

# MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

▲  
ST. LOUIS  
NOVEMBER  
1937  
▼



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Lake Taneycomo in the Heart  
of the Missouri Ozarks  
Near Branson, Mo.





## SERVING ILLINOIS BANKS

One or more banks in 55% of the counties in the State of Illinois have accounts with the First National Bank in St. Louis. Many of these accounts date back to a previous generation of bankers and represent mutually satisfactory relationships which were then established, maintained, and have grown stronger, "through the years".

# FIRST NATIONAL BANK IN ST. LOUIS

Broadway • Locust • Olive

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Two St. Louisans  
at the A. B. A.



Here we have Tom K. Smith (left), president of the Boatmen's National Bank, St. Louis, and retiring president of the A. B. A., and Wm. C. Tompkins, auditor of the First National Bank, St. Louis, photographed in an informal pose at the recent A. B. A. convention in Boston. We don't know why Tom K. is holding the coat check against Bill's lapel, but it appears that they are having a little good clean fun.

Named Belgian Consul  
in St. Louis



DR. W. F. GEPHART

Vice president of the First National Bank, St. Louis, and for many years chairman of the Foreign Trade Bureau of the Chamber of Commerce, who has been appointed as Consul for Belgium in St. Louis. He will continue his duties as vice president of the First National Bank in addition to serving as Belgian Consul.

# Mid-Continent Banker

THE FINANCIAL MAGAZINE OF THE MISSISSIPPI VALLEY

Vol. 33 No. 11

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**ST. LOUIS**

*Member of Federal Deposit Insurance Corporation*



# The A. B. A. Convention at Boston

By JAMES J. WENGERT

Editor, *The Mid-Continent Banker*

WITH a program arranged to present "a comprehensive survey of future prospects for America's institutions and various phases of its business," some 4,000 bankers gathered last month in Boston for the sixty-third annual convention of the American Bankers Association, held under the leadership of Tom K. Smith, president of the Boatmen's National Bank, St. Louis, and retiring president of the Association, who emphasized the need for banking to cultivate "public good-will," and pointed out that only informed public opinion can prevent enactment of disastrous banking legislation.

The "disastrous legislation" most feared by a majority of A. B. A. members is any legislation which would provide for an extension of branch banking. With several branch banking bills pending in Congress, Mr. Smith announced last summer that the Interim Committee of the Association had decided to oppose the bills on behalf of the entire Association membership, and unit bankers were on hand at Boston to see that there was no let-down in this stand. There was no opposition to the adoption of an official Association resolution which stated: "We are definitely opposed to any proposal or device looking to the establishment of branch banking privileges across state lines, directly or indirectly." Thus the Boston convention places the A. B. A. definitely on record against branch banking.

While bankers are probably no more enthusiastic about New Deal measures than business men generally, officially the A. B. A. has carefully avoided criticism of the New Deal, and at the Boston convention even went so far as to present a resolution stating: "From recent expressions by those high in authority in the national government, we are pleased to note a determination to balance the federal budget." Broad grins covered the faces of a majority of those who were gathered in Boston's Majestic Theatre when this resolution was read. There were even a few titters. But there was no dissenting vote against the adoption of the resolution. Officially the Association had adopted its resolution against branch banking only a few moments before, and there was

no desire on the part of delegates to criticize the New Deal openly. A surprisingly large number of delegates listened gravely and without much comment to the "fireside talk" which President Roosevelt made over the radio during the second evening of the convention.

At Boston's Colonial Theatre, Bostonians and many of the bankers gathered in their city for the convention laughed heartily at the antics of George M. Cohan in a new musical comedy, "I'd Rather Be Right," satirizing the New Deal and most of its alphabetical works, but the outstanding criticism of the Administration during the A. B. A. convention came not from Boston, but from Rochester, New York, where Winthrop W. Aldrich, chairman of the Chase National Bank, New York, addressed a luncheon meeting of the Rochester Chamber of Commerce and attributed the recent drastic decline in stocks to an impairment of the efficiency of the stock market . . . "to be explained as the cumulative effect of a variety of recent governmental policies, many of which can and should be modified without abandoning the underlying policy of eliminating abuses from the securities market." Specifically, Mr. Aldrich recommended that margin requirements be made a flexible instrument of control . . . "rising promptly on stock market booms and dropping promptly on breaks."

But the keynote of the convention was to look forward, rather than to hold post mortems. The words "American Outlook" were used by Mr. Smith to describe the meeting, and he emphasized the need for banking to cultivate public good-will by wider advertising and educational campaigns to offset the picture of the banker as a symbol of avarice and reaction. He declared that the Association has the opportunity of attaining its outstanding usefulness in the field of public relations work, adding that the demand for leadership in solving this problem exists and that the Association cannot fail to heed the call. He pointed out that the membership of the A. B. A. now totals 13,009 banks, or 72.98 per cent of all the banks in the country, representing slightly less than 94 per

cent of the total resources of the nation's banks.

Nationally-known speakers addressed the general sessions of the convention on the theme, "The Outlook for American Business," and while a few of them, particularly Dr. Glenn Frank, former president of Wisconsin University, and Henning W. Prentis, Jr., president of the Armstrong Cork Company, rapped the New Deal rather soundly, others, including Eliot Wadsworth, chairman of the American section of the International Chamber of Commerce, and Leonard P. Ayres, vice president of the Cleveland Trust Company, more or less ignored Administration policies in their discussions of the business outlook.

Speaking on the subject, "The Outlook for Foreign Trade," Mr. Wadsworth decried the intervention of nations "to regulate, limit and even embargo the movement of goods across their frontiers," but stated that he could not be anything but optimistic as to the long term outlook for American foreign trade. He supported his opinion with the facts that the United States has a surplus of raw materials and finished goods which the world wants and which we must sell; we have ample domestic markets to absorb the imports we must take in return; we have capital to finance the business and initiative to carry it through.

"Unless means are provided whereby nations can procure the essentials of life for their people, war is the obvious alternative," said Mr. Wadsworth. "A free interchange of essential commodities is the only firm foundation for peace.

"For economic reasons we cannot withdraw ourselves from the world. For the safety of civilization we must cooperate to open the doors of international trade and do our share in the distribution of national necessities.

"It is unthinkable that the United States will take the road to isolation when we have the opportunity and duty to assume a leading rôle in the commerce of the world."

Colonel Leonard Ayres, speaking at the final general session of the convention, pooh-poohed the pessimistic fear that another banking crisis like the

one five years ago is ahead. "There does not now exist any set of conditions that could result in a credit collapse like that of the great depression," he said. "The bank crisis resulted from a sudden world-wide drop in general price levels which drastically reduced the value of securities, real estate and commodities. Under those conditions business men could not pay their debts as they fell due, and the value of collateral behind loans became utterly inadequate. As a consequence, bank depositors everywhere hurried almost simultaneously to withdraw their funds.

"No collapse of general price levels on a similar scale is now possible for the simple reason that we had the collapse several years ago. It is an anomalous fact that bankers should now be worrying about inflation while shaping their policies to guard against a great deflation. This is particularly inappropriate in view of the federal guarantee of deposits."

Colonel Ayres also declared that evidence indicates that it would be prudent for bankers to shape their policies in the expectation that for a long time to come the volume of commercial loans in banks will be less than half as large as it was during the prosperity period of the 1920's, but declared that the prospects for profits in the banking business are fairly bright. "Certainly they are brighter than they are in most other kinds of business," he said. "Prospects are bright because business has handed over to bankers a huge store of money on which the bankers pay low interest. It can be more profitably employed than it is now. How much its yield can be safely increased will depend upon three factors.

"The first of these three possibilities for increased profits consists in using deposits more fully by investing the dollars that are now lying idle and unproductive in the excess reserves. The second important possibility for increasing profits lies in reducing the operating costs of the lending and allied departments of banks until their expenses are below the earnings from loans. The third possibility lies in securing greater returns from investments. Banks should be adequately liquid, but there is neither safety nor prudence in maintaining such degrees of liquidity that they threaten to result in liquidating the banks."

In the meeting of the State Bank Division of the Association, H. M. Chamberlain, vice president of the Walker Bank & Trust Company, Salt Lake City, and retiring president of the Division, spoke a word of warning, although declaring "all the usual



ROBERT M. HANES

*President of the Wachovia Bank and Trust Company, Winston-Salem, N. C., and newly elected second vice president of the A. B. A.*

business barometers indicate very much improved conditions." He stated that these conditions cannot continue to improve forever, and that people should not lose sight of the fact that there are many manufactured elements in our situation today; that a substantial part of our recent progress has been brought about by artificial stimulants which can neither be administered indefinitely nor help us permanently.

At this meeting strong talks against branch banking were made by D. W. Bates, Superintendent of Banking in Iowa, and Robert H. Myers, vice president of the Merchants National Bank, Muncie, Indiana. Strong resolutions opposed to branch banking were adopted by the State Bank Division, and it was reported that total resources of all state banks as of December 31, 1936, totaled \$36,650,000,000, a gain of \$8,000,000,000 over the low point of the past four years.

The present value of the dollar probably will be maintained for some time, J. Frank Ebersole, professor of Finance of the Harvard Graduate School of Business Administration, told bankers at the meeting of the National Bank Division, while W. F. Augustine, vice president of the National Shawmut Bank, Boston, and retiring president of the Division, warned of the dangers of chartering too many banks. Mr. Augustine also pointed out that a survey of institutions which have shifted from national to state charters furnished "no cause for alarm," as they were not restricted to banks of any particular size, nor to any section of the country.

E. S. Woosley, vice president of the

First National Bank, Louisville, speaking at the meeting of the National Bank Division, described personnel as "unquestionably the most important factor" in sound and profitable bank management. "Bankers are so busy lending money and trying to get it back that they are likely to forget that the solution to this problem lies in the ability and morale of personnel," he said. He recommended that banks "search our schools and colleges for choice material."

Mr. Woosley warned his audience that present competition for deposits was "as fierce as it was in 1920-29 and nothing will lead more surely to unsound banking." He recalled the dividend records of the 1,197 banks in active receivership during 1936. These institutions started with \$98,000,000 capital and paid out \$409,000,000 in dividends. One bank organized in 1889 with \$100,000 capital, paid \$2,720,000 in dividends. Another organized in 1890 with \$50,000 capital, paid \$1,565,000 in dividends. Perhaps if half of such dividends had been retained to take care of losses most of these banks would be open today, Mr. Woosley said.

"Although our performance in management during 1936 may be classed as 'good,' we can only be startled and humiliated at the results of our management over the past ten years," Mr. Woosley remarked. "According to a study recently completed by two of my associates and investment officers of our bank, the net profits of all national banks for that period were \$774,716,000 or a return of only 2.71 per cent on the capital funds of these banks.

"They paid out in dividends over twice that amount, \$1,630,358,000. This record resulted from payments out of what apparently were sound profits; but later developments indicated that a large part of these profits should have gone into reserves for losses. Of course, it may be claimed that the ten-year period, 1927 to 1936, does not give a fair appraisal of our management standards. It was a severe test, but American banking, if it is to survive in its present form, must be prepared to meet every test.

"An average net annual profit of 2.71 per cent on capital funds of all national banks in the country for the past ten years is a rather sour fact, but that over twice that amount should have been paid out in dividends is not only a humiliating but a startling fact."

At the meeting of the Savings Division, Noble R. Jones, savings executive of the First National Bank, St. Louis, and retiring president of the

(Continued on page 15)



# Boatmen's National Bank Observes Ninetieth Anniversary

**B**OATMEN'S National Bank, St. Louis, observed its ninetieth anniversary last month. It is the oldest bank west of the Mississippi River, having been opened for business October 18, 1847, when Queen Victoria was in the tenth year of her reign; when the Union consisted of twenty-nine states, only five of which were west of the Mississippi.

St. Louis was then a pioneer town. The country was just discovering the west and the settler was following upon the heels of the scout and trapper. There were no roads and supplies came up the river to St. Louis where those who were moving westward were outfitted. The population of St. Louis increased from 16,469 in 1840 to 77,860 in 1850, but such banking facilities as were available during the first part of this ten-year period were provided by the Bank of the State of Missouri and a number of private banks, none of which exist today. There was no place where the man on the street, or the man on the river, could deposit a few dollars and receive interest, or where he could borrow at reasonable rates.

To fill the need which existed, fifteen St. Louisans, prominent in the civic and business affairs of that day, were granted a charter by an Act of the General Assembly of the State of Missouri to operate a bank to be known as "The Boatmen's Savings Institution." Opening for business at num-

ber 16 Locust Street on October 18, 1847, that institution is today the Boatmen's National Bank, an institution which has attained its present position without merger with any other bank.

The bank's ninetieth anniversary came at the conclusion of an expansion and modernization program started last May, and visitors were able to see the many improvements which have been made in the bank's quarters.



*Stairway to safe deposit vaults, just inside the main entrance.*

Air-conditioning has been installed, additional floor space provided and the entire quarters redecorated at a cost of \$75,000. All officers now have their desks on the main banking floor, the bond department having been moved to the second floor where space has been provided by an extension of the second floor balcony on the north side

of the main banking room. Three murals now adorn the upper walls of the lobby at the east side of the balcony. They were painted by Frank Nuderscher and depict the landing of Laclède and Chouteau in 1764, the City's waterfront when Boatmen's began business, and a river scene of the present day.

In the lobby, during the week of October 18 to 23, the bank had on display many old records and other items of historical interest, among which were the first signature books and early ledgers. The signature of Ulysses S. Grant, one of the bank's early depositors, was shown in one of the signature books on display. A notable coin collection belonging to Eric P. Newman, St. Louis attorney and collector, was also displayed.

A history of the bank, compiled for the anniversary by W. G. Rule, vice president, provides some very interesting reading and reveals that the bank's first deposit of \$2,000, which was made on opening day, was not followed by the second deposit until about three weeks later when Francis Peine of the Steamboat Utica deposited \$251 on November 6. But a year later at the first annual meeting of the trustees, the bank had 186 depositors, total deposits of \$26,274.91, and aggregate gross earnings of \$862.21 for the first year of operation. By the time

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*Two views of the remodeled and enlarged quarters of the Boatmen's National Bank, St. Louis. Three new murals by Frank Nuderscher can be seen on the walls at the far end of the lobby.*

# Four Factors of Success

—A discussion of the services which may be performed by banks in rural communities

By C. W. BAILEY

President, First National Bank, Clarksville, Tennessee

LAYING aside considerations of invested capital and dollar resources, the success of a country bank depends upon four important factors:

1. Ability on the part of management to perform the tasks imposed and hold the confidence of the public.

2. Possession of a comprehensive knowledge of the physical resources and possibilities of the farming section served.

3. Energy to secure a foundation of accurate data on the financial background and capabilities of every farmer in the trade area—before credit is requested.

4. Originality to think in new channels and courage to bring new thoughts into practical application.

The very existence of the so-called unit bank depends upon the ability of its management to perform constructive banking service. If banks are mismanaged, the effect reaches out into every business relationship. But if management has the ability to give impetus to economic development, something will be added to the value of every piece of property and every stock of goods in the area served. Such management will win and hold public confidence.

Granted the ability to perform constructive banking service, the country banker must have a comprehensive knowledge of the farming area served by his institution. He must be a student of farming, and a very humble and thorough one—not that he may be able to tell the farmer how to run his business—but that he may know how to run his own bank. He must have a knowledge of farming that will enable him to understand the language of the farmer and weigh the farmer's plans with accuracy.

There are two sets of tools placed in the hands of the country banker. One is the money placed in his care and the other is the talent of the farmer. If he is smart enough to devise new ways in which to invest some of that money in the labor of the farmer and the products in which the farmer deals, then he has done well for the profits of the bank, the earnings of the farmer and the economic prosperity of the entire community. Nothing is more pathetic than the approach of a farmer seeking credit and counsel from a banker whose want of knowledge prompts him to say "No" when the facts warrant an answer of "Yes."

It has been proven that the country banker who intelligently analyzes the possibilities of farming resources served by his bank can lend encouragement and financial aid to the furtherance of agricultural development ideas of accepted merit with gratifying results as far as the earnings of the bank are concerned, and with uncounted benefits to the economic fabric of the community affected. With equal effectiveness, the same country banker, by reason of being well-informed, can warn against those agricultural ventures which are hazardous, and whose adoption might leave a trail of financial disaster.

The rural banker who has a comprehensive knowledge of the physical resources and possibilities of the farming area which he serves must also have accurate data on the financial background and capability of every farmer in his area. And he must have this data before credit is requested.

To meet this problem in our bank we have gathered accurate credit information on each one of the six thousand farmers in our trade area. It was not an easy task. It required several years' steady work. It cost some money. But today we wonder how



Left: One of the fifty bulls purchased by the First National Bank, Clarksville, Tennessee, and loaned to farmers to improve the grade of beef-type cattle in the Clarksville area. Right: A 4-H Club boy and his flock of registered Hampshire sheep. First National Bank loaned the money to finance the purchase of the sheep in September, 1936, and loan was repaid in May, 1937.



we ever did business without this credit information. We keep this information on cards which provide a space for the farmer's name, address, land owned, number of acres, valuation and amount owed on the land. There are also spaces for comment on the general appearance of the land, reputation for meeting obligations, general report on financial condition and suggestions for improvement or development. At the bottom of the cards space is left for comment after the following questions: Need loan on land? Funds for investment? Christmas savings? Banks with? Safe deposit box? Savings account? Good prospect for what? The reverse side of the cards provide space for the wife's name and the names of others in the family. When completed, the cards are filed by Civil districts, and there is a central index file which serves as a key for locating individual credit cards.

In each Civil district within our trade territory we try to have at least two responsible men who are friends of ours and who can be depended upon to give us accurate and confidential information with reference to all farmers living in their locality. We then compile our list of names by districts and go to these contact men and develop part of our information from this source. We get additional information as to property owned from county tax records, then we get an accurate check on the amount of mortgage indebtedness from the Register's office. When the above information is collected and noted on the cards we then check our various departments for information which we may already have.

One of our junior officers devotes practically all of his time to the maintenance of these records. In the



W. D. Meacham (left), assistant cashier of the First National Bank, Clarksville, Tennessee, paying a visit to one of the bank's farmer customers. Mr. Meacham spends a major part of his time in the country contacting farmers and is responsible for keeping up-to-date the bank's farmer credit file which contains information on approximately 6,500 names.

bank's Ford he covers several thousand miles every year. That same Ford goes on many trips for inspection of security and check-ups. Frequently those who come to borrow are surprised that we know so much of their history, their resources, their needs and their abilities. Undoubtedly, many losses have been avoided by possession of this credit information. Certainly a great many loans have been granted promptly and profitably.

Last year we made 9,000 loans—new and renewal—nearly all of them direct loans. I do not know how this

amount compares with the number of loans made by other banks of our size, but I do know that it is many times the number we were able to make, before we qualified ourselves to give immediate answers to prospective borrowers, instead of stumbling all over the neighborhood to ask whether or not the applicant was good for his requirements. It has been our experience that a farmer's note, supported by a satisfactory credit statement, entails a minimum amount of loss. We have not forgotten that paper of this type maintained its 100 per cent loan value and never lost caste in the 1929-1933 period when supposedly good bonds, known by the high-sounding name of "secondary reserve," seemed to have no standing in any well-regulated financial household.

