101½	.....	.....
Community Water Service, 5½s, 1946	79	80	31½F	32½F
Consolidated Electric & Gas "A," 6s, 1962	57½	59	84	85
Consumers Co., 5s, 1956, W. I.	77	79	71F	72F
Continental Roll and Steel, 6s, 1940	96	98	93	96
Coronado Hotel, 6¼s and 6½s (St. Louis)	14F	15F	111	112
Crowley Milner, 5½s, 1946	99	101	115	117
Dallas Railway and Terminal, 6s, 1951	81	82	92	92½
Deep Rock Oil, 7s, 1937	.....	.....	87½	89
Des Moines Gas, 5s, 1956	.....	.....	90	91
East Coast Public Service, 4s, 1948	67	69	100	101
Eastern Iowa Power, 6½s, 1943	99½	101½	.....	.....
Eastern Minnesota Power, 5½s, 1941	63	65	.....	.....
Eastern Oregon Light & Power, 5s, 1953	93	95	.....	.....
Federated Utility, 5½s, 1957	81½	82½	.....	.....
Forest Park Apts. (Fort Worth), 6½s, C/Ds.	37F	38F	.....	.....
Forty-Five Fifteen Lindell Apts. (St. Louis), 5s.	57	58	.....	.....
Globe Steel Tube, 6s, 1937	93	90	.....	.....
Grand Lodge of Louisiana, 4s, 1950	85	71	.....	.....
Griess Pfleger Tanning, 5½s, 1948	69	71	.....	.....
Gulf Public Service, 6s, 1945	93	95	.....	.....
Illinois Commercial Telephone, 6s, 1949	78	80	.....	.....
Illinois Power and Light, 6s, 1953	102	104	.....	.....
Illinois Water Service, 5s, 1952	100	101½	.....	.....
Indiana Central Telephone, 5½s, 1938	97	99	.....	.....
Investors Telephone, 3s, 1961	59	61	.....	.....
Iowa Electric Light and Power, 4s, 1955	100¼	101¼	.....	.....
Iowa Southern Utility, 5½s, 1950 (Old)	100	101	.....	.....
Chester L. Jones Corp., 6½s, C/Ds	25F	27F	.....	.....
Kansas City Public Service, 3s, 1951	44½	45½	.....	.....
Kentucky Power and Light, 5½s, 1948	96	98	.....	.....
M. & M. Terminal Income (Birmingham, Ala.), W. S.	31½F	32½F	.....	.....
Mattheson Hegeler, 5½s, 1945, W. S.	84	85	.....	.....
Midland Utilities, 6s, 1938	71F	72F	.....	.....
New State Ice, 6s, 1943	93	96	.....	.....
New York Central, 3¾s, 1952	111	112	.....	.....
Mengel Co., 4¼s, 1947	115	117	.....	.....
Otis Steel, 4½s, 1962	92	92½	.....	.....
Peabody Coal, 5s, 1953	87½	89	.....	.....
Pettibone Mulliken, 6s, 1943	90	91	.....	.....
Philadelphia Electric, 3½s, 1967	100	101	.....	.....



## Olive Street Notes

By JAMES J. WENGERT



Photograph  
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W. C. Persons

Edward B. Hall of Harris, Hall & Co., president of the Investment Bankers Association of America, and Alden H. Little, Chicago, executive vice president of the Association, were in St. Louis last month on their annual tour of the nation's leading financial centers. They conferred with officials of the Mississippi Valley Group of the Association, which is headed by I. A. Long, vice president of the Mercantile-Commerce Bank and Trust Company, and Mr. Hall addressed members of the group at a dinner meeting held at the Racquet Club.

In his address at the Racquet Club, Mr. Hall declared that the national debt should be carried by savings of the people and not by bank credit artificially created for that purpose. He advocated reduction of governmental expenditures and a balancing of the budget, termination at the earliest possible date of the authority to change the price of gold, and funding of a substantial part of the government's short-term debt into long-term bonds which should be sold to the people and their savings institutions and not to commercial banks. He also stressed the part that confidence plays in the financing of modern, large-scale business and public works, and urged restraint on speculative tendencies.