Originality to think in new channels and courage to bring new thoughts into practical application are also essential if we are to be worthy of our names as bankers. It can be said with a great deal of truth that there is much profitable pioneering yet to be done in country banking. There are vast natural resources to be developed and many new paths yet to be cut. Opportunities are by no means exhausted. Without departing from recognized policies of care in management, the present-day country banker must often pull away from the crowd as he obeys the promptings of those impulses which lead to constructive ideas of service. How soon will some good country bank take the next step in the development of its usefulness by putting on its staff a competent man, well-grounded in the agricultural pursuits of the area served, who will conduct a systematic and constructive program of census and analysis of individual farming programs, bringing

(Continued on page 31)



Left: A picture of the Clarksville Stock Yards built by public subscription in a campaign actively sponsored by the First National Bank of that city. Right: C. W. Bailey, president of the bank, extending credit to a farmer on the basis of information contained in the bank's credit file. Mr. Bailey is holding in his hand the credit card on the farmer who is about to sign a note.

# Can You Answer These Ten Legal Questions?

By CHARLES H. WAGER

Attorney at Law, St. Louis

**1** Neff owed his bank five thousand dollars on an unsecured promissory note. He did not pay the note when it fell due and the bank sued. In the suit the bank asked for the appointment of a general receiver of his property. The incidents referred to in this question occurred in Oklahoma. Should the receiver be appointed?

**2** Beeman, a banker, agreed to sell and convey by a warranty deed from himself to Andrews certain land in North Dakota upon the payment of certain sums in installments. After Andrews paid the sums Beeman tendered to him a warranty deed from Gentry. Beeman had previously conveyed by warranty deed to Gentry. Andrews refused to accept the tendered deed. Can he legally do so?

**3** A negotiable promissory note was endorsed to the order of Clamp and delivered to him to collect on a commission basis. Could he bring suit thereon in his own name?

**4** Emmerson deeded certain real estate to Brady. Brady failed to record the deed for approximately one year. During that time Emmerson entered into a contract with Wyatt in which he agreed to convey the real estate to Wyatt in ten days upon being paid ten thousand dollars. Before the ten days expired Wyatt learned that Brady held an unrecorded deed to the property. Despite this, Wyatt went ahead with his deal with Emmerson and paid him for the land. A dispute developed between Wyatt and Brady over who owned the real estate. Who should prevail?

**5** A Texas bank came to own a promissory note executed by Greer and Johnston. The note was signed under circumstances that

brought about a situation whereby for lack of consideration Johnston was not liable on it. However, when the note came due a renewal or extension note was signed by both Greer and Johnston and turned to the bank. Is Johnston liable on the new note?

**6** Pohrer mortgaged certain premises to his bank. Thereafter he leased them for a term of years to Mandel. Pohrer defaulted in the mortgage and the bank foreclosed. Both Mandel and Pohrer were made party defendants in the foreclosure and the judgment therein was against them. Upon the completion of the foreclosure Mandel notified the purchaser that he considered his lease, which had several years yet to run, terminated. Mandel thereupon left the premises. Was such action on Mandel's part legal?

**7** A promissory note was endorsed by Brown, the payee, to Jordan "for collection." Jordan, instead of collecting the note, endorsed it to Buxom. Was the endorsement good insofar as Brown was concerned?

**8** Bartlett, a world war veteran, named his wife as beneficiary in certain war risk insurance carried by him. She died in 1932 and he never designated a new beneficiary prior to his death in 1934. He was survived by a ten year old son. The insurance money was paid to his estate. A bank sought to subject the insurance funds to the payment of a debt owed by Bartlett to it. Can it do so?

**9** A Kentucky banker was interested in the Baptist Church in his community. At a regular business meeting a large majority of the congregation voted to move its location. Under the rules of the church and its customs every kind of business could

Correct answers to these questions will be found on page 48 of this issue.

be transacted at such meetings without special notices thereof. Some of the congregation that did not want the church moved sued to enjoin the move. Could they do so?

**10** Soristeau, a banker, and Coyne, an insurance man, were joint owners of an automobile. One evening Coyne negligently ran over and killed Daily while driving the car. A damage suit was filed as a result of the accident. A recovery was sought against both Soristeau and Coyne. Soristeau was not in the car and Coyne was using it solely for his own purposes at the time Daily was killed. Will a recovery against Soristeau be permitted?

## Prominent St. Joseph Banker Dies Suddenly



B. R. D. LACY

Vice president of the Tootle-Lacy National Bank, St. Joseph, Missouri, and a man prominent in St. Joseph banking circles for the past forty-five years, who died suddenly last month, two hours after suffering a heart attack. Mr. Lacy was sixty-nine years old and was well-known and well-liked by everyone who knew him. His friends include practically every banker in the entire St. Joseph trade territory and many bankers of leading financial centers throughout the country.



# 1847—1937

## *90 Years of Service*

Boatmen's has never made size a major object. It has never merged with any other bank. Through its 90-year history it has maintained one name, one identity, and one ideal . . . to offer its customers the best of every service they can reasonably expect of a bank.

Its management feels that upon that basis it deserves a share of your banking business.

### THE BOATMEN'S NATIONAL BANK OF ST. LOUIS

*(Oldest Bank in Missouri)*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

FOUNDED



IN 1847



LARRY SELLERS

With LARRY SELLERS  
in  
TEXAS

*In offering this column for your acceptance, I do so with the hope that here you may meet again an old friend or acquaintance. I hope you enjoy reading this half as much as I have enjoyed my relationships with those of whom I write.*  
—Larry Sellers.

✓ **WICHITA FALLS** . . . Jack Jeffus, cashier of the City National Bank, has just returned from a trip to Kansas City and St. Louis, where he visited some of the larger banks of both cities. Mr. Jeffus told me that his bank has had a sizable increase in clearings, and that deposits are up \$300,000 over last year. The City National's loans are chiefly oil and commercial. The bank has a personal loan department now two years old, and very successful. The new K. M. A. oil field near Wichita Falls promises real possibilities for a new oil boom in this part of the state.

✓ **NOCONA** . . . At the Peoples National Bank, I met Joe L. Jane-way, cashier, who told me that the community was enjoying new activity in the fourteen-year-old Nocona oil field. Nocona is quite a leather goods center. It has one boot factory, one shoe factory, two leather goods factories, and a bit and spur factory, all of which comprise a good payroll for a town the size of Nocona.

✓ **KAUFMAN** . . . Following is a reprint of a letter circulated among farmers of Kaufman County by Michaux Nash, president of the Farmers & Merchants National Bank of Kaufman:

Dear Friend:

I was very much impressed with what I saw in northeast Texas the other day. After I left Greenville going east on the Sulphur Springs and Mt. Pleasant highway I noticed the number of cattle in pastures all along the road. Also noticed that almost every farm house had a milk can sitting in front of it. The cattle were mostly dairy cows, but there was quite a

number of beef cattle. Coming back by way of Winnsboro I stopped at the Kraft-Phoenix Cheese plant there, and my wife and I went through the plant. After the young man in charge finished showing us through I asked him what was the average total amount paid to farmers by the plant each month in that territory. He said "We pay the farmers in this territory about \$100,000 each month for their milk. We pick up the milk in our own trucks and bring it in to the plant. We don't get all the milk in this territory, only about one-fourth—the balance of the milk goes to the milk plants at Sulphur Springs, Paris and Tyler."

I asked him what it would take to get such a plant at Kaufman. He said that he thought a plant would be placed in Kaufman if the company could be assured of enough milk production. All the way back to Kaufman I thought what a fine thing it would be if we could increase the dairy cattle population in Kaufman County and supplement cotton farming with milk production. If we could do that we could almost solve our economic problem of too much cotton and one crop farming. If a farmer were milking four or five cows he would need several hogs to take care of his surplus milk; he also would need chickens, and he would be securing a steady cash income every day in the year, instead of just once a year, in the fall.

Now we can't get a milk plant or a cheese factory just for the asking. Several years ago the Kaufman Chamber of Commerce

made a milk cow survey and we found that we did not have enough dairy cattle to produce enough milk to support a plant. We first must build up our dairy cattle population and sell our milk as best we can until we have enough cows in this territory to produce a large quantity of milk. Then we can talk business with Kraft-Phoenix, or Borden; or we can put up our own plant.

I think every farmer should have from three to five milk cows. How is he going to get them? We will loan every farmer the money to buy cows or additional cows if he is capable of taking care of them, has the pasture, enough feed to carry them through the winter, has a good record of paying back borrowed money, and wants the cows. Instead of borrowing money to live on, why don't you borrow the money to buy milk cows and live off them? I have never seen anyone get ahead living off of borrowed money. Come in and let's talk it over.

Yours very truly,

Michaux Nash,  
President.

This letter shows what one ambitious young banker is doing to overcome an unbalanced farming situation in his community. The response, says Mr. Nash, has been very gratifying. The dairy and beef cattle population of the county has more than doubled in the past year. Mr. Nash is thirty-three years old, and was elected president of his bank in 1936. He had been vice president of the bank since he was twenty-five years old.

✓ **DEPORT** . . . At the Deport State Bank, I met Tom Jeffus, president, who reports a nice increase in business over last year. Mr. Jeffus is the father of Jack Jeffus, cashier of the City National Bank in Wichita Falls; and proud grandfather of "two more bankers," twin boys born recently to another son who is connected with the City National Bank of Houston.

J. B. Griffin, cashier of the First National Bank, says that in the past few weeks his bank has handled about \$80,000 in government cotton loans.

✓ **GAINESVILLE** . . . J. A. Hulme, vice president of the Gainesville National Bank, reports a nice increase in deposits over last year, with considerable revenue from small loans

(Continued on page 23)



# THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

*Statement of Condition, September 30, 1937*

## RESOURCES

CASH AND DUE FROM BANKS . . . . .	\$ 708,884,363.05
U. S. GOVERNMENT OBLIGATIONS, DIRECT AND FULLY GUARANTEED . . . . .	575,010,738.15
STATE AND MUNICIPAL SECURITIES . . . . .	67,855,011.20
OTHER BONDS AND SECURITIES . . . . .	160,477,722.42
LOANS, DISCOUNTS AND BANKERS' ACCEPTANCES . . . . .	817,312,674.28
BANKING HOUSES . . . . .	36,792,210.62
OTHER REAL ESTATE . . . . .	5,937,056.74
MORTGAGES . . . . .	11,925,335.16
CUSTOMERS' ACCEPTANCE LIABILITY . . . . .	28,140,994.23
OTHER ASSETS . . . . .	9,816,092.33
	\$2,422,152,198.18

## LIABILITIES

CAPITAL FUNDS:	
CAPITAL STOCK . . . . .	\$100,270,000.00
SURPLUS . . . . .	100,270,000.00
UNDIVIDED PROFITS . . . . .	25,888,460.71
	\$ 226,428,460.71
RESERVE FOR CONTINGENCIES . . . . .	16,384,420.89
RESERVE FOR TAXES, INTEREST, ETC. . . . .	1,559,322.72
DEPOSITS . . . . .	2,128,874,872.12
ACCEPTANCES OUTSTANDING . . . . .	29,815,317.25
LIABILITY AS ENDORSER ON ACCEPTANCES AND FOREIGN BILLS . . . . .	15,257,776.04
OTHER LIABILITIES . . . . .	3,832,028.45
	\$2,422,152,198.18

United States Government and other securities carried at \$160,212,028.40 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

*Member Federal Deposit Insurance Corporation*

## Kansas Bankers Hold Annual Group Meetings

**G**ROUPS Two, Four, Six and Eight of the Kansas Bankers Association held their annual meetings October 27-29 at Lawrence, Manhattan and Norton. The meeting at Norton was a joint meeting of Groups Six and Eight, at which the attendance was approximately 600 officers of member banks, their wives and guests. Attendance at Group Two's meeting at Lawrence was estimated at more than 500 persons, and of Group Four's at Manhattan, 540.

Charles W. Shaffer, president of the Association and cashier of the Home State Bank, Russell, spoke at each meeting, urging the members to carry on their business on solid and conservative lines in order that reserves may be built up to withstand losses in time of stress and that the public confidence be maintained as a step to retain the unit form of banking. Mr. Shaffer outlined the activities of the Association, and pointed to the commendable fact that every bank in the State is a member.

Wood Netherland, vice president of the Mercantile-Commerce Bank & Trust Company, St. Louis, speaking at each meeting on the subject, "Do We Know Our Business?" said that it is imperative that bankers know their business, if they are to discharge fully their responsibility of giving financial guidance to the communities they serve. The public, he pointed out, looks to members of the medical fraternity for their guidance in health and hygienic problems; to the clergy for spiritual guidance—and to bankers for financial guidance. Bankers, therefore, should have a high sense of responsibility, since the group acts as trustee of the surplus wealth of the nation. Their desire for profit should be tempered. Mr. Netherland stressed the importance of extensive research and study by the group collectively, and advocated that each member foster a program of public relations, in order that the public will recognize that a reasonable profit is necessary so that banking institutions may remain

solvent and so serve their clients successfully.

A bank management forum was held at each meeting, under the direction of M. L. Breidenthal, chairman of the Association's bank management commission and president of the Security National Bank, Kansas City. Mr. Breidenthal pointed out that banking in Kansas is relatively small-town banking, three-fourths of the banks in the State being in towns of less than 2,500 population. Only 1 per cent of Kansas banks have more than \$5,000,000 valuation, while 6 per cent of the nation's banks have such a value. He added that, in spite of the predominance of small-town banking in Kansas, 18 per cent of the banks in the State have a capital of \$100,000 or more, while only 6 per cent of the nation's banks have such a capitalization. During each meeting's forum, Mr. Breidenthal directed a floor discussion on bank operations questions submitted by the audience. Earnings

(Continued on page 15)

## Groups in Tennessee Hold Annual Meetings

**T**HE eight regional groups of the Tennessee Bankers Association held their annual meetings October 5-8 and 26-29 at Covington, Martin, Franklin, Winchester, Johnson City, Sevierville, Athens and Carthage. From 100 to 200 officers of member banks and visiting bankers attended each of the meetings.

J. F. Biggs, president of the First-Citizens National Bank, Dyersburg, and president of the Association, was a featured speaker at each meeting. L. M. Clark, vice president of the Federal Reserve Bank, Atlanta, Georgia, spoke both at Johnson City and at Athens, discussing business conditions in the Sixth Federal Reserve District; O. U. Dykes, assistant cashier of the Hamilton National Bank, Chattanooga, spoke at Sevierville and Athens, discussing bank advertising and its effects on the relations of banks with their customers; and C. H. Wetterau, vice president of the American National Bank, Nashville, spoke at Martin and at Covington, on the subject, "A Cooperative Advertising Program."

Other speakers at the meetings va-

ried, but there were three predominant subjects on which they spoke. The subject of advertising was handled at the meetings by W. H. Neal, president of the Financial Advertisers Association; by Mr. Dykes; by Granville Bourne, assistant vice president of the Nashville Trust Co., Nashville; W. J. Bryan, assistant cashier of the Third National Bank, Nashville; J. H. Tidman, assistant trust officer of the Commerce Union Bank, Nashville; and by Mr. Wetterau.

Talks on country banking, agriculture or related subjects were made at the meetings by Thos. D. Brabson, president of the First National Bank, Greeneville; John M. Clark, vice president and cashier of the Bank of Maryville, Maryville; B. M. Elrod, district agent of the agricultural extension service, Knoxville; Bedford McDonald, assistant cashier of the Union Bank and Trust Company, Livingston; W. T. Ray, president of the Bank of Monterey, Monterey; Frank J. Harle, president of the Cleveland National Bank, Cleveland; T. L. Mayes, agricultural agent of Franklin County, Winchester; Thomas Mason, president of

the Lincoln County Bank, Fayetteville; Carl Frye, representative of the agricultural conservation program, Nashville; J. F. Porter, president of the Tennessee Farm Bureau Federation, Columbia; W. P. Bryant, president of the First National Bank, Springfield; Judd Brooks, district agricultural agent of west Tennessee, Jackson; L. A. Thornton, vice president of the National Bank of Commerce, Memphis; Wm. K. Porter, president of the Commercial Bank and Trust Co., Paris; Wayne G. McGowan, county agricultural agent, Covington; and C. T. French, manager of the Commodity Credit Corporation, Memphis.

The problem of securing the active cooperation of a bank's directors was discussed at the meetings by C. C. Hamlett, assistant cashier of the First National Bank, Kingsport; W. W. Underwood, president of the Union-Peoples Bank, Clinton; A. A. Adams, Sr., president of the Lebanon Bank & Trust Co., Lebanon; B. L. Sadler, president of the First National Bank, Harriman; C. D. Walling, president of the City Bank & Trust Co., McMinnville; J. Lee Moss, president of the



First National Bank, Lewisburg; Sylvane Freed, president of the Bank of Trenton & Trust Co., Trenton; and Hugh W. Hicks, cashier of the First National Bank, Jackson.

At Johnson City, M. R. Diggs, assistant to the Comptroller, Washington, D. C., discussed the work of the FDIC. At Sevierville, Jo H. Anderson, president of the Park National Bank, Knoxville, reviewed the high lights of the 1937 American Bankers Association Convention. The subject of installment loans was handled at the meetings by Avery Clark, manager of the Commerce Union Bank, Gallatin; Chas. E. Taylor, vice president of the Ducktown Banking Company, Ducktown; and J. M. Davis, vice president of the Murfreesboro Bank & Trust Co., Murfreesboro; banking needs was discussed by Leslie R. Driver, executive vice president of the First National Bank, Bristol; and methods of meeting the competition of Government lending agencies, by J. Irvin Crosssett, Union Planters National Bank & Trust Co., Memphis.

New officers of the various groups were selected as follows:

**Group One:** chairman, C. C. Hamlett, assistant cashier of the First National Bank, Kingsport; secretary, Sam J. Rose, cashier of the Peoples Bank, Johnson City.

**Group Two:** chairman, Wm. Rule, Jr., vice president of the Commercial Bank & Trust Co., Knoxville; secretary, E. M. Shelley, cashier of the Citizens Bank & Trust Co., Wartburg.

**Group Three:** chairman, Richard M. Hawkins, vice president of the Lebanon Bank & Trust Co., Lebanon; secretary, E. P. Fowler, cashier of the Bank of Celina, Celina.

**Group Four:** chairman, C. D. Sheets, vice president of the First National Bank, Copperhill; secretary, T. W. Cantrell, vice president of the Cantrell Banking Co., Etowah.

**Group Five:** chairman, E. B. Thoma, cashier of the First National Bank, Tullahoma; secretary, C. G. Bostick, assistant cashier of the First National Bank, Sparta.

**Group Six:** chairman, E. H. Ayres, executive vice president of the Commerce Union Bank, Columbia; secretary, Paul Tate, cashier of the Bank of Belfast, Belfast.

**Group Seven:** chairman, C. E. Hastings, president of the First Trust & Savings Bank, Paris; secretary, J. B. Williams, cashier of the Greenfield Banking Co., Greenfield.

**Group Eight:** chairman, H. W. Hicks, cashier of the First National Bank, Jackson; secretary, B. M. Gee, vice president and cashier of the Hardeman County Savings Bank, Bolivar.

## The A. B. A. Convention

(Continued from page 6)

Division, stated that the creation of new agencies for real estate financing has not eliminated the difficulties which proved so troublesome during the depression. Mr. Jones also reviewed new forms of competition which savings banks have had to face in recent years. Small personal loans have been one such form and many bankers feel that departments for such business should be allied closely with savings departments.

Alfred H. Hastings, treasurer of the Springfield Institution for Savings, Springfield, Massachusetts, cited four important causes of avoidable losses on mortgage investments as follows: improper appraisals, insufficient information and attention to the borrower's financial ability and willingness to pay, unamortized loaning, and competition for mortgages. Mr. Hastings also gave deserved credit to the Federal Housing Administration for selling the principles of amortized mortgages to the small borrower.

Boston's two largest banks, the First National and the National Shawmut, entertained with elaborate parties for delegates, but the high spot of the convention from the standpoint of good, clean, wholesome fun came Wednesday evening at the Grand Ball in the Imperial Ballroom of the Statler Hotel. Ten young exponents of the popular dance-craze known as the "Big Apple" gave a demonstration of this new dance during intermission at the Grand Ball—then remained to instruct those who were dancing in the intricacies of the many steps which comprise the "Big Apple." Before long about ninety per cent of the bankers and their wives, daughters, sweethearts and girl friends had taken up the new dance in a big way. And aided and abetted by the ten entertainers (five young boys and five young girls) they had the time of their lives. If you never have seen a banker "let his hair down" and "go native" you should have been there. You would have laughed until tears rolled down your cheeks.

New officers of the Association were elected as expected with Orval W. Adams, executive vice president of the Utah State National Bank, Salt Lake City, moving up from first vice president to president, and Philip A. Benson, president of the Dime Savings Bank, Brooklyn, moving up from second vice president to first vice president. Robert M. Hanes, president of the Wachovia Bank & Trust Company, Winston-Salem, North Carolina, was

named to the post of second vice president.

At the convention, official announcement was made of the retirement of Fred N. Shepherd as executive manager of the Association, and subsequently it was announced that Harold Stonier, educational director of the American Institute of Banking, would assume Mr. Shepherd's duties. Mr. Stonier was named to succeed Mr. Shepherd by the Association's Executive Council at a meeting on the closing day of the convention. The Executive Council also announced the election of W. H. Malott, president of the Citizens Bank, Abilene, Kansas, as treasurer of the Association.

Division and section presidents were elected as follows: National Bank Division, R. G. Smith, vice president and cashier of the Bank of America N. T. & S. A., San Francisco; Savings Division, Henry S. Sherman, president of the Society for Savings, Cleveland; State Bank Division, Harry A. Brinkman, vice president of the Harris Trust and Savings Bank, Chicago; Trust Division, Robertson Griswold, vice president of the Maryland Trust Company, Baltimore; and State Secretaries Section, W. Gordon Brown, executive manager of the New York State Bankers Association, New York City.

## Kansas Group Meetings

(Continued from page 14)

and expense ratios of 108 well-managed Kansas banks, just compiled, were released and discussed by the groups.

T. F. Yost, Topeka, state weed supervisor on the State Board of Agriculture, also addressed each meeting on "The Kansas Bindweed Program"; and the Hon. Elwood M. Brooks, Oberlin, State bank commissioner, discussed the subject, "United We Stand—Divided We Fall."

A. J. Kull, Dunn and Bradstreet, Topeka, addressed the dinner meeting of Group Two, on the subject, "Without Recourse"; Dr. Howard T. Hill, head of the public speaking department at Kansas State College, Manhattan, was the evening's featured speaker at Group Four's meeting, and Tom Collins, Sunday editor of the Kansas City *Journal-Post*, gave the dinner address at the joint meeting of Groups Six and Eight, on "Why People Don't Like Bankers."

Groups Three, Five, Nine and Seven will hold their annual meetings November 2-5 at Coffeyville, McPherson, Liberal and Greensburg. Mr. Shaffer, T. F. Yost and Commissioner Brooks

(Continued on page 17)

# News of the Banking World

¶ **The 1938 convention** of the American Bankers Association will be held at Houston, Texas. Dates of the convention are to be announced later.



¶ **President Roosevelt** dedicated the new Federal Reserve Building in Washington last month, and took advantage of the occasion to sound notes of confidence in the present set-up, review the powers granted to the Federal Reserve System, but warn that "we must not complacently suppose that we have achieved perfection." Mrs. Woodrow Wilson and Senator Carter Glass sat side by side at the ceremonies, while President Roosevelt praised the "statesmanship" of former President Wilson, and the "courageous leadership" of Senator Glass in the formation of the Federal Reserve System.



¶ **New margin requirements**, as announced late last month by the Federal Reserve Board, became effective the first of this month. Margin requirements on loans for brokers and banks are reduced from 55 per cent to 40 per cent on all securities listed on national security exchanges. Margins on short sales were ordered increased from 10 per cent to 50 per cent. This action was greeted enthusiastically by brokers and bankers throughout the United States and was generally considered a "constructive move" on the part of the Administration.



¶ **Joseph A. Broderick** has resigned as a member of the board of governors of the Federal Reserve System and has accepted the presidency of the East River Savings Bank, New York City.



¶ **Total deposits** of the 15,580 banks in the United States on June 30, 1937, amounted to \$59,822,370,000, according to the report of the Comptroller of the Currency. This is a decrease of about 2 per cent from the all-time peak of more than \$61,000,000,000 reached on December 31, 1936, but is 2 per cent higher than the total for June 30, 1936. Government security holdings of the 15,580 banks in the country decreased more than \$528,000,000 during the first six months of this year from an all-time high of \$17,497,059,000 on December 31, 1936.

¶ **Rumors are circulating** that Secretary of the Treasury Morgenthau will soon retire, and that he will be succeeded by Joseph P. Kennedy, former chairman of the Securities and Exchange Commission, and now chairman of the Maritime Commission. Mr. Kennedy was recently in conference with President Roosevelt at Hyde Park.



¶ **Frederick F. Blossom**, president of the Central National Bank & Trust Company, Peoria, Illinois, has made the suggestion that members of the A. B. A. should have an opportunity to express themselves on all matter of vital importance to banking and to the Association by means of referendums conducted among the entire membership. His contention is that many members of the Association cannot afford to send representatives to every convention of the A. B. A.



¶ **Loans** of Chicago banks were expanded about \$71,000,000 during the third quarter of this year to a total of more than \$833,000,000 on September 30. The total sets a new high for the recovery period and is more than 50 per cent greater than the depression low for loan totals in Chicago, though still far below the 1929 peak of \$2,200,000,000. The expansion in loans was made despite a small decline in the total deposits of Chicago banks, which fell from \$2,972,000,000 to \$2,941,000,000 during the third quarter. Sharpest loan increases were shown by the big banks with First National showing a gain of \$34,000,000, Continental Illinois \$19,000,000, Harris Trust \$5,000,000, Northern Trust \$3,000,000, and City National \$1,000,000. All of the large downtown banks except Harris Trust reported small declines in deposits during the third quarter. Harris Trust's deposits gained approximately \$2,000,000.

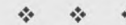


¶ **First National Bank**, Cincinnati, Ohio, is launching an ambitious expansion program which will include a sizeable addition to its present banking quarters, and will include the installation of a new circular vault door and emergency door. All vault work will be done by the Mosler Safe Company, Hamilton, Ohio, which recently built the U. S. Government gold storage vaults at Fort Knox, Kentucky.

¶ **Bank robberies** in the United States by holdup and burglary during the fiscal year ended August 31, 1937, totaled 145, a low record for such crimes since 1918, according to the report of the protective committee of the American Bankers Association to its executive council. This total marks the fourth successive year in the reduction of crimes of violence against banks, the committee reported.



¶ **First National Bank**, St. Louis, announced its new radio program last month. The First National and other leading banks of the nation have cooperated to present programs by the Philadelphia Orchestra under the direction of Eugene Ormandy. Programs are broadcast over the Blue network of the NBC every Monday evening from eight until nine o'clock, Central Standard Time.



¶ **One of the best** bank advertisements that has come to our attention in a long time appeared recently in a Philadelphia newspaper. The heading on the advertisement was: "Would a bank loan increase the profits of your business?" We submit that there are few business men who wouldn't stop to read an advertisement with that heading.



¶ **Representative Wright Patman**, the man who advocates Federal ownership of the Federal Reserve Banks, has now promised to introduce a bill in Congress which would repeal that part of the Postal Savings law which requires insured banks to collateralize for Postal Savings.



¶ **September 30 statements** received from some of the nation's largest banks reveal the following deposit totals: Harris Trust and Savings Bank, Chicago, \$197,778,000; Guaranty Trust Company, New York, \$1,508,375,000; Manufacturers Trust Company, New York, \$599,246,000; New York Trust Company, \$343,481,000; Chase National Bank, New York, \$2,128,874,000; First National, Chicago, \$867,103,000; Central Hanover Bank and Trust Company, New York, \$818,305,000.



¶ **Harvey D. Gibson**, president of the Manufacturers Trust Company, New York, has been reelected president of



the Bankers Club of America, Inc., and Le Roy W. Baldwin, president of the Empire Trust Company, New York, and Ferdinand W. Lafrentz and Garland P. Peed have been reelected vice presidents. Herbert P. Howell, president of the Commercial National Bank and Trust Company, New York, was reelected treasurer, and Percy H. Johnston, chairman of the Chemical Bank & Trust Company was reelected chairman of the Club's executive committee.



❑ **National officers** of the American Institute of Banking have approved and recommended a continuance of National Forum Week which was successfully inaugurated last year. The week of November 15 to 20 has been designated and all chapters are urged to arrange for a forum meeting during that week. If this is not practical, it is suggested that A. I. B. Chapters plan a meeting soon before or just after this date.



❑ **Fort Worth, Texas**, has been selected as the 1938 convention city for the Financial Advertisers Association of America. Convention dates have not been announced, but J. Lewell Lafferty, assistant vice president of the Fort Worth National Bank, has already started to make plans for the entertainment of convention delegates by the bankers of Fort Worth.



❑ **Dr. Harold Stonier**, newly selected executive manager of the American Bankers Association, has announced that Gurden Edwards, public relations director of the A. B. A. for the past fifteen years, has been named director of the newly created Research Council which will coordinate and expand the research activities of the A. B. A.



❑ **School children** in the United States to the number of 2,823,246 deposited \$14,258,790 in school savings banks during the year ended June 30, 1937, according to reports made to the Savings Division, American Bankers Association. Of this amount \$4,660,832 remained on deposit at the close of the year, the report says.



❑ **Domestic Finance Corporation** has announced that consolidated net earnings before provision for Federal surtax, for the six months ended September 30, 1937, are \$338,970, an increase of 27 per cent over earnings for the same period of 1936. They are equivalent to \$4.79 a share on the \$2 Cumulative Preference stock outstanding on September 30, 1937, and amount to

more than 4½ times the dividend requirements for these shares for the half-year period.

Comparative figures for the first halves of the Corporation's 1937 and 1936 fiscal years follow:

	1937	1936
Earnings . . . . .	\$ 338,970	\$ 266,601
Volume of loans made . . . . .	7,369,590	4,573,861
Outstanding loan balances at September 30 . . . . .	6,874,205	4,492,839

*One regrettable thing about the recent convention of the American Bankers Association in Boston is the fact that so many bankers went to New York City after the convention and were there to soak up a lot of Wall Street gloom when the stock market was having two of its worst days in many years. Most of the bankers who went to Boston from the Mid-Continent territory were feeling pretty good about business conditions when they left for the convention, but after a few days in New York, many of them might have felt that we were headed for a new depression that would make the last one look like a Sunday School picnic—if they believed the things they heard in Wall Street. Let it be said to the credit of New York's big banks—their officers were not doing a lot of crying. They entertained bankers who stopped over in New York and talked to them about other things than the stock market break. But in brokerage houses, in subways and in hotel lobbies, the stock market seemed to be the sole topic of conversation—and all of it was pessimistic. The idea of many men in Wall Street seems to be that business prosperity is governed strictly by the rise and fall of the market. They are so short-sighted that more often than not they can't visualize anything west of the Hudson River, and it seldom seems to occur to them that New York is just a speck on the map of the United States—that it would not be there at all if the rest of the country were not here to make it possible. More than one banker from the "wide open spaces" returned to his home after the A. B. A. convention, thankful that he did not have to live in New York and break his heart listening to a lot of cry babies every time the stock market did a nose dive.*

## Kansas Group Meetings

(Continued from page 15)

are scheduled to address each of these meetings. Mr. Breidenthal will direct a bank management forum at each session. Members of Group Three will be addressed by the Hon. Ben S. Paulen, Independence, former Governor of Kansas, on the subject, "As Others See Us"; Group Five by Roy F. Bailey, editor of the *Salina Journal*, on "Bank Public Relations from a Layman's Viewpoint"; Group Nine, by the Hon. Jess C. Denious, editor of the *Dodge City Daily Globe*, on "Public Opinion Concerning Banks, Banking and Bankers"; and Group Seven, by the Hon. Karl Miller, judge of the thirty-first judicial district, Dodge City, on the subject, "If I Were a Banker." Tom Collins will be the featured speaker at the dinner meetings of Groups Five and Seven.

New officers of the various groups and meeting places for next year were selected as follows:

**Group Two:** chairman, Harry E. Douglass, cashier of the Peoples National Bank, Burlington; secretary, E. A. Farrow, cashier of the First National Bank, Waverly. Next meeting place—Burlington.

**Group Four:** chairman, Ames P. Rogers, president of the Abilene National Bank, Abilene; secretary, D. W. Gugler, cashier of the Farmers National Bank, Abilene. Next meeting place—Abilene.

**Group Six:** chairman, C. L. Cushing, president of the Downs National Bank, Downs; secretary, J. O. Harrison, president of the State Bank of Downs, Downs. Next meeting place—Downs.

**Group Eight:** chairman, W. L. Buntten, vice president of the Goodland State Bank, Goodland; secretary, R. C. Shimeall, former vice president of the First National Bank, Goodland. Next meeting place—Goodland.

❑ **Dr. W. F. Gephart**, vice president of the First National Bank, St. Louis, and president of the Banker's Association for Foreign Trade, recently addressed a meeting of the National Foreign Trade Council at Cleveland, Ohio, on the subject, "The Outlook for Foreign Trade."

❑ **Max Karl Meyer**, president of the Winnetka Trust & Savings Bank, Winnetka, Illinois, died recently at the age of 74.

❑ **Charles J. Roubik**, assistant cashier of the Lawndale National Bank, Chicago, Illinois, died recently.

# NEWS of MISSOURI BANKS and BANKERS

☐ **John W. Minton**, vice president of the National Stock Yards National Bank, National Stock Yards, Illinois, was married October 27 to Miss Gladys Goedde of East St. Louis, Illinois, and is now on his honeymoon at Hot Springs, Arkansas.

☐ **W. F. Reynolds** has been elected president of the First National Bank, Joplin, Missouri, succeeding Harry Richardson who resigned several months ago. Mr. Reynolds was formerly vice president of the First National Bank, Venita, Oklahoma.

☐ **The board of governors** of the Federal Reserve System has turned down the application of several western Missouri counties to be transferred from the Eighth Federal Reserve District (St. Louis) to the Tenth Federal Reserve District (Kansas City).

☐ **J. E. McNabb** has been elected cashier of the Citizens Bank, Norborne, Missouri, succeeding R. N. Dean.

☐ **Tower Grove Bank & Trust Company**, St. Louis, will increase its common stock from \$500,000 to \$1,000,000.

☐ **Old fixtures** at the Farmers Bank, Maysville, Missouri, formerly the Kochan Banking Company, have been removed, and those recently purchased from the Farmers Bank, Weatherby, have been installed.

☐ **Bank of Galena**, Galena, Missouri, which closed recently, had capital of \$16,000, loans of \$41,898, and deposits of \$63,576.

☐ **Citizens Bank**, Benton City, Missouri, with capital of \$10,000, surplus of \$10,000, deposits of \$14,404, and resources totaling \$35,107, was taken over recently by the Mexico Savings Bank, Mexico, with capital of \$100,000,

surplus of \$50,000, deposits of \$1,223,812, and resources of \$1,410,236.

☐ **Theodore S. Cady**, secretary of the Union National Bank, Kansas City, recently spoke at a meeting of Lafayette-Ray Counties Bankers Association, at Odessa, Missouri, on the Social Security Act and other tax matters.

☐ **First National Bank**, Jasper, Missouri, has retired 66 2/3 shares of preferred stock, par value \$3,000, and is-

sued a common stock dividend of 30 shares, par value, \$3,000. Capital now consists of \$12,000 preferred, and \$28,000 common stock.

☐ **Third National Bank**, Sedalia, Missouri, has retired 50 shares of preferred stock, par value \$5,000. Capital now consists of \$40,000 preferred and \$100,000 common stock.

☐ **The debut ball** given by Marvin E. Holderness, vice president of the First National Bank in St. Louis, and Mrs. Holderness, at the St. Louis Woman's Club recently, for their daughter, Miss Eunice Jackson Holderness, was reported an outstanding event of the present social season. Mrs. Holderness is a sister of N. Baxter Jackson, first vice president of the Chemical Bank & Trust Company of New York City. Miss Holderness was a Special Maid to His Majesty, the Veiled Prophet, at the recent annual Ball, and a number of parties are being planned in her honor.

☐ **First National Bank**, Salem, Missouri, has retired 12 shares of preferred stock, par value \$1,200, and issued a common stock dividend of 12 shares, par value \$1,200. Capital now consists of \$17,500 preferred, and \$27,500 common stock.

☐ **Tootle-Lacy National Bank**, St. Joseph, Missouri, has installed Recordak equipment.

☐ **A new bank** may be organized at Weston, Missouri, soon.

☐ **W. H. Pierce**, formerly vice president of the Farmers State Bank, Rising City, Nebraska, has resigned to become president of the Drovers & Merchants Bank, St. Joseph, Missouri, succeeding Fred H. Eyler.

## New Finance Commissioner



R. WALDO HOLT

*Former Craig, Missouri, banker, and more recently cashier of the Bank of Louisiana, who has been named as State Finance Commissioner of Missouri to succeed O. H. Moberly who resigned October 1. Mr. Holt is a graduate of the United States Naval Academy at Annapolis and is a past president of the Missouri Bankers Association.*

### Officers

OWEN J. SULLIVAN  
President  
HAROLD W. KRAMER  
Vice President  
RAYMOND E. LAW  
Vice President  
JOHN W. MINTON  
Vice President  
ROBERT D. GARVIN  
Cashier  
JAMES W. SINGER  
Asst. Cashier  
OKEY MILLER  
Asst. Cashier  
CARROLL F. BURTON  
Asst. Cashier

## St. Louis Correspondent for 593 Banks

We not only serve as St. Louis correspondent for 593 banks, but also give these banks the extra service which we can offer as the only bank at the National Stock Yards. Our location, just 10 minutes from the St. Louis Federal Reserve Bank and only 18 inches from the Post Office enables us to handle 60,000 to 70,000 transit items every day WITHOUT DELAY. Our correspondents will tell you that WE KNOW HOW TO SERVE BANKS and that we give them DOUBLE SERVICE.