Letters were sent out last month to all banks in the St. Louis area by the Security Traders' Club of St. Louis

asking that problems arising from security transactions be referred to that club, which consists of 112 traders from 70 local investment houses. E. E. Haverstick, chairman of the Club's publicity committee, states that the organization is trying to establish the highest standards of trading practice and to eliminate those causes of misunderstanding which may give rise to unpleasant situations in the security business.

Nelson Coddling, who has been identified with the statistical department of G. H. Walker & Co., has been elected executive vice president of the Union Trust Company, East St. Louis, Illinois.

Members of the Chicago Stock Exchange in St. Louis will cooperate with officials of the Chicago Stock Exchange to stage a demonstration of exchange activities at a meeting to be held at the Statler Hotel, April 15. Julius W. Reinholdt of Reinholdt & Gardner will preside at the meeting. It is understood that a delegation of about twenty-five Chicago brokers will come to St. Louis for the demonstration.

Berger-Cohn & Co. announces that Herman Cronheim and Eugene J. Meyer have been elected officers and directors of the company.

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# LEGAL TENDER

Volume 22

April, 1937

Number 4

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Official Publication

St. Louis Chapter

American Institute of Banking

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

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

## ANNUAL ELECTION APRIL 30

The Articles of Association of St. Louis Chapter, Inc., American Institute of Banking, provide that the annual election of governors and delegates shall be held on the last Friday in April of each year. Accordingly, our annual election will be held on April 30.

The nominating committee, appointed by the president and approved by the Board of Governors, presents to the Board for its approval, a list of candidates for the Board.

The By-Laws provide that the total active membership in the chapter as of January 15 is divided by 18 (there being 18 men governors on the board) to give the quotient on which the governor quota is based. This year there are 1044 active members, which number divided by 18 gives us a quotient of 58. Banks with 58 members are therefore entitled to one man on the board. Governors are elected to two-year terms. Nine men are to be elected to the board this year, and of course, nine governors hold over from last year.

The quotas thus arrived at and the names of holdover governors and candidates for election this year are as follows:

Boatmen's National Bank—governor quota, one. Holdover governor, none. One governor to be elected. Candidates, Alois J. Aumann and Frank A. Schmidt.

First National Bank in St. Louis—governor quota, two. Holdover governor, Lawrence F. Brennan. One governor to be elected. Candidates, Don A. Erman, Al J. Ruch and Edmund B. Welshans.

Mercantile-Commerce Bank and Trust Company—governor quota, two. Holdover governor, T. W. Johnson. One governor to be elected. Candi-

dates, Joseph F. Lohaus and Edward W. Schwarz.

Mississippi Valley Trust Company—governor quota, two. Holdover governor, Albert C. Boettcher. One governor to be elected. Candidates, Eugene H. Coffman, Jr., William Leipholtz and Anthony J. Leskosky.

Federal Reserve Bank—governor quota, two. Holdover governor, William J. Hagedorn. One governor to be elected. Candidates, Earl H. Chapin and Louis P. Rose.

St. Louis Union Trust Company—governor quota, one. Holdover governor, none. One governor to be elected. Candidates, Carl Nagel and Walter A. Roennigke, Jr.

Banks in Missouri with less than 58 members are grouped. The Missouri group is entitled to six men on the board of governors. Four governors

hold over from last year: Walter D. Brockman, Farm Credit Administration; Joseph F. Furrer, South Side National Bank; A. P. Kuerschen, Northwestern Trust Company, and John C. Seiler, Industrial Bank and Trust Company. Two governors are to be elected to represent the Missouri group. The candidates are: George R. Bradbury, Mutual Bank and Trust Company; Leo Dittrich, Mercantile-Commerce National Bank; Ralph M. Fox, The Plaza Bank; William H. Hellwege, Maplewood Bank and Trust Company; Walter H. Hill, North St. Louis Trust Company; Edwin R. Schertzer, Tower Grove Bank and Trust Company; Edward F. Sertl, Security National Bank Savings and Trust Company.

The twenty-seven Illinois banks are grouped. The Illinois group is entitled to two men on the board of governors. Harold M. Miles of the National Stock Yards National Bank holds over for one more year. One governor is to be elected. Candidates: A. C. Boeker, Edwardsville National Bank and Trust Company; Joseph A. Kocher, First National Bank, East St. Louis; and Dewey L. Leming, Union Trust Company, East St. Louis.

On the Tuesday following the annual election the present Board of Governors plus the nine men elected will meet and proceed to elect women members to the Board. The By-Laws provide that there shall be four (4) women on the Board to represent women members, without regard to bank or group quotas. Miss Antoinette S. Pernoud, Manufacturers Bank and Trust Company, and Miss Florence Peterson of The Belleville Bank and Trust Company are hold-over governors. Two women will be elected this year. Five chapter officials are to be elected: president, first

## Calendar

**April 7**—Public Affairs Trip through the Universal Match Corp.

**April 8**—Public Speaking Contest at Chapter Headquarters.

**April 10**—Women's Bridge and Bunco Party at Hotel Jefferson.

**April 24**—Annual Meeting and Banquet, Gold Room, Hotel Jefferson.

**April 30**—General Election for Members to Board of Governors and Delegates to National Convention.

**May 4**—Election of Officers.

**May 8**—District No. 5 Public Speaking Contest.

**June 7-11**—Annual National A. I. B. Convention—at St. Paul.

vice president, second vice president, associate vice president, who shall be a woman, and treasurer. Their terms of service are one year. Officers elected, if not already members of the board, are ex-officio members of the Board of Governors.

Officers and governors elected this year are ex-officio delegates to the Institute National Convention to be held in St. Paul, Minnesota, June 7-11, and take precedence over regularly elected delegates.

Delegates are allotted to chapters on the basis of one delegate to twenty-five chapter members, or fraction thereof. Our membership entitles the chapter to forty-four delegates this year.

Delegate elections may be held in the following banks: First National Bank in St. Louis, Mississippi Valley Trust Company, Mercantile-Commerce Bank and Trust Co., Mutual Bank and Trust Company, Industrial Bank and Trust Company, Federal Reserve Bank, Security National Bank Savings and Trust Company. Chapter members in these banks may elect their own delegates.

Eight delegates will be elected by the Missouri group. The candidates are: Raymond W. Becker, Cass Bank and Trust Co.; Miss Catherine Beckman, First National Bank, Clayton; Miss Adeline A. Brockman, State Bank and Trust Company, Wellston; Frank A. Lembeck, South Side National Bank; Louis McFarland, Webster Groves Trust Company; Horace A. Rawdon, Southwest Bank; Walter Schnitzmeier, Northwestern Trust Company; Frank Stein, North St. Louis Trust Company; Elmer Tonsing, Delmar Bank of University City; A. C. Waldemer, Southern Commercial and Savings Bank; Frank J. Wolfbauer, Jefferson Bank and Trust Co.

Three delegates will be elected by the Illinois group. The candidates are:

Edwin S. Brisk, National Stock Yards National Bank; Leo Dustmann, Bank of Edwardsville; N. M. Emig, St. Clair National Bank, Belleville; Elmer A. Hurry, Granite City Trust and Savings Bank; Eugene J. Morrissey, First National Bank and Trust Company of Alton; Harry L. Robinson, First National Bank of Collinsville; Ralph H. Smith, First National Bank of East St. Louis; Norman Vogel, Belleville Savings Bank.

Official ballots will be prepared and placed in the hands of all eligible voters. The votes will be counted at chapter headquarters by the election committee and the results announced by the committee.

Officers and governors elected will be installed into office on the last Friday in May. The Institute fiscal year begins June 1.

"No member whose indebtedness to the Chapter is more than three months past due shall be deemed eligible to vote or to be voted upon at any Chapter election."

**FINAL EXAMINATIONS**

Final examinations will be conducted on the following dates:

Bank Organization and Operation	April 27
Commercial Law	April 22
Negotiable Instruments	April 16
Economics	May 12
Money and Banking	April 26
Analyzing Financial Statements	May 5
Bank Management	April 29
Investments II	April 23
Trust Business I	May 6
Real Estate Principles and Practice	May 5
Real Property Law	April 27
Accounting II	April 23
	and April 27
Public Speaking	April 16
English	May 5

**Public Speaking Contest**

Let's make a date for Saturday evening, May 8, 1937, for the district No. 5 eliminations in the public speaking contest. If you enjoy keen competition and brilliant oratory, the opportunity is yours.