### The National Stock Yards National Bank

OF NATIONAL CITY  
NATIONAL STOCK YARDS, ILL.

Member of Federal Deposit Insurance Corporation



¶ **George B. Freeman** has been advanced from cashier to vice president of the Bank of Mansfield, Mansfield, Missouri, and H. H. Curtis, formerly vice president of the Wright Company Bank, Hartville, is new cashier.

¶ **Carl W. Allendoerfer**, vice president of the First National Bank, Kansas City, has been named a member of the Association of Reserve City Bankers' board of trustees which will direct "an impartial and scientific study of American banking credit and other financial problems," it was announced at Chicago recently. Other members of the board, in addition to the Association's president, Robert Strickland, vice president of the Trust Company of Georgia, Atlanta, will be Winthrop W. Aldrich, chairman of the Chase National Bank, New York; S. Sloan Colt, president of the Bankers Trust Company, New York; Edward E. Brown, president of the First National Bank, Chicago; Edward Elliott, vice president of the Security-First National Bank, Los Angeles; Charles E. Spencer, vice president of the First National Bank, Boston, James R. Leavell, president of the Continental Illinois National Bank and Trust Company, Chicago; and Lyman E. Wakefield, president of the First National Bank and Trust Co., Minneapolis.

¶ **K. R. Adams**, executive vice president of the First State Bank, Bonne Terre, Missouri, recently spoke at the Bonne Terre Rotary Club, on banking and its problems.

¶ **N. W. Brickey**, president of the Citizens Bank, Festus, Missouri, has been appointed by Governor Stark to serve on the state Social Security Commission.

¶ **Mound City Trust Co.**, St. Louis, has discontinued its Postal Savings depository.

¶ **D. D. Hooper**, cashier of the Clarksdale Bank, Clarksdale, Missouri, has been elected president of the DeKalb County Bankers Association, succeeding Shelby R. Thornton, assistant cashier of the First National Bank, Stewartville. Other new officers are: vice president, L. G. Ehlers, cashier of the Stewartville State Bank, Stewartville; and secretary-treasurer, Earle Minor, cashier of the Farmers Bank, Maysville.

¶ **Charles W. Coolbaugh** has been named cashier of The Pleasant Hill Bank, Pleasant Hill, Missouri.

¶ **Ray L. Haden** has been elected president of the Kansas City Bond Traders Club. Other new officers are

vice president, Hoyt Purcell; secretary, Miss Emma Hall; and treasurer, George Lounsberry.

¶ **Daniel Hoefler**, president of the Bank of Higginsville, Higginsville, Missouri, recently took his first vacation in 15 years.

¶ **Frank Hughes**, 76, president of the National Commercial Bank, Liberty, Missouri, died recently.

¶ **D. T. Zimmerman**, president of the Lawson Bank, Lawson, Missouri, has been elected president of the Lafayette-Ray Counties Bankers Association. Other new officers are vice

president, O. J. Wollenman, cashier of the Corder Bank, Corder; and secretary-treasurer, Oswald Drumm, Commercial Bank, Lexington.

¶ **E. J. Fenton** has been elected president of the Rushville State Bank, Rushville, Missouri, succeeding his father-in-law, A. B. Jones, recently retired from the presidency at the age of 88.

¶ **Joseph Wotawa**, auditor of the Manufacturers Bank and Trust Company, St. Louis, addressed the St. Louis Conference of Bank Auditors and Comptrollers recently.

## Two New . . . Simplified Proving Plans

*Designed to meet*  
**TODAY'S REQUIREMENTS**

### FOR THE MODERATE-SIZE BANK

The new Burroughs Simplified Balancing Plan establishes a simplified routine and a faster flow of items in the moderate-size bank at minimum cost.

It eliminates needless operations and then simplifies those that remain. Items are written directly on the final records, which are balanced periodically during the day, so that the final balance is almost immediate.

This Burroughs plan is so simple that it can be installed with a minimum of inconvenience and cost.

### FOR THE LARGE BANK . . . . .

The new Burroughs Simplified Proof Plan reduces item costs to a new low, provides better item control, and levels peak periods. Here are some specific advantages:

1. New and inexperienced help can operate it satisfactorily.
2. Errors are localized to the individual deposit, eliminating considerable checking time.
3. Float and uncollected funds information are provided as a by-product of proving.
4. Rush items receive preferred attention, while remaining items are handled during slack periods.
5. The flexibility required to handle different types of deposits and varying types of sorts is provided.
6. Fewer machines are required, and machine demands at peak periods are lessened.
7. Production is increased by eliminating non-productive steps.

Call the local Burroughs office, or write to Burroughs Adding Machine Co., Detroit, Mich.

# Burroughs

# NEWS of KANSAS BANKS and BANKERS

☐ **J. O. Getz**, cashier of the Midland National Bank, Newton, Kansas, and Mrs. Getz, recently returned from an automobile tour through the South, where they visited Carlsbad Caverns, Carlsbad, New Mexico; and the Greater Texas and Pan-American Exposition in Dallas, Texas.

☐ **J. H. Collingwood**, president of the Fidelity Savings State Bank, Topeka, Kansas, has been elected president of the newly formed Haskell County State Bank, Sublette, Kansas, which is a consolidation of the Satanta State Bank, Satanta, the Copeland State Bank, Copeland, and the Santa Fe

State Bank, Sublette. C. L. Huxman has been elected vice president and managing officer; and G. T. Emmons has been named cashier. The new bank has a capital stock of \$25,000.

☐ **Bank of McLouth**, McLouth, Kansas, recently celebrated its fiftieth anniversary.

☐ **Foss Farrar**, president of the Home National Bank, Arkansas City, Kansas, is the new treasurer of the Arkansas City Community Chest board.

☐ **C. F. Pack**, president of the Home State Bank, Kansas City, Kansas, has been named chairman of the committee on banking education of the Kansas Bankers Association, by C. W. Shaffer, president of the Association.

☐ **Active and advisory members** of Bank Management Commission of the Kansas Bankers Association selected recently by C. W. Shaffer, cashier of the Home State Bank, Russell, and president of the Association, met last month in Topeka to discuss the clinic session matters. Active members are chairman, M. L. Breidenthal, president of the Security National Bank, Kansas City; and members, R. A. Haines, president of the Prairie State Bank, Augusta; H. A. Bryant, president of the Parsons Commercial Bank, Parsons; M. A. Limbocker, president of the Citizens National Bank, Emporia; C. Q. Chandler, chairman of the First National Bank, Wichita; and E. M. Brooks, State Bank Commissioner, Topeka. Advisory members include one banker from each Association group.

☐ **W. R. Reynolds**, president of the Moscow State Bank, Moscow, Kansas, has been elected president, and T. J. Blakemore, president of the First National Bank, Liberal, has been elected vice president of the Citizens State Bank, Hugoton, Kansas, following their purchase, with C. W. Law, vice president of the First National of Liberal, of the controlling interest in the bank. E. A. Reardon, formerly assistant cashier of the Moscow State, has become assistant cashier of Citizens State of Hugoton.

☐ **L. B. Dunn**, formerly vice president of the Onaga State Bank, Onaga, Kansas, has begun his new duties as cashier of the Union State Bank, Arkansas City.

☐ **Elwood M. Brooks**, bank commissioner of Kansas, and W. L. Webber,

## REASON—

For your active and principal account to be at the Commerce:

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*We have 72 years' experience to teach us how to handle the business of correspondent banks.*



## Commerce Trust Company

*Capital and Surplus 8 Million*

*Established 1865*

*Kansas City, Missouri*

*Member Federal Deposit Insurance Corporation*



deputy bank commissioner, attended the recent annual convention of the National Association of Supervisors of State Banks held in New York City.

☐ **C. V. Morris**, assistant vice president of the Citizens National Bank, Emporia, Kansas, is now director of the Emporia Chamber of Commerce, succeeding E. V. Wood, the bank's former cashier, who has been made treasurer of Baldwin University, Berea, Ohio.

☐ **George K. Dolan**, formerly cashier of the First National Bank, Clifton, Kansas, has been appointed a national bank examiner, with headquarters at Los Angeles, and territory including California, Nevada, Arizona, and Hawaii.

☐ **F. C. Kath**s of Hutchinson and Kansas City, formerly vice president, has been elected chairman of the board of the Exchange National Bank, Hutchinson, Kansas, and R. L. Guldner, vice president, cashier and trust officer of the bank for the past 14 years, has been elected president. They succeed the late Fred W. Cooter, chairman of the board and president, who died recently. H. A. Kath's of Wichita, has been elected vice president and director of the bank; Buford M. Hayden, formerly assistant cashier, has been promoted to cashier; and T. R. Yowell has been made cashier.

☐ **R. R. Cross**, vice president and cashier of the Council Grove National Bank, Council Grove, Kansas, has been elected vice president of the Council Grove Kiwanis Club.

☐ **Paul J. Fulcomer**, president of the Peoples National Bank, Belleville, Kansas, has been elected president of the Republic County Bankers Association. S. C. Benyshek, vice president and cashier of the Farmers State Bank, Cuba, was elected vice president; and Charles Chizek, cashier of the Norway State Bank, Norway, was re-elected secretary-treasurer.

☐ **A new vault door**, purchased from the Mosler Safe Co., has been installed by the Citizens National Bank, Anthony, Kansas.

☐ **Ralph Burgett**, assistant cashier of the Home National Bank, Arkansas City, Kansas, was in charge of the saddle horse division of the Arkalalah parade, a two-day celebration held October 30-31.

☐ **Harold H. Snyder**, former banker of Stockton, Kansas, has been named assistant cashier of the Plainville State Bank, Plainville, Kansas.

☐ **Mid-Continent Banker's** representative in Kansas and interested friends have sent us current statements of condition of banks in the state, showing the following deposits: Farmers National Bank, Abilene, \$631,868; Prairie State Bank, Augusta, \$1,446,514; First National Bank, Columbus, \$662,728; Farmers State Bank, Corn- ing, \$152,296; Durham State Bank, Durham, \$86,657; Emporia State Bank, Emporia, \$654,274; First National Bank, Goff, \$136,356; First National Bank, Horton, \$324,541; Troy State Bank, Troy, \$171,492.

☐ **Chester R. Morgan**, formerly assistant cashier of the Farmers State Bank, Fairview, Kansas, has been promoted to cashier, succeeding E. W. Schofield, resigned.

☐ **Ames P. Rogers**, president of the Abilene National Bank, Abilene, Kansas, has been elected president of the Dickinson County Bankers Association. Other new officers are vice president, O. Roy Murray, cashier of the First National Bank, Herington, and secretary-treasurer, Dan W. Gugler, cashier of the Farmers National Bank, Abilene.

## Guaranty Trust Company of New York

MAIN OFFICE FIFTH AVE. OFFICE MADISON AVE. OFFICE  
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LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

### Condensed Statement, September 30, 1937

#### RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers .....	\$ 511,167,649.45
U. S. Government Obligations .....	530,451,391.54
Public Securities .....	44,314,572.16
Stock of the Federal Reserve Bank .....	7,800,000.00
Other Securities .....	18,907,978.25
Loans and Bills Purchased .....	679,155,536.17
Items in Transit with Foreign Branches .....	1,751,590.67
Credits Granted on Acceptances .....	24,948,866.18
Bank Buildings .....	13,323,347.87
Other Real Estate .....	466,524.64
Real Estate Bonds and Mortgages .....	3,074,802.61
Accrued Interest and Accounts Receivable .....	17,181,255.42
	<u>\$1,852,543,514.96</u>

#### LIABILITIES

Capital .....	\$ 90,000,000.00
Surplus Fund .....	170,000,000.00
Undivided Profits .....	10,657,925.52
	\$ 270,657,925.52
Dividend Payable October 1, 1937 .....	2,700,000.00
Miscellaneous Accounts Payable, Accrued Interest, Taxes, etc. ....	19,257,869.96
Acceptances .....	\$43,766,995.63
Less: Own Acceptances Held for Investment .....	18,818,129.45
	24,948,866.18
Liability as Endorser on Acceptances and Foreign Bills .....	5,738,992.00
Agreements to Repurchase Securities Sold .....	1,109,523.00
Deposits .....	\$1,508,375,722.92
Outstanding Checks .....	19,754,615.38
	<u>1,528,130,338.30</u>
	<u>\$1,852,543,514.96</u>

Securities carried at \$42,401,978.52 in the above Statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

(Member Federal Deposit Insurance Corporation)

# NEWS of TEXAS BANKS and BANKERS

¶ **J. T. McMillin**, formerly vice president of the Dallas Bank & Trust Co. in charge of correspondent bank activities, has been elected vice president of the Texas Bank & Trust Co., Dallas.

¶ **Open house** was recently held in the new building housing the Stone Fort National Bank, Nacogdoches, Texas.

¶ **Rex La Rue** has been elected active vice president of the First State Bank, Big Sandy, Texas, succeeding J. Roy Knox, resigned.

¶ **National Bank of Commerce**, Houston, Texas, operated a branch bank at the Oil World Exposition held in the new Coliseum-Exposition Hall last month. The branch provided all facilities to take care of exhibitors and visitors who had credit cards, and offered means of cashing checks and other banking assistance with the greatest convenience. Although this year's oil show is the fifth held in Houston during the past five and one-half years, this is the first time such service has been offered.

¶ **B. A. Spillar**, formerly assistant cashier of the City State Bank & Trust Co., McAllen, Texas, has been elected vice president and cashier of the First State Bank & Trust Co., Rio Grande City.

¶ **Controlling interest** in the First National Bank, the only bank of Harlingen, Texas, has changed to W. H. Hall, former president, whose stock recently was purchased by McHenry Tichenor. Mr. Hall has acquired the stock of H. E. Butt, W. E. McKenzie, Roy Porter and R. L. Hill. E. C. Breedlove, for many years cashier of the San Benito Bank & Trust Co., San Benito, and president of the Rio Grande Valley Bankers Association, has become active vice president of the bank.

¶ **Arthur F. Fisher**, vice president, and C. O. Williams, assistant cashier of the National Bank of Commerce, Houston, recently were given medals by A. D. Simpson, president, and made second and third members of the bank's "Twenty-Five Year Club," at an employes' banquet. Thurman Crawford, assistant cashier, was made Number One Medalist of the club last spring.

¶ **Zeta Gossett**, Bank Commissioner of Texas, attended the recent annual

convention of the National Association of Supervisors of State Banks held in New York City.

¶ **First National Bank**, Raymondville, Texas, has retired 20 shares of preferred stock, par value, \$1,000, and issued a common stock dividend of 10 shares, par value \$1,000. Capital now consists of \$22,750 preferred, and \$27,250 common stock.

¶ **J. F. Matchett**, formerly assistant vice president of the National Bank of Tulsa, Tulsa, Oklahoma, has become president of the First State Bank, Seagraves, Texas. Ralph M. Barron, president, and J. R. Martin, cashier of the Midland National Bank, Midland, who, with Mr. Matchett, purchased the entire capital stock of First State of Seagraves and the building in which it is located, also will direct the bank's affairs.

¶ **First National Bank**, Breckenridge, Texas, has retired 50 shares of preferred stock, par value \$5,000. Capital now consists of \$50,000 preferred, and \$60,000 common stock.

¶ **O. G. Bell**, formerly vice president of the Commercial National Bank, Shreveport, Louisiana, has been elected vice president of the Dallas Bank & Trust Co., Dallas, in charge of oil financing work.

¶ **First National Bank**, Canadian, Texas, has retired 266  $\frac{2}{3}$  shares of preferred stock, par value \$20,000. Capital now consists of \$75,000 common stock.

¶ **J. W. Noel**, vice president of the Security State Bank, Hedley, Texas, has been elected president of the Four County Bankers Association. Other new officers are, vice president, R. V. Payne, president of the Farmers & Merchants State Bank, Turkey; secretary-treasurer, L. H. Rigby, assistant cashier of the First State Bank, Childress.

¶ **Remodeling** of the Victoria National Bank, Victoria, Texas, which cost approximately \$75,000, has been completed.

¶ **Jesse I. Carter**, president of the Citizens State Bank, Marshall, Texas, has resigned.

¶ **First National Bank**, Midlothian, Texas, opened its new bank building recently.

¶ **Robert B. Dupree**, formerly vice president, has been elected president, and Albert T. Chifton has been elected chairman of the board of the First National Bank, Waco, Texas. Mr. Dupree succeeds the late W. W. Woodson.

¶ **First National Bank**, Lovelady, Texas, has merged with the State National Bank of that city.

¶ **Pittsburg National Bank**, Pittsburg, Texas, has retired 20 shares of preferred stock, par value \$2,000, and issued a common stock dividend of 20 shares, par value \$2,000. Capital now consists of \$21,000 preferred and \$29,000 common stock.

¶ **W. C. Dew**, 63, president of the Trent State Bank, Goldthwaite, Texas, died recently from burns suffered at his home.

¶ **First National Bank**, Rotan, Texas, has retired 75 shares of preferred stock, par value \$7,500, and issued a common stock dividend of 75 shares, par value \$7,500. Capital now consists of \$7,500 preferred and \$42,500 common stock.

¶ **Mid-Continent Banker's** representative in Texas and interested friends have sent us recent statements of condition of banks in the state showing the following deposits: First State Bank, Blooming Grove, \$57,983; First National Bank, Childress, \$1,779,442; First National Bank, Corsicana, \$4,234,324; State Bank of DeKalb, DeKalb, \$288,110; Electra State Bank, Electra, \$544,948; Citizens National Bank, Ennis, \$666,154; First State Bank, Gainesville, \$1,316,450; Gainesville National Bank, Gainesville, \$1,445,059; Hillsboro State Bank, Hillsboro, \$252,118; State National Bank, Iowa Park, \$432,739; Farmers & Merchants National Bank, Kaufman, \$436,226; First National Bank, Midlothian, \$262,929; Peoples National Bank, Nona, \$267,044; Grayson County State Bank, Sherman, \$672,133; Citizens National Bank, Waxahachie, \$1,485,173; Waxahachie Bank & Trust Company, Waxahachie, \$818,197; First National Bank, Whitewright, \$397,079; City National Bank, Wichita Falls, \$7,128,166.

¶ **First National Bank**, Rockwall, Texas, has retired  $3\frac{3}{4}$  shares of preferred stock, par value \$300, and issued a common stock dividend of  $3\frac{3}{4}$



shares, par value \$300. Capital now consists of \$28,200 preferred, and \$21,800 common stock.

☐ **Red River National Bank**, Clarks-ville, Texas, has enlarged its banking quarters, and now has all its offices arranged in a private part of the bank. C. E. Williams, president of the institution, and Mrs. Williams and their family have returned from a month's vacation at Long Beach, California; A. D. Simpson, vice president, from vacationing in Temple, Texas.