St. Louis Chapter is to be host to the winners of the public speaking contest of the several chapters in this district. Our St. Louis Chapter will decide a local winner in April and that representative will compete with the chosen representatives from Kansas City, Des Moines, Minneapolis, Denver and other cities. The winner of this district contest will enter the final event at the national convention at St. Paul in June, and will have a splendid chance of sharing in the rich awards made possible from the income of the A. P. Giannini trust fund. In addition the person judged best will receive his travelling expenses to St. Paul and \$100.00 for incidental expenses.

May 8 is the date for this exhibit of oratory. By that time the April functions including the annual meeting and banquet and the election will be over. So again I say, let's make it a date to attend and welcome these representatives from our neighboring chapters.—HUGH S. HAUCK, *Publicity Chairman.*

**St. Pat's Day Hop**

The entertainment committee of St. Louis Chapter A. I. B., in co-operation with the entertainment committee of the First National Bank Club "threw" the St. Pat's Day Hop on Wednesday the 17th of ol' Ireland, and if 650 people can't be wrong—the party was a huge success. The music was provided by Herb Mahler and his orchestra and as had been predicted, it was in abundance and every note of it, sharps and

**ANNUAL BANQUET**

**ST. LOUIS CHAPTER  
AMERICAN INSTITUTE OF BANKING**

**GOLD ROOM  
HOTEL JEFFERSON**

**Saturday April 24, 1937—6:30 P.M.**

**DRESS OPTIONAL**

**\$1.50 PER PLATE**

flats, was of the dancy, tantalizing, swingy variety. The beautiful and spacious ballroom of Norwood Hills Country Club was appropriately decorated with white and green streamers and a number of large green shamrocks adorned every wall. Showers of green balloons fell on the dancers from the ceiling and the showers did not have the effect of dampening either the dancers or their spirit of joviality. Green hats and colors appropriate for the lapel were distributed. The whole affair, according to those in attendance, was one of the most enjoyable in many a moon. Whether it was the number of old friendships renewed, or the flair provided by exceptional music, or the pulchritude of the ladies present, or the spirit of St. Patrick in our midst, that made the occasion what it was, the committee was unable to determine, but they have set a tentative date for another good time, same place and same everything, and they say they are going to find out what makes these dances tick.

### It's St. Paul in June

If you continually long for the "Ole Mississippi River" when you travel away from home, there need be no homesickness in the delegation of St. Louisian bankers who will attend the national A. I. B. convention in St. Paul, June 7-11. That great city of "seven hills" to the north of us lies above this winding river and many of the beautiful drives and residential sections are built with the Mississippi in the foreground.

If you have never been up north in June, you have missed one of the most interesting spots in America. The air-conditioned climate around St. Paul affords all types of recreation. It's a veritable spot for your favorite sport whether it be golf, tennis, riding, swimming, fishing or sailing—which you can enjoy in connection with your visit to the Convention.

Minnesota is full of historic folklore, likewise it contains around Duluth some of the largest iron mining districts in the world—the great Mabi Range. Educationally and industrially it ranks as one of our foremost states. You will want to visit this land of lakes known as the "Land of Sky-tinted Water." Many other fine things can be said in favor of a trip into this country and the May issue of *LEGAL TENDER* will further invite you to make this trip. Begin your preparations early.

☐ **The Dover State Bank**, Dover, Kansas, has merged with the Guaranty State Bank, Topeka.

### Inter-Chapter Debates End

The final burst of applause is dying out. There is a shuffle of feet and chairs. The ballots are collected and everyone awaits the decision as a hush settles over the audience. Chairman Bill Gregory steps forward and announces—

"The judges vote unanimously in favor of the negative."

And so the fifth and final inter-chapter debate comes to a close with the St. Louis boys victorious. Our neighboring chapter to the west, Kansas City, upheld the affirmative side of the subject; "Resolved: That the Levying of a Tax on Undistributed Corporate Earnings Should be Condemned," and were represented by Joseph S. Thies, J. M. Roberson and Merrill C. Morong. St. Louis, in defending the negative side of the question, was represented by William C. Dowd, Hugh S. Hauck, and E. H. Brockmeyer.

The debate was held on Saturday evening, March 6, at the Hotel Mayfair and was attended by one of the largest crowds in local A. I. B. debate history. And the Kansas City team was not without its rooters. Their debate coach, Edward L. Scheufler and their chairman of the debate and public speaking committee, Dewey Shillerston and ten or twelve other Kansas Citians drove down to enjoy the contest.

The debate proved to be very interesting, both from the standpoint of the speakers and the audience, judging from the enthusiastic response of the latter group. Both sides proved they had the subject well in hand and were able to present their cases based upon research and fact finding.

The judges officiating were Messrs. Fred K. Deming, teacher at Cleveland High School, Boaz Watkins, attorney, and Al Dill, vice president of the Gravois Bank of St. Louis County.

Following the debate the Kansas City guests were entertained with light refreshments and it turned out to be quite a sociable evening, lasting past the midnight hour. It was indeed a pleasure to entertain so many representatives from Kansas City.

This debate was the last inter-chapter debate of the season. Reviewing the year's activities in this line, we find that we were victorious in our contests with Detroit and Kansas City and were unsuccessful in our contests with Quincy, Nashville and Memphis. However, the result was encouraging compared with last year's debates, and it is hoped that next season St. Louis will continue to improve.

### New Auditor at Boatmen's

Wilson Jeannelle was appointed to auditor of the Boatmen's National Bank last month, succeeding to the vacancy caused by the promotion of Harry F. Harrington to vice president in charge of operations of that institution. Mr. Jeannelle's practical banking experience with Boatmen's began in 1921 as a messenger in the tellers department. In 1927 he was made assistant in the safe deposit department, and was transferred to the credit department in February, 1929. His service for the past eight years has been in this department.

### News of Banking World

(Continued from page 15)

ury was empowered to subscribe to a maximum of \$125,000,000 of their stock, and by December 31, 1936, \$117,869,400 of this sum had been paid in while member institutions had paid in \$28,315,575, giving the banks a total stock capital of \$146,184,975.

"To make available to approved mortgage lending institutions an increasing volume of funds for home financing, the banks are now preparing to offer a consolidated debenture issue, which will be the joint and several obligation of the banks, to the investing public," Mr. Smith stated. "Further debentures may be offered from time to time as additional funds are required."

"The banks have proved themselves self-supporting and are paying dividends to the government and their other stockholders," Mr. Smith stated. "Each member institution is required to subscribe to stock in the bank in its region in an amount equal to at least 1 per cent of the aggregate of unpaid principal of the subscriber's home mortgage loans.

"The banks had consolidated resources of \$161,935,296 as of December 31, 1936. Since the inception of the system in October, 1932, the banks have made loans totaling \$281,932,356, of which \$136,531,626 had been repaid by December 31, 1936, leaving \$145,400,729 outstanding.

"The banks have no direct dealings with the individual home owner, their function instead being to provide a national reservoir of funds on which member institutions can borrow in much the same way that commercial banks can draw on the Federal Reserve System. The mortgages eligible for loans cannot exceed \$20,000 nor can they be on a building housing more than four families, thus insuring that the small home owner will get the benefit of the system's credit facilities.

# Foreign Briefs

By **WALTER W. CRUTTENDEN**  
 Partner, Fuller, Cruttenden & Company  
 Chicago

¶ **Argentina:** An additional substantial offering of Government 4 per cent bonds was expected in mid-March, but has been postponed or withdrawn due to general market conditions. Funds for retirement of the 6 per cent loans to be called will be provided from available balances. While the investment rated Government loans have followed closely the trend of our investment bond prices, certain issues carrying high coupons such as City and Province of Cordoba have been actively higher.



¶ **Colombia:** Financial budget of the City of Bogota, recently released, contains provision for service of the two dollar loans. Budgets for the City of Cali and Department of Santander made public at about the same time carry no provision for services on their external loans. Due to continuance of exchange restrictions it will not be possible for the time being to transfer funds for debt service even though they are provided for in the budgets.

Contrary to recent rumors and almost generally accepted belief, recent information from a reliable source denies that there has been any repatriation of various Colombian loans. The general rise in all South American bonds probably has been responsible for some of the activity in Colombians and there undoubtedly have been substantial purchases for the account of those who believe the improvement in financial conditions in Colombia will sooner or later result in some sort of payments. A recent visitor to Colombia is of the opinion that they are highly debt-conscious and believes that with a little further improvement in the status of the country's foreign exchange, debt-service resumption negotiations will be instituted. He fully expects this to happen in the next few months.