☐ **C. L. Holbrook** has been elected vice president and cashier of the Citizens State Bank, Waelder, Texas, succeeding G. O. Stone, recently appointed F. D. I. C. examiner.

☐ **Jesse H. Jones**, chairman of the Reconstruction Finance Corporation, speaking in Houston recently at a luncheon of the Independent Petroleum Association of America, declared that the President is determined to balance the budget and that the cost of social security necessarily must be assumed by business. Patience and co-operation between business and the Government are needed, he said. Business should recognize the modern trend, to which it will become adjusted, and the responsibility of the Government in social security matters.

☐ **William J. Morris** has been elected a director of the Dallas National Bank, Dallas, Texas. He is president of the Continental Supply Co., a subsidiary of the Youngstown Sheet & Tube Co.

☐ **First National Bank**, Memphis, Texas, has retired 70 shares of preferred stock, par value \$875. Capital now consists of \$24,000 preferred, and \$50,000 common stock.

### With Sellers in Texas

(Continued from page 12)

and automobile papers. Mr. Hulme says that while cotton is still the chief crop, farming in his county is well diversified.

E. Morris, Jr., president of the First State Bank, tells me that his bank has the second oldest charter in the state, and that seven employes of the bank, all born and reared in Cooke County, represent 95 years of service. New and modern fixtures are being installed throughout the bank.

☐ **ELECTRA** . . . At the Electra State Bank, I talked to N. M. Clifford, vice president and cashier, who reports a nice increase in business for the bank. Mr. Clifford's loans are

chiefly on cattle and listed stocks, with some automobile financing.

☐ **CHILDRESS** . . . At the First National Bank, E. F. Weddington, formerly assistant cashier, takes the place of Joe H. Ward, cashier, resigned. R. A. Bowers, vice president, has resigned to go into the automobile loan and insurance business.

☐ **IOWA PARK** . . . Carroll Duke, vice president of the State National Bank, says that new oil activities in Wichita County are providing his bank with considerable oil loans, in

addition to loans on cattle, agriculture, and some automobile paper. Mr. Duke is from Texarkana.

☐ **Yoakum National Bank**, Yoakum, Texas, has retired 48 shares of preferred stock, par value \$3,000. Capital now consists of \$41,250 preferred, and \$50,000 common stock.

☐ **Clayton A. Loftis**, president of the First National Bank, Longview, Texas, has confirmed reports that the institution has made tentative plans for the erection of a new several-story bank building.

# HABIT

For 42 years this bank has had the habit of serving its correspondent banks the way they want; the way that is best for all concerned. It is a good habit; one that The First National Bank and Trust Company of Tulsa can well be proud of.

It is this habit that has been largely responsible for this bank gaining correspondent accounts from over 40 per cent of all Oklahoma banks, and a high percentage of other Mid-Continent area banks. It is this habit that holds them. It is a habit you should be able to enjoy through dealing with this bank.

## THE FIRST NATIONAL BANK and Trust Company of Tulsa

*Member Federal Deposit Insurance Corporation*

# NEWS of OKLAHOMA BANKERS

☐ **National Bank of Tulsa**, Tulsa, is presenting a twice-weekly radio feature over KTUL, at 7:30 p. m. on Saturday and 8:45 p. m. on Wednesday, in which Roger Devlin gives a fifteen minute comment on news events.

☐ **A. E. Bradshaw**, president of the National Bank of Tulsa, announces the retirement of \$125,000 of preferred stock as of the first of this month, and an increase of \$125,000 in the bank's surplus. This move decreases the amount of preferred stock to \$1,500,000 and increases the bank's surplus to \$2,250,000. Total preferred stock retired by the bank so far this year amounts to \$1,500,000. Giving effect to the retirement, capitalization of the bank now consists of \$1,500,000 preferred stock, \$2,250,000 common stock, and \$2,250,000 surplus. Deposits on June 30 amounted to more than \$54,953,000 and loans and discounts to \$14,745,000.

☐ **The "Automatic Savings Plan"** now is being offered to customers of the First National Bank & Trust Co., Oklahoma City, and is being featured in current newspaper advertising. Upon the customer's authorization, a certain amount of money automatically is transferred from the customer's checking account into a savings account.

☐ **E. L. Stucker**, auditor of the National Bank of Tulsa, Tulsa, and Mrs. Stucker, attended the national convention of the Association of Auditors and Comptrollers held in Boston recently. Mr. Stucker is president of the Oklahoma Association. He and Mrs. Stucker also visited in Washington and New York before returning home.

☐ **Frank Buck**, president of the Federal National Bank, Shawnee, Oklahoma, has been elected a director of the Shawnee Chamber of Commerce. H. T. Riddle, executive vice president of the American National Bank, was re-elected to the board of the organization.

☐ **First National Bank**, Wewoka, Oklahoma, until April of this year the American National Bank, Wetumka, which at that time had deposits of \$200,000, now enjoys deposits exceeding \$499,346. A. B. S. Bontty is president, and O. H. Kirk is vice president.

☐ **A. N. Murphey**, assistant trust officer of the First National Bank & Trust Company, Oklahoma City, was featured speaker at the recent meeting of

the Washita-Custer Counties Bankers Association, held at Clinton.

☐ **L. R. Dawson**, active vice president of the Liberty National Bank, Weatherford, Oklahoma, has resumed his duties after recovering from an operation for appendicitis.

☐ **E. L. Williamson**, brother of Mac Q. Williamson, attorney-general of Oklahoma, has applied for a charter for a new bank at Vinita, Oklahoma. Mr. Williamson formerly was engaged in banking in Missouri.

☐ **P. J. Cashman**, who resigned recently as president of the First State Bank, Tishomingo, has applied for a charter for a new bank at Ardmore, Oklahoma.

☐ **Elmo Thompson**, vice president, and B. C. Conner, of the First National Bank and Trust Co., Tulsa; N. R. Graham, president of the Tulsa Clearing House Association; and C. T. Everett, vice president of the National Bank of Tulsa, have been named members of a special committee of the Tulsa Chamber of Commerce to map out its 1938 program of activities.

☐ **H. H. Champlin**, president of the First National Bank; A. E. Stephenson, president, and W. L. Stephenson, cashier of the Central National Bank; and R. G. Athey, vice president of the Security National Bank, all of Enid, Oklahoma; and A. F. Butts, manager of the Enid Clearing House Association, have been named members of a special gifts committee of the Enid Civic Trust Fund campaign, to secure \$50,000 to finance nine civic, welfare and relief groups for the coming year.

☐ **W. O. Ray**, state senator from Tishomingo, has been named president of the new First State Bank, Idabel, Oklahoma. Incorporators include J. P. Reirdon of Madill, and Frank Wooten, A. G. Etheredge and E. A. Coyle of Idabel.

☐ **G. L. Berry**, active vice president of the American National Bank, Sapulpa, Oklahoma, is a member of a committee which has been successful in bringing to Sapulpa the Wickham Packing Co. plant, a \$100,000 business enterprise which will mean 40 new families for the city.

☐ **Howard C. Johnson**, bank commissioner of Oklahoma, attended the recent annual convention of the National

Association of Supervisors of State Banks held in New York City.

☐ **Approximately 50** bank men from Blackwell, Tonkawa, Kaw City, Braman, Newkirk and Ponca City have enrolled in the Ponca City, Oklahoma, A. I. B. Chapter's third-year course of study.

☐ **Howard J. Salz**, cashier of the Bank of Woodward, Woodward, Oklahoma, recently attended the eighth district conference of American Legion officers, at Alva.

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

☐ **Officers and employees** of the National Bank of Tulsa, Tulsa, at a special dinner in his honor, recently presented Frank Matchett, assistant vice president, with a silver tree platter, a covered vegetable dish, and a copy of the Corrubia book of Tulsa Etchings in which the names of the entire personnel were inscribed. Mr. Matchett has resigned his position at the National Bank of Tulsa to become president of the First State Bank, Seagraves, Texas.

☐ **Harmon G. Muyon**, formerly with the First National Bank and Trust Co., Tulsa, has become assistant cashier of the Peoples State Bank, Cherryvale, Kansas.

☐ **Mid-Continent Banker's** representative in Oklahoma and interested friends have sent us recent statements of condition of banks in the state showing the following deposits: National Bank of Commerce, Altus, \$930,406; First State Bank, Camargo, \$107,264; Rogers County Bank, Claremore, \$511,285; Farmers National Bank, Cordell, \$293,897; Security National Bank, Duncan, \$2,043,682; First National Bank, Frederick, \$1,032,658; First National Bank, Seiling, \$273,102; First National Bank, Sentinel, \$458,816; Bank of Vici, Vici, \$244,517; Citizens Bank of Wakita, Wakita, \$449,502; Commercial Bank, Waynoka, \$199,106; First National Bank, Wewoka, \$373,884; First National Bank, Wilson, \$230,392.

☐ **A. E. Bradshaw**, president of the National Bank of Tulsa, Tulsa, and Mrs. Bradshaw, and W. A. Brownlee, executive vice president, and Mrs. Brownlee, recently returned from Boston, where they attended the



American Bankers Association convention.

¶ **F. L. Dunn**, executive vice president, and Mrs. Dunn, and J. P. Byrd, Jr., vice president of the First National Bank and Trust Co., Tulsa, have returned from Boston, where they attended the American Bankers Association convention.

¶ **A series of 12 advertisements** is being distributed by the Oklahoma Bankers Association to its members in its campaign to sell farmers on the wisdom of soil conservation. Oklahoma Press Association is assisting them in the project. K. M. Rowe, president of the Association and of the Arkansas Valley State Bank, Broken Arrow, is urging by letter that financial assistance be given farmers in the conservation program.

¶ **Charles A. Smoot**, assistant cashier of the National Bank of Tulsa, Tulsa, recently returned from a trip to Illinois and Indiana, where he looked over the oil territory.

¶ **Roy M. Huff**, trust officer of the First National Bank and Trust Co., Tulsa, was principal speaker at a meeting of the Oklahoma Trust Companies Association, held recently at Ponca City. A. N. Murphey, assistant trust officer of the First National Bank & Trust Company, Oklahoma City, also was a speaker at the meeting.

¶ **C. H. Fawks**, president of the First National Bank, Snyder, Oklahoma, and Mrs. Fawks, have returned from a vacation in the East, during which they attended the American Bankers Convention in Boston.

¶ **John S. Wood**, 64, president of the old City National Bank, Altus, Oklahoma, before it was merged with the Altus National, died recently after a heart attack. Mr. Wood also was a former president of the Bank of Commerce, one of the first banks organized in Altus, and was connected with the First National National Bank of that city at one time.

¶ **Mrs. Lillian O'Connell**, who took over the management of the First National Bank, Coalgate, Oklahoma, two years ago, is the subject of a colorful biographical sketch by Alpha Hart, writer and cameraman, in a recent Sunday edition of the Oklahoma City *Daily Oklahoman*. In the past two years, First National of Coalgate has paid 60 per cent in dividends, and has increased its surplus and undivided profits more than \$10,000. Mrs. O'Connell's adopted son, Walter Lacey, is head bookkeeper in the bank; her nephew, Earl M. Mitchell, is assistant

cashier. Mrs. O'Connell also is joint owner of a coal mine near Coalgate which cleared \$10,000 last year and promises larger profits for 1937.

¶ **The hobby** of Eugene P. Gum, secretary of the Oklahoma Bankers Association, is the fashioning of fine furniture and wood carving. He has accumulated, in years past, many pieces of wood of historic interest which he now is fashioning into a great seal of the State of Oklahoma, for presentation to the Oklahoma Historical Society. For each part of the seal he will select a significant piece of wood. Each of the forty-five stars representing

states of the Union when Oklahoma was admitted in 1907 will be made from wood taken from some historic shrine. His collection already includes eighty pieces, from the homes of famous statesmen, authors and traitors, and from ships, airplanes, trees, sleds, a violin, stage coach, snuff box, a ladder, and from churches, schools and jails.

¶ **Elmer W. Pollock**, cashier of the First National Bank and Trust Company, Tulsa, recently gave the speech of acceptance at a ceremony of dedication at the grave of his grandfather, Maj. David McKee, at Kahoka, Missouri.

*Efficient cooperation  
of a nation-wide network  
of correspondent banks  
gives  
Continental Illinois  
collection service  
its standard of quality*

**CONTINENTAL ILLINOIS  
NATIONAL BANK  
AND TRUST COMPANY  
OF CHICAGO**

231 SOUTH LA SALLE STREET

*Member Federal Deposit Insurance Corporation*

# NEWS of LOUISIANA BANKS and BANKERS

¶ **R. N. Sims**, secretary of the National Association of Supervisors of State Banks, New Orleans, Louisiana, and **C. C. Smith**, chief special agent of the State Banking Department, attended the recent annual convention of the Association held in New York City.

¶ **George M. Mellinger**, manager of the Poydras branch of the Whitney National Bank, New Orleans, Louisiana, has been appointed to the Audubon Park Commission by Mayor Maestri.

¶ **City Savings Bank & Trust Co.**, De Ridder, Louisiana, now has deposits of more than \$689,582, loans and discounts exceeding \$336,501, and resources totaling more than \$844,948.

¶ **Payment** in the near future of about \$5,000,000 to approximately 133,000 depositors and creditors of the Canal Bank and Trust Company, New

Orleans, now in liquidation, has been made possible by Judge Hugh C. Cage of civil district court, who authorized liquidators of the bank to borrow not more than \$12,500,000 from the Reconstruction Finance Corporation.

¶ **Louisiana bankers** will hold a conference to study current problems under the auspices of the Louisiana Bankers Association on January 26-28 at Louisiana State University, Baton Rouge. Subjects to be discussed during the conference are service charges, analysis of accounts, bank costs, credit and loan policies, public relations, crop liens, bank investments, bank supervision, insurance, outlook for the cotton crop and bank education.

**W. W. Schroeder**, vice president of the National Bank of Commerce, New Orleans, is chairman of the committee in charge of the conference. Members are **W. B. Jacobs**, vice president and cashier of the First National Bank,

Shreveport; **Frank Dimmick**, president of the Bank of Sunset & Trust Co., Sunset; **F. F. Millsaps**, president of the Ouachita National Bank, Monroe; and **L. O. Broussard**, chairman of the board of directors of the Bank of Abbeville & Trust Co., Abbeville.

¶ **Herman Lind**, 37, assistant cashier and trust officer of the American Bank & Trust Co., New Orleans, Louisiana, died recently.

¶ **O. G. Bell** has retired as vice president of the Commercial National Bank, Shreveport, Louisiana, to become vice president of the Dallas Bank & Trust Co., Dallas, in charge of oil financing work.

¶ **Henry G. Chalkley, Jr.**, of Lake Charles, Louisiana, has been appointed a director of the New Orleans, Louisiana, branch of the Federal Reserve Bank of Atlanta, to fill an unexpired term to December 31, 1939.

EFFICIENT  
*Service*

IN THE  
HEART OF  
CHICAGO

**BISMARCK**  
HOTEL CHICAGO  
RANDOLPH AND LA SALLE

Emil Eitel — Karl Eitel — Roy Steffen

*VISIT*  
*America's Most Modern Resort*  
THE  
**ELMS**  
HOTEL

The Elms is dedicated to your comfort and pleasure. Drink and bathe in the healing waters of this famous spa. Enjoy your favorite sport—golf, riding, tennis, hiking — all modern innovations, plus air-conditioned bedrooms. Rates including all meals as low as \$11. a day for two; \$6. a day single. Write for free booklet.

*Excelsior Springs*  
MISSOURI



# NEWS of MISSISSIPPI BANKS and BANKERS

Chairmen of the standing committees of the Mississippi Bankers Association for the year 1937-1938 are: agriculture, P. C. Williams, cashier of the Bank of Yazoo City, Yazoo City; banking education and public relations, Russ M. Johnson, assistant cashier of the Deposit Guaranty Bank & Trust Co., Jackson; bank management and clearing house associations, Frank E. Allen, president of the Canton Exchange Bank, Canton; Federal legislation, George C. Wallace, vice president of the Capital National Bank, Jackson; insurance coverage and rates, M. D. Brett, state comptroller, Jackson; membership, W. A. Montgomery, cashier of the Bank of Edwards, Edwards; postal savings, A. H. Cable, cashier of the Bank of Cleveland, Cleveland; research and bank studies, Conwell S. Sykes, vice president and trust officer of the Bank of Clarksdale, Clarksdale; state legislation, J. T. Brown, president of the Capital National Bank, Jackson; and state and federal taxation, F. W. Foote.

## MISSISSIPPI GROUP MEETINGS

Group 8	Hattiesburg	December 1
Group 7	Brookhaven	December 2
Group 6	Jackson	December 3
Group 5	Union	December 6
Group 4	Starkville	December 7
Group 1	Tupelo	December 8
Group 2	Oxford	December 9
Group 3	Greenwood	December 10

Mississippi bankers attending the American Bankers Association Convention in Boston included J. T. Brown, president, and Tom Walter Yates, vice president of the Capital National Bank, Jackson; G. M. McWilliams, vice president of the Citizens Bank, and George J. Hauenstein, vice president of the First National Bank, Hattiesburg; and W. Shirley Hiatt, vice president of the First National Bank & Trust Company, and T. W. McCoy, president of the Mer-

chants National Bank & Trust Company, Vicksburg.

Reported condition, probable yield per acre, and percentage ginned to October 1, as reported by the Crop Reporting Board of the Bureau of Agricultural Economics, indicate about the following productions of cotton in Mississippi, in 500 pound gross weight bales: northwest (upper Delta) district, 525,000 bales; west central (lower Delta) district, 635,000 bales; north central district, 200,000 bales; northeast district, 165,000 bales; central district, 230,000 bales; east central district, 185,000 bales; southwest district, 173,000 bales; south central district, 168,000 bales; and southeast district, 119,000 bales.

L. M. Gaddis, president of the Jackson-State National Bank, Jackson, Mississippi, first president of the Jackson Lions Club, organized 16 years ago, was special guest of honor at the club's annual celebration of the event, held recently.

# Hotel MELBOURNE

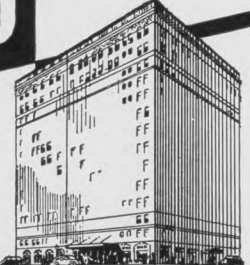
CHOICE OF  
*Experienced Travellers*  
FROM EVERYWHERE

*Finest Food*  
BEST LOCATION IN

# ST. LOUIS

400  
ROOMS  
WITH BATH

\$2.50  
UP



J. K. BRYAN  
Manager

LINDELL AT GRAND

ILL. KY. MISS. ALA. GA.

And PREFERENCE by Bankers of 68%



A Key Bank in the Central South

## BANKERS KNOW BANKS . .

That 208 of the 306 national and state banks in Tennessee, or 68% bank with the American National Bank indicates the preference for this bank by its fellow bankers.

★ Each pin on the map indicates a bank which banks with the American National

## THE AMERICAN NATIONAL BANK

NASHVILLE  
Member Federal Deposit Insurance Corporation

CHARTER MEMBER FEDERAL RESERVE SYSTEM

# NEWS of ARKANSAS BANKS and BANKERS

☐ **First National Bank**, Lake Village, Arkansas, has relinquished its national charter and is now operating as a state bank under the title of Bank of Lake Village.

☐ **The new First National Bank**, Blytheville, Arkansas, with capital of \$100,000 and surplus of \$20,000 now has deposits exceeding \$370,000.

☐ **The new personal loan department** at the First National Bank, Fort Smith, Arkansas, has met with great favor among the bank's many customers. First National of Fort Smith now has deposits of more than \$7,607,000, loans exceeding \$2,889,000, and resources totaling more than \$8,414,348.

☐ **James C. Wilson**, formerly associated with the Bankers Trust Company and the Federal Reserve Bank at Little Rock, Arkansas, has been elected president of the newly organized First Bank & Trust Company, Perth Amboy, New Jersey.

☐ **R. H. Garvey** of Wichita, Kansas,

has offered the high bid of \$2,556 for the remaining assets of the National Bank of Arkansas, Pine Bluff, Arkansas, which have a book value of \$572,398.

☐ **Depositors** of the Manila Banking Co., a co-operative bank at Manila, Arkansas, which failed recently with around \$18,000 on deposit, have been paid in full.

☐ **J. H. Cole**, 67, president of the Commercial Bank, Alma, Arkansas, died recently in a Fort Smith hospital, after a six weeks' illness.

☐ **Aristo Brizzolara**, vice president and cashier of the Union National Bank, Little Rock, announces that revival of regional clearing house associations in the state is progressing at a rapid pace, following a suggestion by Grover S. Jernigan, State Bank Commissioner, that their rejuvenation would benefit bankers in Arkansas. Mr. Brizzolara, chairman of a special committee to develop the groups, reports that meetings have been held in most of the eleven districts in the state, in an effort to bring the groups to life.

☐ **Action** by Grover S. Jernigan, State Bank Commissioner of Arkansas, recently, in requiring state banks to charge off all loans at the end of this collection period in excess of a reasonable value of the tangible collateral supporting the loans in the absence of financial statements and other information of record that might support an exception being made to this requirement, has been sanctioned by James H. Penick, vice president and cashier of W. B. Worthen Co., Bankers, Little Rock, and president of the Arkansas Bankers Association. Mr. Penick declared that he believed this policy "will mean better banking practices and sounder banks."

☐ **Ewell Dickinson** has been appointed assistant cashier of the Merchants & Planters Bank & Trust Co., Arkadelphia, Arkansas, succeeding John W. Daugherty, vice president and cashier, who resigned to become connected with the F. D. I. C. in St. Louis.

## Speed PLUS Results On Arkansas Collections

We offer complete facilities for the handling of all business in Little Rock and Arkansas. Resources over \$12,000,000.00.

Member  
Federal Reserve System

**W. B. Worthen  
Co., Bankers**

Member Federal Deposit  
Insurance Corporation

"Since 1877"

Little Rock, Arkansas

## Sound Business and Social Service

80 per cent of American bread-winners are not eligible for bank loans. Making cash loans to this vast majority is our function—serving a recognized social need on a sound business basis.

**DOMESTIC  
FINANCE  
CORPORATION**

Chicago

24 Offices In 7 States



## Business and Service

No matter how small or unusual, uniformly receive best personal attention here.

**UNION  
NATIONAL BANK**

Kansas City, Mo.

Member Federal Deposit Insurance  
Corporation



☐ **Bank of Plumerville**, Plumerville, Arkansas, has gone into voluntary liquidation. The bank has more than sufficient cash on hand to pay depositors 100 cents on the dollar.

☐ **Dr. W. D. Davisson** has been elected president of the First National Bank, Gurdon, Arkansas.

☐ **Plans** are being made by the board of directors of the Bank of Marvell, Marvell, Arkansas, to secure the consent of the stockholders to effect a re-organization of the bank before the first of next year.

☐ **Robert E. Wait**, secretary of the Arkansas Bankers Association, made an informal talk before the Little Rock Real Estate Board recently, in which he praised those responsible for the acquisition of new buildings, parks, etc., which were built with Government money as a result of the depression, but decried the fact that the citizens of Little Rock are not properly caring for these improvements. He urged also that the citizens be encouraged to beautify their own property, particularly vacant lots.

☐ **Fred N. Rix**, 36, former president of the Arkansas National Bank, Hot Springs, Arkansas, was found dead in his home last month, his face buried in a pillow. The coroner's verdict gave "accidental suffocation" as the cause of his death. Mr. Rix shared in an estate of approximately \$1,000,000 about ten years ago. He resigned his bank position about three years ago.

☐ **Wilmot State Bank** is scheduled to open at Wilmot, Arkansas, the 15th of this month, with W. N. Wilhite as president, and W. B. Davis as cashier. Both Mr. Wilhite and Mr. Davis are well known business men, and Mr. Davis was formerly in the banking business at Wilmot and at Portland, Arkansas.

☐ **W. I. McKinney** has been elected president of the Planters National Bank, Mena, Arkansas, succeeding the late W. W. Townsend. John W. Harper has been made first assistant cashier, and Everett Thompson, second assistant cashier.

☐ **Mid-Continent Banker's** representative in Arkansas and interested friends have this month sent us statements of condition showing the following deposits of banks in the state: First National Bank, Fort Smith, \$7,362,988; Merchants National Bank, Fort Smith, \$9,668,813; Bank of Franklin, Franklin, \$23,000; Bratt-Wasson Bank, Gentry, \$536,000; Bank of Gravette, Gravette, \$215,798; First Na-

tional Bank, Gravette, \$226,420; Farmers Bank, Greenwood, \$268,714; First Bank, Griffithville, \$37,121; First National Bank, Gurdon, \$127,247; Calhoun County Bank, Harrell, \$145,703; Bank of Havana, Havana, \$78,626; Citizens National Bank, Hope, \$1,115,432; First National Bank, Hope, \$1,027,745; Arkansas Trust Company, Hot Springs National Park, \$2,256,846; Farmers and Merchants Bank, Judsonia, \$220,000; First National Bank, Lewisville, \$245,175; Peoples Bank and Loan Company, Lewisville, \$192,415.

Commercial National Bank, Little Rock, \$9,122,488; Peoples National Bank, Little Rock, \$3,319,522; Citizens Bank, Magnolia, \$540,964; Farmers Bank and Trust Company, Magnolia, \$1,164,176; Bank of Malvern, Malvern, \$631,742; Peoples Bank, Mammoth

Spring, \$115,205; Mineral Springs Banking Company, Mineral Springs, \$51,131; First State Bank, Morrilton, \$799,428; Bank of Mt. Holly, Mt. Holly, \$42,418; Pike County Bank, Murfreesboro, \$190,170; First National Bank, Nashville, \$456,327; Bank of Plumerville, Plumerville, \$50,000; Farmers and Merchants Bank, Prairie Grove, \$198,515; Bank of Prescott, Prescott, \$896,910; First State Bank, Prescott, \$191,468.

Bank of Salem, Salem, \$180,000; Bratt-Wasson Bank, Siloam Springs, \$500,000; First National Bank, Springdale, \$561,552; Bodcaw Bank, Stamps, \$277,000; The Bank of Stephens, Stephens, \$225,000; State National Bank, Texarkana, \$6,466,073; Citizens Bank and Trust Co., Van Buren, \$730,288; Peoples Bank, Waldo, \$130,985.



## Your Memphis Correspondent

The complete facilities of this institution insure correspondent banks and bankers prompt, efficient and economical handling of Memphis items. We invite you to use our service.

# UNION PLANTERS NATIONAL BANK & TRUST CO.

SINCE 1869

MEMPHIS, TENN.

★ Member Federal Deposit Insurance Corporation ★

# NEWS of TENNESSEE BANKS and BANKERS

☐ A recent advertisement featured by the American National Bank, Nashville, Tennessee, points out the interesting fact that approximately three of every four business firms in principal retail districts of Nashville, and more than two of every three banks in Tennessee bank with them.

☐ James E. Womeldorff, formerly assistant manager, has been named man-

ager of the bond department of the First National Bank, Memphis, Tennessee, succeeding Allan B. Morgan, recently elected vice president in charge of new city and foreign business.

☐ J. W. Miller, vice president of the American National Bank, Nashville, and E. D. White, president of the Union Bank & Trust Co., Livingston, ad-

dressed the recent quarterly meeting of the Upper Cumberland Bankers Association held at Zollicoffer Lake near Livingston, Tennessee.

☐ First National Bank, Shelbyville, Tennessee, has retired 333 1/3 shares of preferred stock, par value \$5,000. Capital now consists of \$140,000 preferred and \$100,000 common stock.

☐ C. H. Wetterau, vice president of the American National Bank; J. H. Tidman, assistant trust officer of the Commerce Union Bank; and Granville Bourne, assistant vice president of the Nashville Trust Co., all of Nashville, Tennessee, attended the convention of the Financial Advertisers Association held recently in Syracuse, New York.

☐ Weakley County Bank, Dresden, Tennessee, recently celebrated its 50th anniversary of service to the community.

☐ C. M. Preston, president of the Hamilton National Bank, Knoxville, Tennessee, has been appointed a director of the Federal Home Loan Bank, Cincinnati, which serves Ohio, Tennessee and Kentucky.

☐ E. M. Shelly, banker of East Tennessee, has been elected cashier of the Citizens Bank & Trust Co., Wartburg, Tennessee.

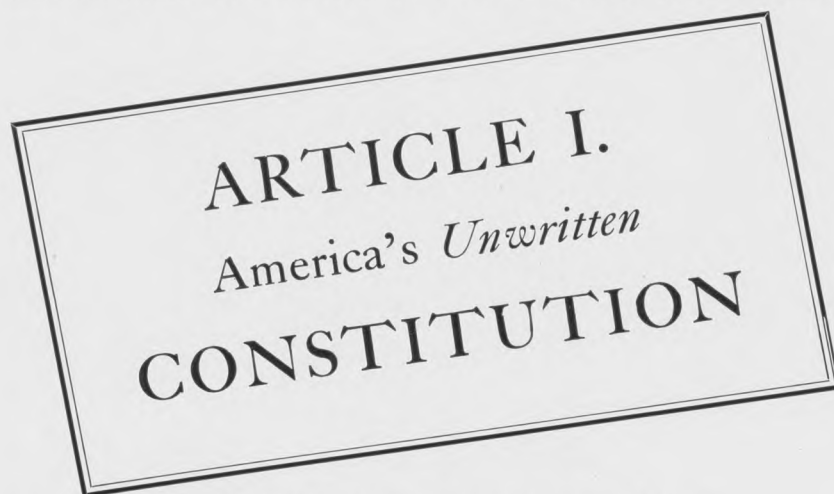
☐ W. H. Augustin, formerly vice president, has been elected president of the Bank of Loretto, Loretto, Tennessee, succeeding the late William Sand-schulte. Joseph Kessler of the Loretto Milling Co. succeeds Mr. Augustin as vice president.

☐ H. E. Jones, president of the Washington Trust & Savings Bank, Bristol, Tennessee, has been elected a director of the Broadway of America Association.

☐ A new bank may be organized soon at Pulaski, Tennessee, with capital of \$50,000.

☐ T. S. Wiggins has been elected assistant cashier, to be in charge of book-keeping and employe personnel, at the National Bank of Commerce, Memphis, Tennessee.

☐ Jackson County Bank, Gainesboro, Tennessee, has increased its capital from \$40,000 to \$50,000.



Even before American principles were formulated into written and official documents, those advanced ideals from which the new nation was born were being conceived among our colonial forbears. In American customs of today, many of those early ideals—articles of our “unwritten constitution”—are preserved.

Among the oldest and finest of these traditions is the custom of observing an annual Thanksgiving Day, symbolic of the intelligent humility and unconquerable faith that underlie the finest American achievements.

\* \* \* \* \*

This institution expresses thanks not merely for the *business* of the year, but also for the pleasant, friendly inter-bank relationships which we have enjoyed.

## The FIRST NATIONAL BANK of MEMPHIS MEMPHIS, TENN.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





☐ **Union Bank & Trust Co.**, Livingston, Tennessee, has decreased its capital from \$100,000 to \$75,000.

☐ **William L. Robinson**, 64, secretary and treasurer of the former Industrial Bank & Trust Co. of Memphis, Tennessee, died recently, after a brief illness.

☐ **John Joseph Fuqua**, 83, president of the Milan Banking Co., Milan, Tennessee, and active in its operation since its organization in 1893, died recently, after a stroke of apoplexy.

☐ **First National Bank**, Dickson, Tennessee, has retired 200 shares of preferred stock, par value \$10,000. Capital now consists of \$35,000 preferred and \$100,000 common stock.

☐ **J. A. Hill**, formerly associated with the Hamilton National Bank, Chattanooga, Tennessee, has been elected cashier of the Bank of Spring City, Spring City, succeeding Mrs. Ellen Paul Ault.

## Four Factors of Success

(Continued from page 9)

the bank into the picture by suggesting a conservative venture into some new and practical phase of diversified activities that may involve reasonable extension of credit? Not a farm advisor, not a farm expert, not one whose chief aim in life is to revolutionize, but some very practical, level-headed mixer who can balance the net worth, ability and equipment of the farmer with accuracy, and visualize some added venture that has every promise of success.

If it is worthwhile to photograph the financial status of the farmer of the trade territory, why is it not just as desirable, necessary and profitable to obtain a picture of his farming program? It is much better to do this task and avoid the pitfalls by accuracy in management, rather than seek the remedies after the mistakes have been made.

Two fine Tennessee bankers, whose abilities I respect highly, park a Ford car in front of their bank every day. At closing time they go for trips to the country, for calls on some farming activity they are nursing out of the rough, to inspect chattels mortgaged to the bank, or to discuss plans and credits with some good prospect. Much has been accomplished by their counsel, their encouragement and their confidence.

On a recent sheep tour I learned from another banker that he had pur-

chased and placed nineteen registered Jersey bulls and forty registered rams in his county when he discovered that the quality of cattle and sheep had declined because of selling off the best cows and sheep.

When our bank bought fifty purebred Hereford bulls early in 1936 and loaned them to good farmers in our trade area the least that was said was that it was an interesting experiment. The broader development of the livestock industry in our trade area was given much impetus by this definite endorsement of a livestock program, resulting in an aroused interest and a much wider participation.

Had we charged off the cost of the bulls when they were purchased, and our recovery at their sale should have shown a loss of a substantial portion of the amount involved, we would still feel greatly compensated in the contribution to the agricultural development of our trade area and the favorable publicity and good will enjoyed by our bank.

There is a line of demarkation between promotion and development. Promotion is usually an activity born of impulse. Development is the execution of plans resulting from mature thought, careful analysis and good business judgment. Promotions are brought into the bank from outside. Development programs are the product of an inside vision of outside needs.

Somewhere up in Ohio, so I am told, the idea of a stockyards in a rural section originated. To those who developed that idea I give credit for a fine contribution to rural life, for it is undoubtedly true that one of the biggest problems of agriculture is that of finding satisfactory markets. Make a market for what the farmer has to sell and you have helped him in a very substantial way.

Well, we heard about the stockyards idea, so the officers of our bank led the movement to raise the necessary money to build a satisfactory lot of pens, properly roofed. The railroad was not overlooked and was allowed to contribute helpfully by concentrating its loading pens for a wide area, which meant nothing less than building them new.

Naturally the bank subscribed, led the list in fact.

Well—here are the results of the first year:

Our subscription or contribution of \$250 came back to us somewhere between six and ten times—we do not know how many, because we quit counting after we got up to \$1,500—and every dollar was interest or discount on loans made to handle live-

stock, which we wouldn't have gotten if the livestock pens had not been there. We have never had a more desirable lot of loans. The railroad handled over three hundred cars of livestock in that year, against an annual average of less than ten for the ten previous years. The value of livestock sold exceeded \$600,000, and it is expected to go to a million dollars this year. Our retail merchants tell us that the weekly livestock salesdays are the best business days of the week. Our farmers say that it is wonderfully helpful to them.

Another idea of ours which has been successful is a four-page printed bulletin which we have issued quarterly to accomplish several objectives, such as these:

(1) To create a mutual confidence between farmer and bank.

(2) To educate the farmer in the use of bank credit.

(3) To overcome any reservations on the part of the farmer about presenting any plan requiring credit which he thinks he can use with profit. (That is a long definition of what we call bridging the gap.)

(4) To attract an increased volume of deposits—especially those which do not bear interest.

(5) To extend the influence of the bank into a broader territory.

(6) To build up the economic structure of the trade area through increased business activity.

(7) To encourage a broad and practical plan of crop diversification.

(8) To make profits for the bank.

You will agree that if a quarterly bulletin will serve as the medium to reach these goals, that it is an endeavor well worth the time and energy required for preparation.

Well, it will not get over all of these hurdles, but our experience has demonstrated it to be second only to personal contact and conference.

In my own community we have four pillars of income: tobacco, sheep, wheat and livestock. Many country bankers are learning that there are other pillars of income for the farmer which will prove helpful in providing a more abundant life, provided the banker himself is alert to the proper use of the implements of economic development committed to his care. No longer can the banker sit back and assume the attitude of allowing the public to approach him on hallowed ground. He must lean forward, sometimes pretty far, perhaps reach out, in order to make and maintain the contacts which the responsibilities of his position impose upon him.

# NEWS of KENTUCKY BANKS and BANKERS

☐ **Liberty National Bank and Trust Company**, Louisville, Kentucky, now has deposits of more than \$22,822,650, loans and discounts exceeding \$10,880,647; and resources totaling more than \$25,089,610. The bank recently retired 2,500 shares of preferred stock "A," par value \$12,500. Capital now consists of \$1,077,000 "A," and \$500,000 "B" preferred, and \$250,000 common stock.

☐ **D. Barnett Casey**, formerly assistant cashier, has been promoted to cashier of the Falmouth Deposit Bank, Falmouth, Kentucky.

☐ **M. E. Carter**, 58, vice president and cashier of the Grant County Deposit Bank, Williamstown, Kentucky, died recently, after a heart attack.

☐ **Commercial Bank and Trust Company**, Middlesboro, Kentucky, has

changed its name to "The Commercial Bank."

☐ **First National Bank**, Springfield, Kentucky, has retired 10 shares of preferred stock, par value \$1,000. Capital now consists of \$24,000 preferred, and \$50,000 common stock.

☐ **Citizens Union National Bank**, Louisville, Kentucky, now has deposits of more than \$49,146,157.

☐ **R. G. Fowler**, formerly vice president, has been elected president of the Farmers Bank & Trust Co., Marion, Kentucky, succeeding the late O. S. Denny. Hollis C. Franklin, formerly cashier, replaces Mr. Fowler as vice president; and N. G. Guess, formerly assistant cashier, has become cashier.

☐ **First National Bank**, Louisville, Kentucky, now has deposits of more than \$31,867,798, loans and discounts exceeding \$13,228,662; and resources totaling more than \$35,641,526.

☐ **First National Bank**, Somerset, Kentucky, is adding a teller's cage in the lobby and making other improvements on the first floor of the building.