¶ **England:** The "Big 5" banks (Midland, Lloyds, Barclays, Westminster and National Provincial) reported net profits for 1936 of £9,270,634 vs. £8,377,726 in 1933 and £11,743,054 in 1928. Dividends paid were the same as for 1935. Of the combined assets, cash and balances with other banks were

approximately 13½ per cent; call and short-time money 7½ per cent; investments 2½ per cent. Deposits were just over £2,000,000,000.



¶ **Germany:** All German dollar issues are now being traded ex-coupons covered by the recent issuance of 3 per cent funding bonds and scrip, which is payable on coupons falling due from July 1, 1934, through December 31, 1936. The funding bonds have traded as high as 32½ and are currently at 29½. Most of the issues have declined in price to about the full value of the coupons so affected, averaging about 4½ points per issue. There is no good reason apparent not to accept the offer of funding bonds and script, which is in most instances obtainable from the originating bankers for the various loans.



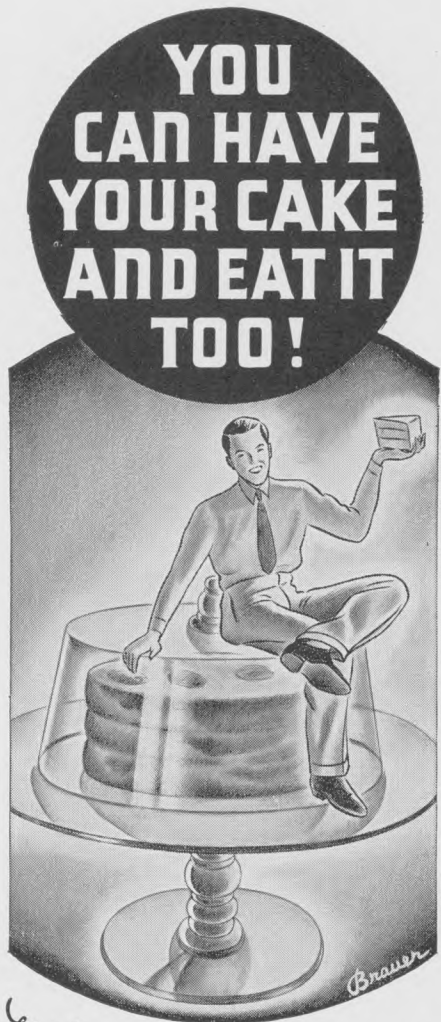
¶ **Mexico:** A press report from Mexico City states that debt negotiations which have been in progress since November are nearing consummation. It is expected that payments on the Mexican foreign debt of \$225,000,000 held in the United States will be resumed in some fashion. Conversion into Pesos is reported to be part of the agreement, but this has not been confirmed.



¶ **Poland:** Holders of the approximately \$100,000,000 Polish Government external bonds still held abroad may soon be asked to accept a lower rate of interest. Recent coupon payments have been made on the basis of 35 per cent in cash of the face value. No better offer has been made to the holders of about the like amount of bonds that have been repatriated. They have already received an offer to exchange their bonds for an internal 4½ per cent loan.



¶ **South America:** United States trade with twenty South American republics last year resulted in a balance in favor of these republics of \$106,000,000. In many instances those countries with the poorest debt records received the greatest trade benefits.



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## Answers to Legal Questions on Page Ten

**1.** Yes. The provisions in question have reference not merely to the form and physical structure of the station but also to the colors and designs thereon. Here the colors and designs in question must be obliterated. This is true even if the lease had specifically provided that the oil company might paint the station in any color it might select.

**2.** The banker's claim against the liquidator of the defunct insurance company should be for the value of the insurance. The basis for the allowance of a policyholder's claim against an insolvent life insurance company is the value of the insurance as of the date of the insurer's insolvency and not the amount of the premiums paid.

**3.** No. The allowance of a fee to a bankrupt's attorney out of the bankrupt's estate for services in procuring his discharge as a bankrupt over objections filed by the trustee is not within the contemplation of the law which provides that allowances for the cost of administering a bankrupt's estate may be made by the court having jurisdiction thereof. The provisions of the laws regarding allowances out of bankrupts' estates must be construed strictly in the interests of economy in administration.