☐ **Alterations** and additions to the St. Matthews Bank, St. Matthews, Kentucky, which will cost between \$10,000 and \$12,000, have begun.

☐ **Kentucky Title Trust Co.**, Louisville, Kentucky, now has deposits of more than \$3,525,300, loans and discounts exceeding \$1,536,424, and resources totaling more than \$8,748,431.

☐ **Milton S. Burns**, an organizer and former president of the First National Bank, Louisa, Kentucky, died recently from a heart attack, at the age of 81.

☐ **John E. Buckingham**, State Treasurer of Kentucky, issued a call for the payment of \$2,062,100 Kentucky State Warrants on October 27, as follows: Series One: Warrants Nos. 994 to 1223 inclusive; Series Two: Warrants Nos. 260 to 411 inclusive; Series Three: Warrants Nos. 460 to 794 inclusive; Series Four: Warrants Nos. 89 to 180 inclusive; Series Five: Warrants Nos. 120 to 231 inclusive.

Interest on the called Warrants will cease Monday, November 15, 1937.

☐ **The Edmonton State Bank**, formed by the merger of the Farmers & Merchants Bank and the Peoples Bank of Metcalfe County, Edmonton, Kentucky, recently opened for business



## NATIONAL BANK OF DETROIT

DETROIT, MICHIGAN

ESTABLISHED MARCH 24, 1933 ☆ RESOURCES EXCEED \$375,000,000

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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.

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

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in the building formerly occupied by the latter. Capitalized at \$50,000, it is now the only banking institution in the Metcalfe County seat. Total resources approximate \$650,000.

¶ **L. C. Smith**, deputy director of banking of Kentucky, attended the recent annual convention of the National Association of Supervisors of State Banks held in New York City.

¶ **E. H. Shelman**, president of E. H. Shelman & Co., Bankers, Irvington, Kentucky, besides being a good banker, possesses a rare mechanical ability. He constructed a shot gun several years ago that is so excellent he has received three offers of \$1,500 for its purchase. He also has made a small pistol which does not weigh over one and a half pounds. Both the gun and the pistol have attracted wide attention, and many visitors come to Irvington to view these mechanical accomplishments. When the home of Shelman & Co., Bankers, was built in 1893, it included, as an integral part, a jewelry and repair shop, where, at eighty-four years of age, Mr. Shelman still pursues his hobby of repairing guns, watches and other jewelry, when he is not busy with his banking duties.

¶ **Earl R. Muir**, first vice president of the Louisville Trust Company, Louisville, Kentucky, has been elected treasurer of the Kentucky Free Bridge Association, an organization formed eighteen months ago to create interest in freeing the state's toll bridges.

¶ **The 102-year-old Bank of Maysville**, Maysville, Kentucky, was closed for an hour recently, out of respect for an aged Negro employe whose funeral was held at that hour. He was Adworth "Ad" Lewis, 75, who had worked for the bank as janitor and messenger for 48 years.

¶ **M. E. Carter**, vice president and cashier of the Grant County Deposit Bank, Williamstown, Kentucky, died recently after a heart attack, at the age of 57.

¶ **Dr. G. W. Ragan**, 72, president of the Citizens Bank, Cold Springs, Kentucky, died recently.

¶ **Contract** has been let for the modernization of the Morgantown Deposit Bank, Morgantown, Kentucky. Improvements contemplated will consist of a two-story and basement addition to the rear of the present building, and the installation of a complete heating system for the entire building.

¶ **Peoples Bank, Morehead**, Kentucky, has doubled its capital stock,

from \$30,000 to \$60,000. The bank's new home, entirely fireproof and modernistic in design, is nearing completion.

¶ **Farmers Bank**, Hardinsburg, Kentucky, has been redecorated on the interior, and a drinking fountain and Venetian blinds added.

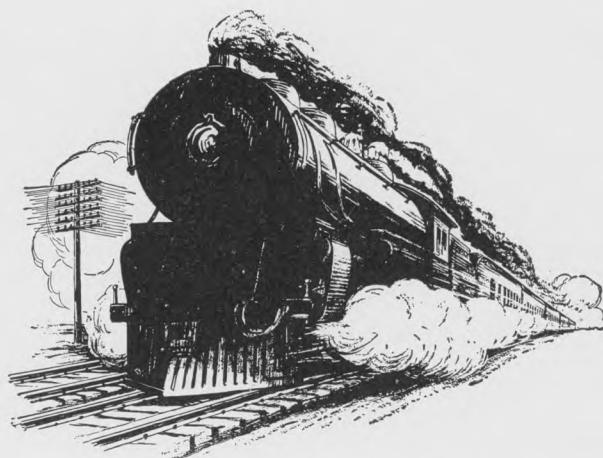
¶ **Woodford Bank & Trust Company**, Versailles, Kentucky, has redecorated the exterior and interior of its home.

¶ **Third National Bank**, Ashland, Kentucky, has retired 156¼ shares of preferred stock "A," par value, \$6,250.

Capital now consists of \$81,250 "A" and \$25,000 "B," preferred, and \$62,500 common stock.

¶ **John W. Kitchen**, president of the Second National Bank, Ashland, Kentucky, died suddenly recently at White Sulphur Springs, West Virginia, at the age of 59.

¶ **Kenneth G. Seaton**, executive vice president of the Second National Bank, Ashland, Kentucky, has been advanced to the presidency of the bank to succeed John W. Kitchen who died last month.



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# NEWS of ILLINOIS BANKS and BANKERS

☐ **Deposits** of the Merchandise National Bank, Chicago, now exceed \$15,490,000, as compared with \$14,686,000 on June 30, and loans and discounts aggregate \$5,192,594, an increase of \$125,313 in the past three months.

☐ **The Grand Crossing-Chatham** community of Chicago may have a national bank soon.

☐ **First National Bank**, Geneva, Illinois, has completed 30 years of service in the community.

☐ **The building** at Lemont, Illinois, formerly occupied by the postoffice is being remodeled and modernized for use of the Lemont National Bank.

☐ **A new bank**, called the First National Bank, is being organized at Maywood, Illinois.

☐ **First National Bank**, Des Plaines, Illinois, has opened for business in the banking quarters formerly occupied by the Des Plaines State Bank at 678 Lee Street, which it has leased for a period of ten years. The bank, organized in 1913, now has deposits exceeding \$2,000,000.

☐ **W. W. Pearson** will be president and W. W. Turner, vice president and cashier of the proposed Northwest National Bank, Chicago, which recently was granted permission to organize. The new bank plans to occupy the building at Irving Park and Milwaukee Avenue, formerly the home of the Inland Trust and Savings Bank.

☐ **Philip R. Clark**, president of the City National Bank and Trust Company, Chicago, has been elected to the board of trustees of Northwestern University.

☐ **Mid-Continent Banker's** representative in Illinois and interested friends

have this month sent us statements of condition of banks in Illinois showing the following deposits: First Bank and Trust Company, Cairo, \$1,906,357; First National Bank, Carbondale, \$1,249,115; Farmers and Merchants Bank, Carlyle, \$460,099; First National Bank, Carlyle, \$803,756; Drovers National Bank, Union Stock Yards, Chicago, \$27,309,726; Drovers Trust & Savings Bank, Union Stock Yards, Chicago, \$10,637,129; First National Bank, Cobden, \$352,953; First State Bank, Cobden, \$46,812; First National Bank, Danville, \$5,164,709; First State Bank, Eldorado, \$264,170; Elizabeth State Bank, Elizabeth, \$1,029,924.

First National Bank, Gorham, \$130,336; Greenup National Bank, Greenup, \$261,880; Elliott State Bank, Jacksonville, \$4,092,464; Farmers State Bank, Medora, \$110,402; City National Bank, Metropolis, \$789,234; First National Bank, Metropolis, \$521,501; National State Bank, Metropolis, \$651,027; Moline National Bank, Moline, \$7,704,953; Crews State Bank and Trust Company, Montrose, \$175,472; First State Bank, Patoka, \$197,184; Ramsey National Bank, Ramsey, \$327,596; State Bank, Rock Island, \$7,093,857; Citizens State Bank, Shumway, \$68,319; First National Bank, Sparta, \$618,774; Sparta State Bank, Sparta, \$325,437; Springfield Marine Bank, Springfield, \$11,580,808; Stewardson National Bank, Stewardson, \$132,205; Union National Bank, Streator, \$2,490,237; Teutopolis State Bank, Teutopolis, \$301,217.

☐ **R. J. Goll**, vice president and cashier of the First State Bank, Harvard, Illinois, Mrs. Goll and their son, Robert, Jr., have sailed for Europe, on a five weeks' trip. Mr. Goll has made four European voyages previously.

☐ **E. W. Steinbeck** has begun his duties as cashier of the Farmers State Bank, Mt. Sterling, Illinois.

☐ **Clyde Linder** has resigned his position as cashier of the Greene County National Bank, Carrollton, Illinois, and, with Mrs. Linder, will make his home in Los Angeles, California.

☐ **James Madison Pomeroy** has been elected president of the White County Bank, Carmi, Illinois, succeeding his father, the late Frank E. Pomeroy.

☐ **Roanoke, Illinois**, citizens are planning a new bank to replace the Roanoke State Bank which was closed recently.

☐ **John Klodnick**, brickyard worker at Sparland, Illinois, recently found that a fruit jar was unsatisfactory as a bank, when robbers stole his savings of \$500 which he had concealed in the jar, hidden on a hillside near his home.

☐ **Lyle S. Stuckey**, cashier of the First National Bank, Danvers, Illinois, has been elected chairman of the McLean County Bankers Federation. Dwight M. Leeper, cashier of the Farmers State Bank, Heyworth, was elected vice chairman, and R. L. Carlock, assistant cashier of the National Bank of Bloomington, secretary-treasurer.

☐ **E. N. Granquist**, formerly assistant cashier in charge of credit of the Liberty National Bank, Chicago, has been appointed vice president.

☐ **Charles H. Shaw**, 70, vice president of the Hamilton State Bank, Chicago, Illinois, died recently.

☐ **First National Bank** building, Patoka, Illinois, recently was damaged by fire, the loss estimated at \$12,000.

☐ **The new building** which will house

## BONDS FOR BANKS

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the records of the First National Bank, Chicago, is under construction. It will be of red brick, with a six-foot strip of black granite eight feet above the sidewalk level. Glass bricks are to be used for windows.

☐ **J. H. White**, cashier of the First National Bank, Geneseo, Illinois, reports that the oat crop in Henry County is the largest in many years. Yields of 60 and even 80 bushels per acre are reported, and farmers wish they had more cattle and hogs to eat the abundant feed.

☐ **Considerable interest** is being shown and keen discussion is ensuing among bankers, supervisory officials and students of banking in the Middle West as a result of the drive which the Federal Reserve Bank of Chicago is making in inducing state banks to join the Federal Reserve System. In the territory embraced by the Seventh Federal Reserve District, which includes Wisconsin, Michigan, Iowa, most of Illinois and Indiana, several state banks have joined the System within the last few months.

☐ **First National Bank**, Highland Park, Illinois, has been chartered, with capital of \$200,000 common stock. Officers are: president, J. M. Appel, and cashier, C. F. Grant. The new bank is a conversion of the Highland Park State Bank.

☐ **Lloyd E. Scott**, former cashier and vice president of the closed Peoples Bank & Trust Co., Rockford, Illinois, died recently, after a brief illness.

☐ **Paul R. Wilkinson** has been elected president and director of the I.-C. National Bank, Chicago, succeeding Irwin I. Altschuler, who becomes chairman.

☐ **A personal checking account plan**, on a pay-as-you-go basis and requiring no minimum balance, operated by the Madison-Crawford National Bank, Chicago, is supplemented by a bank-by-mail service as an added convenience. The bank's charge for this service is 10 cents a check, 50 checks for \$4.75, 75 checks for \$7, or groups of 100 at \$9. No charge is made for deposits.

☐ **Sears Community State Bank**, Chicago, has installed a personal loan department, of which J. B. Taslitz, assistant cashier, has been placed in charge.

☐ **Forrester State Bank**, Forrester, Illinois, originally the banking house of Henry Dovenberger & Co., Bankers, organized in 1887, is celebrating

its Golden Jubilee, having completed 50 years of service as a banking institution in the community.

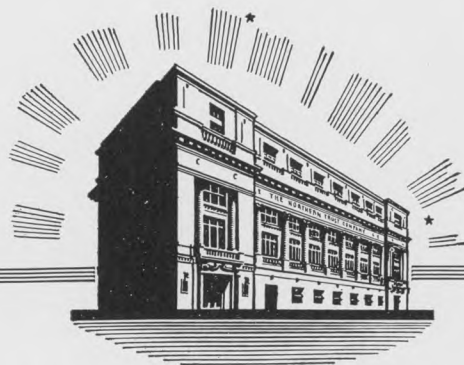
☐ **E. Longbons** has been named president of the new Bank of Marion, Marion, Illinois, which is scheduled to open November 15. Dr. A. N. Baker will be vice president; Clyde Keltner, cashier; and Harold Pangborn, assistant cashier.

☐ **A conference** on banking is to be held at the University of Illinois on November 22 and 23 in which bankers and monetary experts are to participate.

☐ **Wilfred L. Burgess**, vice president in charge of operations and cashier of the City National Bank and Trust Company, Chicago, died recently at

his home in Crescent, Illinois, at the age of 54.

☐ **The annual outing** of the City National Bank and Trust Company, Chicago, was held at the Medinah Country Club on Columbus Day, October 12, and was attended by 450 or 500 officers and employees. In the golf tournament, the low gross awards were: M. E. Shanahan, 83; C. Rosek, 84; Philip R. Clarke, 86; and H. C. Jones, 87. Low net scores were: H. Burns, 70; J. Radford, 74; A. M. Johnson, 74; and A. R. Floreen, 75. Besides the golf tournament, there was baseball, tennis, horseshoes, and bridge. Dancing followed a dinner and a number of acts of professional entertainment in the evening.



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NORTHWEST CORNER LA SALLE AND MONROE STREETS, CHICAGO

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# NEWS of INDIANA BANKS and BANKERS

## Three Indiana Groups Elect Officers

Three of the eight regional groups of the Indiana Bankers Association, which met recently in Logansport, Turkey Run and Columbus, elected new officers as follows:

**Region Three:** president, George A. Raub, president of the Farmers and Merchants State Bank, Logansport; vice president, Samuel P. Good, president of the First National Bank, Marion; and secretary-treasurer, O. M. Whitmire, cashier of the First National Bank, Converse. Those who were named members of the executive committee are Claude F. Tyner, cashier of the Farmers State Bank, Sweetser; James Cronin, Jr., president of the Citizens State Bank, Hartford City; W. A. Deniston, president of the National Bank of Logansport, Logansport; A. I. Urschel, cashier of the Indiana Lawrence Bank & Trust Co., North Manchester; and S. B. Cooper, cashier of the Anderson Banking Company, Anderson.

**Region Five:** president, Will L. Stump, executive vice president of the Elston Bank & Trust Co., Crawfordsville; vice president, Don P. Carpenter, executive vice president of the Brazil Trust Company, Brazil; and secretary-treasurer, Pension H. Larrick, cashier of the Ladoga State Bank, Ladoga.

**Region Six:** president, Meredith Lienberger, assistant cashier of the Irwin-Union Trust Company, Columbus; vice president, Wilbur Stiers, president of the Rushville National Bank, Rushville; and secretary-treasurer, Angus E. Deaton, cashier of the Fayette Bank & Trust Co., Connersville. New members of the executive committee are A. C. Hassmer, cashier of the American State Bank, Lawrenceburg; H. L. Lyon, secretary of the Madison Safe Deposit & Trust Company, Madison; E. G. Crawford, cashier of the Second National Bank, Richmond; G. G. Welsh, secretary-treasurer and trust officer of the Union Trust Company, Greensburg; and Ora Morris, vice president of the Citizens National Bank, Newcastle.

Featured speakers at the meetings, who also spoke at the meetings of Region One at Warsaw, Region Two at Hazelden, and Region Four at Indianapolis, as reported in the October issue of MID-CONTINENT BANKER, were F. W. Van Antwerp, president of the First Bank and Trust Company, South Bend, and president of the Association; Dr. H. C. Sauvain, director of the investment research bureau of Indiana University; A. J. Wedeking, chairman of the Association's agricultural committee and cashier and trust officer of the Dale State Bank,

Dale; and Hassil Schenck, president of the Indiana Farm Bureau.

At the meeting of Region Six, tribute was paid to C. F. Dehmer, president of the First National Bank at Columbus, and president of the regional group, who died recently. F. W. Van Antwerp, in his speech to the group, cited improved efficiency of the crime-fighting divisions of the state and federal governments, including development of state police radio, additions to the state police personnel, and operations of the Federal bureau of investigation, as entitling Indiana banks to substantial reductions in burglary and robbery and insurance rates.

Bankers of Regions Seven and Eight of the Association are scheduled to hold a joint meeting at French Lick on November 11.

Mid-Continent Banker's representative in Indiana and interested friends have sent us recent statements of condition of banks in the state showing the following deposits: Commercial Bank and Trust Company, Alexandria, \$536,729; Anderson Banking Company, Anderson, \$6,729,956; Citizens Banking Company, Anderson, \$2,471,167; Aurora State Bank, Aurora, \$457,973; Batesville State Bank, Batesville, \$517,765; First National Bank, Batesville, \$890,357; Bedford National Bank, Bedford, \$1,503,766; Citizens Trust Company, Bedford, \$378,478; Stone City National Bank, Bedford, \$755,738.

First National Bank, Bicknell, \$419,539; Boonville National Bank, Boonville, \$590,006; Citizens State Bank, Brownstown, \$246,763; First National Bank, Brownstown, \$468,663; Bruceville State Bank, Bruceville, \$89,243.

Charles F. Hafer, 64, vice president of the Madison Avenue State Bank, Indianapolis, Indiana, died recently after an illness of two months.

Union Bank & Trust Co., Kokomo, Indiana, has been admitted to the Federal Reserve System.

Tell City National Bank, Tell City, Indiana, has been granted permission to redeem the remainder of its \$50,000 of preferred stock "A," a sum of \$17,500, from the Reconstruction Finance Corporation, to whom it was sold in 1934. The bank now has deposits of \$1,393,000, as compared with \$688,000

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in June, 1934—an increase during the past three years of 100 per cent.

☐ **Edwardsport Bank**, Edwardsport, Indiana, now has deposits of more than \$217,910, as compared with \$203,942 in December, 1935.

☐ **Bank of Orleans**, Orleans, Indiana, which now has deposits of more than \$473,499, has completely remodeled its quarters, redecorating the interior and installing new fixtures, tile floor, and indirect lighting.

☐ **Marion National Bank**, Marion, Indiana, now has deposits of more than \$4,950,682, loans and discounts exceeding \$2,292,276, and resources totaling more than \$8,247,251.

☐ **Elmer T. Laws**, cashier of the State Bank of Milan, Milan, Indiana, was second highest individual winner in the pistol shoot at the eleventh annual vigilante state shoot held at Fort Benjamin Harrison recently. Gus Belter, Shelbyville, was highest individual winner in the division, with a score of 202; and Mr. Laws was second with a score of 200. A total of 140 men competed in each division of the shoot, representing vigilante groups throughout the state in the annual event which is directed by Capt. C. D. Haisley and sponsored by the Indiana Bankers Association.