**4.** Yes. The former suit by the bank against Scoleson and his bonding company in which a judgment was rendered was not a bar to the counterclaim asserted by it in Scoleson's salary suit because the prior suit had been limited to conversions occurring during a period of time not involved in the salary suit. The bank's counterclaim was based on a different cause of action than that asserted in the suit instituted by it.

**5.** No. An agreement by a tax specialist to prosecute a claim against the United States for an alleged overpayment of income tax in consideration of one-third of the amount recovered, under which he was to bear his own personal expenses and receive nothing if unsuccessful, is not void and unenforceable as being a contract of champerty and maintenance.

**6.** No. Gabler's right of privacy was not violated by the circulation of a handbill advertising for sale to the highest bidder accounts against various persons including himself, stating that such accounts were guaranteed by the owners to be correct and undisputed and that they would be advertised until sold. Note that the locale of this question and answer is Wisconsin. It is far from certain that a similar holding would be made in other states.

**7.** No. An oral contract by the beneficiary of an express trust to surrender his interest is, as a general rule, ineffective because it is not in writing as required by the Statute of Frauds. This general rule is applicable to the facts in this case and the assertions of Stevens' son will not be given effect.

**8.** No. The failure of an individual to earmark trust funds is a breach of trust. This is also true of trust companies. However, in this case, the company acted in good faith and in accordance with the established practices of banking. For these reasons, Patterbottam should not be permitted to disavow the mortgage, particularly since such loss as he suffered was due entirely to general business conditions and not to any wrongs by the trust company.

**9.** Yes. If an insurance company, which is entitled under the terms of a policy to cancel the risk, directs its agent to effect a cancellation, it is his duty to do so with reasonable promptness and, if he negligently or willfully fails to carry out peremptory instructions to cancel, he is liable to the insurer for the amount of any loss it may be required to pay as a result of his failure to comply with instructions.

**10.** No. Where a maker of a note makes partial payments thereon after its maturity, such action does not toll the statute of limitations as to a guarantor of the note unless the maker acted as the agent of the guarantor in making the payments. Since Clamp was not acting as Ryan's agent here, the statute, as to Ryan, was not tolled on account of the payments made.

## Kansas City Fire and Marine Occupies New Building

More than 500 out-of-town guests, including prominent insurance officials from New York, Hartford and Chicago, visited the new home office building of the Kansas City Fire & Marine Insurance Company, Kansas City, Missouri, on its opening day, March 29. Guests were entertained by officials of the company at a luncheon at the Muehlebach hotel, and at a dinner at the Kansas City Club.

The company's new building is located at 301 West 11th Street, and is an imposing cream-colored terra cotta structure. The original builders spared nothing to make the building attractive, both inside and out, and officials of the Kansas City Fire &



*Director's room in the new Kansas City Fire and Marine building.*

Marine Insurance Company, in remodeling it slightly for their needs, have left nothing undone which would add to its appearance or utility.

Occupancy of the new building is a forward step in the progress which the company has made in the seven and one-half years of its existence. The company is now firmly established in the stock fire insurance field in the twelve states in which it operates. Officers include: Cliff C. Jones, chairman of the board; Morton T. Jones, president; R. B. Jones, chairman of the executive committee; C. W. Jones, treasurer; Moulton Green, James R. Sydnor, William S. Mann and O. P. Rush, vice presidents; R. L. Stewart, secretary. Three Kansas City bank presidents are members of the company's board of directors: H. T. Abernathy of the First National Bank, Crosby Kemper of the City National Bank and Trust Company, and James Ketner of the Plaza Bank.

# CHASE

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*W*ith a background of eighty years of banking experience in St. Louis, Mercantile-Commerce *knows* the Southwest territory in detail. For over three-quarters of a century this bank has played an important part in the commercial and financial development of this entire area. The result of this long association has been the accumulation of a wealth of information and a thorough understanding of the problems and conditions of the territory.

This knowledge, experience and the advantages of extensive Southwestern connections, are at the disposal of the correspondent customers of this bank.

## **Mercantile-Commerce Bank and Trust Company**

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