☐ **Miss Margaret Chaney** has become assistant cashier of the Farmers & Merchants State Bank, Spencerville, Indiana.

☐ **Darnell D. Mahorney**, who for the past three years has been connected with the trust, real estate and loan department of the Elston Bank & Trust Co., Crawfordsville, Indiana, has joined the staff of the Crawfordsville Trust Company, where he will be connected with the insurance, real estate and farm management department.

☐ **Paul R. Pike**, 48, cashier of the Parke State Bank, Rockville, Indiana, died recently, following a heart attack.

☐ **Will R. Johnson**, formerly secretary and treasurer, has been elected president of the Farmers Trust Company, Franklin, Indiana, succeeding Livy A. Young, who resigned recently.

☐ **Farmers State Bank**, West College Corner, Indiana, has been incorporated, with capital stock of 500 shares of \$100 par value.

☐ **Walter Koenigkramer** has accepted the position of cashier at the Fulton State Bank, Fulton, Indiana.

☐ **Mrs. Anna Willard**, 72, president and cashier of the Citizens Bank,

Wakarusa, Indiana, died recently. She was Indiana's only woman owner and operator of a bank, having taken over the management of her husband's private banking business at the time of his death.

☐ **Ernest H. Lange**, formerly cashier, has been elected president of the First National Bank, North Vernon, Indiana, succeeding the late Dr. William R. Fall. Roy Hinchman, formerly assistant cashier, succeeds Mr. Lange as cashier.

☐ **American National Bank**, Indianapolis, Indiana, has retired 5,000 shares

of preferred stock, par value \$50,000. It now has \$1,000,000 common stock and \$875,000 preferred.

☐ **E. H. DeHority**, Supervisor of Banks of Indiana, attended the recent annual convention of the National Association of Supervisors of State Banks held in New York City.

☐ **James H. Gilbert**, 80, organizer, former president, and, at the time of his death, chairman of the board of the State Bank of Remington, Remington, Indiana, died recently, after a long illness.

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# MUNICIPAL BOND

### Kentucky Municipals

By THOMAS GRAHAM

The Bankers Bond Co., Louisville

THE Kentucky municipal bond market has been very inactive during the recent market break, with practically no offerings of either high-grade or second-grade County or City bonds.

The City of Louisville recently sold \$1,250,000 Sewer Revenue 2¾ per cent and 3 per cent bonds on approximately a 2.95 yield basis. We anticipate a call of from \$2,000,000 to \$4,000,000 Kentucky State Institutional Warrants in November and that the sinking funds will call approximately \$850,000 of the various Bridge Revenue bonds for payment January 1, 1938.

### Louisiana Municipals

By J. W. KINGSBURY

Scharff & Jones, Inc., New Orleans

AT this writing (October 21) we have just gone through three days of drastic reductions in the values of listed stocks, and those reductions have been felt in the municipal market to the extent of forcing some liquidation. Those who were forced to sell bonds in order to protect their position in the stock market sold at prices considerably out of line with prices which prevailed last week and which prevail today. It is hard to estimate the amount of distress sales, but it is logical to assume that most of the Louisiana bonds which were sold under those conditions found their way to New Orleans. Based on the volume of business which New Orleans dealers did during the past few days, there was comparatively little forced liquidation. Our estimate is that less than \$200,000 par value of Louisiana bonds were liquidated in the New Orleans market during the past three days.

During the height of the stock market decline, those bonds which were liquidated sold at from 3 to 5 points under the market of last week and under the market which prevails today. It is felt by most dealers that there will be no further liquidation unless the stock market hits a new low, and it is also the consensus that there will be a good demand for bonds at any further reduction in prices.

There has been little trading activity during the past month. The price of cotton has been such that farmers

are not selling unless it is absolutely necessary, and as a result, banks in the cotton area are not having their agricultural loans liquidated and are not building their surplus of deposits, as is customary this time of the year. The grinding of sugar cane has just commenced, and the banks in the sugar area will not be in the market for another month to six weeks. Bankers interviewed feel that they will have surplus funds seeking investment in the near future. While the demand for temporary bank loans has been good, most of the banks have not been forced to sell securities, and offerings continue to be relatively scarce.

Only a few new issues were offered for sale during the month, and those issues brought attractive rates to the issuing municipality. Very few new issues are in sight and none of any consequence are anticipated during the remainder of this year.

### Robert Morris Associates Meets in St. Louis

With more than 350 members, their wives and guests present, attendance at the 22nd annual convention of Robert Morris Associates, an organization of financial credit men, held in St. Louis October 25 to 27, was the largest of any meeting of the group in the past 10 years.

Featured speakers at the three morning sessions included T. C. Tupper, president of the Securities Investment Company, St. Louis, who discussed automobile finance company trends; Dr. W. F. Gephart, vice president of the First National Bank, St. Louis, talking on conditions in the Mississippi Valley; Eugene McElvaney, vice president of the First National Bank, Dallas, Texas, who spoke on oil loans; Wallace M. Davis, vice president of the Citizens Union National Bank, Louisville, Kentucky, whose subject was "A Revaluation of Loans on Whiskey"; and J. M. Neumayer, partner in Haskins and Sells, who discussed brewery financing and its correlated problems. The sessions were also addressed by Ray M. Gidney, president of the Associates, and vice president of the Federal Reserve Bank of New York, and by Raymond F. Leinen, first vice president of the organization and executive vice president of the Lincoln-Alliance Bank &



# NEWS SECTION

Trust Co., Rochester, New York. Harvey L. Welch, credit manager of the First National Bank, St. Louis, is second vice president of the group. Election of new officers will be held at the annual mid-year conference to be held in Philadelphia next June.

St. Louis bankers were attentive hosts to members and guests at the convention, providing an elaborate entertainment program for their enjoyment between business sessions. Officers of the St. Louis Chapter are: president, G. J. Rothweiler, credit manager of the Mississippi Valley Trust Company; vice president, William Moeller, First National Bank; and secretary-treasurer, G. M. Telle, assistant vice president of the Mercantile-Commerce Bank & Trust Company. Mr. Rothweiler was general chairman of the convention.

## H. P. Howell Heads New York Clearing House Committee

Herbert P. Howell, president of the Commercial National Bank & Trust Co., New York, was elected chairman of the New York Clearing House Committee last month, and James H. Perkins, chairman of the National City Bank, was elected president of the New York Clearing House Association. Mr. Howell succeeds William S. Gray, Jr., president of the Central Hanover Bank & Trust Company, and Mr. Perkins succeeds the late Albert A. Tilney, who was chairman of the Bankers Trust Company at the time of his death last August. J. Murray



HERBERT P. HOWELL

Mitchell, vice president of the New York Trust Company, was elected secretary of the Association, succeeding Henry C. Stevens, vice president of the Guaranty Trust Company.

Mr. Howell, new head of the Clearing House Committee, spent a large part of his early business career not in banking but in the steel industry. He was with Carnegie Steel Company for many years and served as head of



JAMES H. PERKINS

its credit department for eleven years beginning in 1901. He came to New York in 1912 as vice president of the Bank of Commerce and remained in that post until November, 1928, when he helped organize the Commercial National Bank & Trust Company, an institution with deposits of more than \$87,000,000 and total resources of more than \$107,000,000 which he now heads.

Mr. Perkins, who has served as chairman of the National City Bank since 1933, also began his career outside the banking field. He started with Baker & Co., Ltd., chocolate manufacturers, and joined the American Trust Company, Boston, seven years later. Subsequently he served as vice president and president of the National Commercial Bank, Albany, New York, and joined the National City Bank in 1913. In 1921 he became president of the Farmers Loan & Trust Co., and continued to head this institution when it became the City Bank Farmers Trust Co. in 1929, at which time it came under the control of the National City Bank.

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# CURRENT QUOTATIONS

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On 100 Unlisted Bonds as of October 28, 1937

	Bid	Asked		Bid	Asked
American Telephone & Telegraph Co., 3 1/4s, 1961	99 5/8	99 7/8	Illinois Power & Light Corp., 6s, 1953	96	97
American Telephone & Telegraph Co., 3 1/4s, 1966	88 1/2	99 3/4	Indianapolis Water Company, 3 1/2s, 1966	100 1/4	101
Associated Telephone Co., Ltd., 4s, 1965	103	104	Kansas Power & Light Company, 4 1/4s, 1965	108	108 1/2
Atlantic City Electric Co., 3 1/4s, 1964	97 1/4	98	Jones & Laughlin Steel Company, 4 1/4s, 1961	99 1/4	100
Allis Chalmers Mfg. Co., 4s, 1952	102	103 1/2	Koppers Company, 4s, 1951	101 5/8	102 1/8
Anaconda Copper Mining Co., 4 1/2s, 1952	102 1/2	103	Louisville Gas & Electric Co., 3 1/2s, 1966	100 3/4	101 1/4
Armour & Company, 4s, 1955	94 1/2	95 1/2	Lion Oil Refining Company, 4 1/2s, 1952	93	97
Armour & Company, 4s, 1957	93 1/2	94 1/2	Loews Incorporated, 3 1/2s, 1946	98 1/8	98 5/8
Brooklyn Edison Co., 3 1/4s, 1966	100 3/4	101 1/4	Metropolitan Edison Company, 4s, 1965	100 1/4	101 1/4
Bethlehem Steel Corporation, 3 1/2s, 1952	84 3/8	84 3/4	Minneapolis Gas Light Co., 4s, 1950	100 1/2	102
Bethlehem Steel Corporation, 3 3/4s, 1966	92 1/2	93	Missouri Power & Light Co., 3 3/4s, 1966	96 3/4	97 3/4
Bethlehem Steel Corporation, 4 1/4s, 1960	101 1/4	102	Montana Power Company, 3 3/4s, 1966	90 1/2	91 1/2
Commercial Credit Company, 2 3/4s, 1942	100	100 1/2	Mountain States Power Company, 6s, 1938	83	86
Commercial Credit Company, 3 1/4s, 1951	96 1/4	96 3/4	Narragansett Electric Company, 3 1/2s, 1966	102	102 1/2
Commercial Investment Trust Corporation, 3 1/2s, 1951	101	101 1/2	New England Power Company, 3 1/4s, 1961	100 1/2	101 1/4
Consolidated Oil Corp., 3 1/2s, 1951	95 1/4	96	New York Edison Company, 3 1/4s, 1965	100 3/4	101 1/4
Crane Company, 3 1/2s, 1951	100	100 1/2	New York Edison Company, 3 1/4s, 1966	100 3/4	101 1/4
Cudahy Packing Company, 3 3/4s, 1955	95 1/2	96 1/2	New York State Electric & Gas Corp., 4s, 1965	93	94 1/2
Cudahy Packing Company, 4s, 1950	94	97	New York Telephone Co., 3 1/4s, 1967	102	102 1/2
California Oregon Power Co., 4s, 1966	91	92	New York Water Service Corp., 5s, 1951	86 1/2	88
California Water Service Co., 4s, 1961	100	101	Northern States Power Co., 3 1/2s, 1967	96 3/4	97 1/8
Central Maine Power Co., 3 1/2s, 1966	92 1/2	94	National Dairy Products Corp., W. W., 3 3/4s, 1951	99	99 3/4
Central Maine Power Co., 4s, 1960	100	101 1/2	Ohio Edison Company, 3 3/4s, 1972	93 3/4	94 3/4
Central New York Power Co., 3 3/4s, 1962	97 1/8	98	Ohio Edison Company, 4s, 1965	100	100 3/4
Cincinnati Gas & Electric Co., 3 1/4s, 1966	101	101 1/2	Ohio Edison Company, 4s, 1967	99	99 1/2
Commonwealth Edison Company, 3 3/4s, 1965	103 3/4	104 1/2	Ohio Electric Power Company, 5s, 1957	92	94
Commonwealth Edison Company, 4s, 1981	104 7/8	105 3/8	Ohio Public Service Co., 4s, 1962	96	96 1/2
Commonwealth Telephone Co. (Wis.), 4s, 1966	95	96	Ohio Water Service Company, 5s, 1958	94	95 1/2
Consumers Power Co., 3 1/2s, 1970	102	102 1/2	Oklahoma Gas & Electric Company, 3 3/4s, 1966	98 1/4	98 3/4
Cumberland County Power & Light Co., 3 1/2s, 1966	95	96	Oklahoma Natural Gas Co., 4 1/2s, 1951	94 1/2	95 1/2
Dallas Power & Light Company, 3 1/2s, 1967	103 1/2	104 1/4	Pacific Gas & Electric Co., 3 1/2s, 1966	98 1/2	99
Duquesne Light Company, 3 1/2s, 1965	105 1/2	106	Pacific Gas & Electric Co., 3 3/4s, 1961	102 1/8	102 1/2
Eastern Gas & Fuel Associates, 4s, 1956	74 1/2	76	Pacific Gas & Electric Co., 4s, 1964	105 3/4	106 1/4
Edison Electric Illuminating Co. of Boston, 3 1/2s, 1965	105 1/4	105 3/4	Pacific Lighting Corp., 4 1/2s, 1945	104	105
Florida Power Corp., 4s, 1966	83	84	Pacific Telephone & Telegraph Co., "B," 3 1/4s, 1966	101	101 1/2
General Motors Acceptance Corp., 3s, 1946	103 1/4	103 3/4	Pacific Telephone & Telegraph Co., "C," 3 1/4s, 1966	101	101 1/2
General Motors Acceptance Corp., 3 1/4s, 1951	101 3/8	101 7/8	Pennsylvania Electric Company, 5s, 1962	98	98 3/4
Goodrich Company (B. F.), 4 1/4s, 1956	97 3/8	97 7/8	Pennsylvania Power & Light Co., 4 1/2s, 1981	98 7/8	99 3/8
Houston Lighting Power Company, 3 1/2s, 1966	102 1/4	102 3/4	Pennsylvania State Water Corp., 4 1/4s, 1966	89	90 1/2
Idaho Power Company, 3 3/4s, 1967	98 1/4	98 3/4	Peoples Gas Light & Coke Co., 4s, 1961	87 1/2	89
Illinois Bell Telephone Company, 3 1/2s, 1970	106 1/4	107 1/2	Philadelphia Electric Co., 3 1/2s, 1967	103 5/8	104
Illinois Commercial Telephone Co., 5s, 1960	94 1/2	96			

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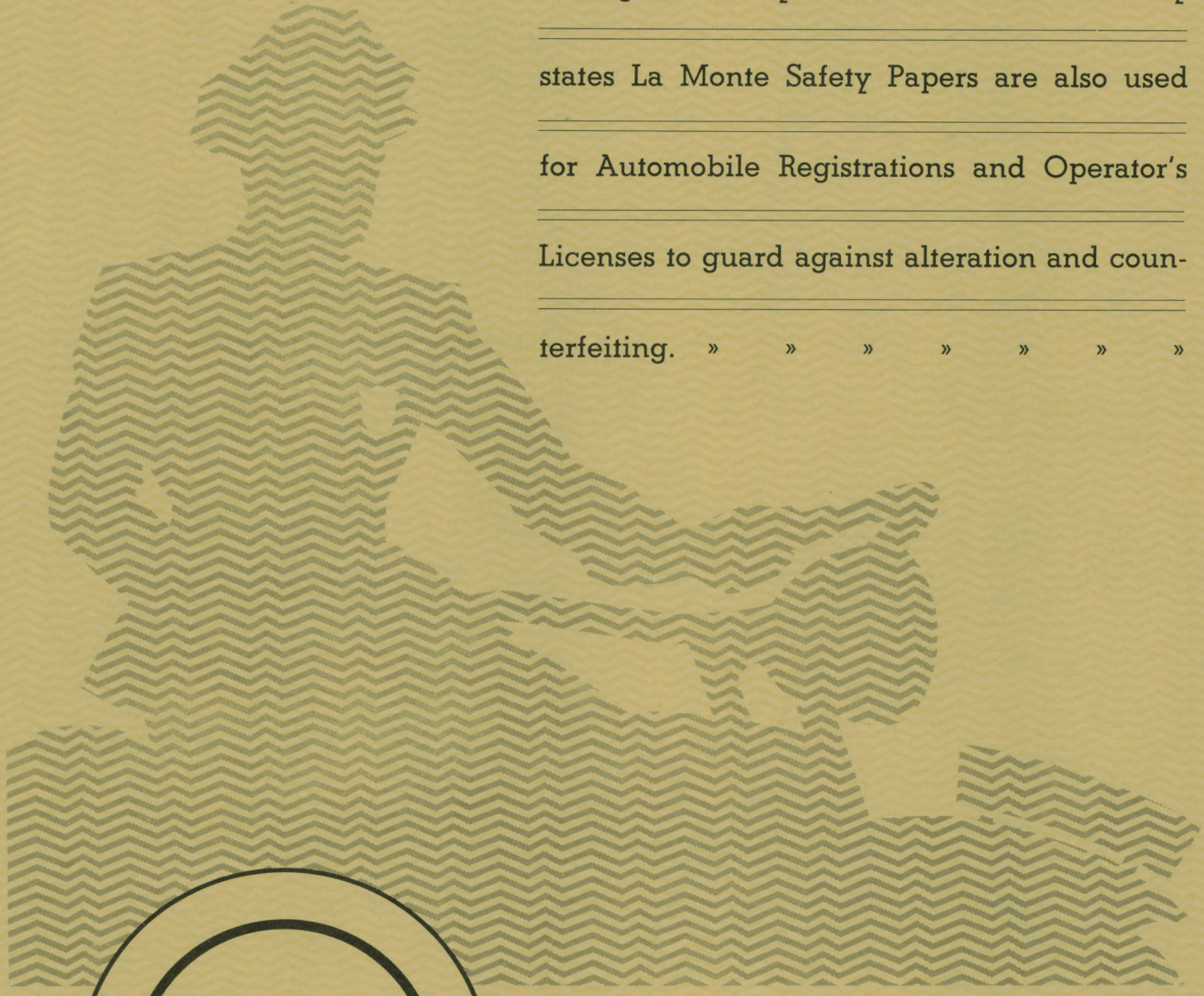
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## Olive Street Notes

By JAMES J. WENGERT



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¶ **Hayward Gatch**, until recently president of Gatch, Tennant & Co., is now associated with Gatch Bros., Jordan & McKinney. He is a brother of Nelson B. and Calvin Gatch, partners in the latter firm.

¶ **William H. Taussig** of I. M. Simon & Co., and the winner of the recent mustache contest in which a dozen Olive Streeters participated, has been elected president of the Security Traders Club of St. Louis, succeeding J. W. Brady of J. W. Brady & Co. Other newly elected officers of the club include: Charles W. Hahn of Scherck, Richter Company, Melvin M. Taylor of Paul Brown & Co., and Theodore Schroth of Blythe & Co., vice presidents; Fred S. Kelly of McCourtney, Breckenridge & Co., secretary; R. Emmet Byrne of Edward D. Jones & Co., treasurer.

¶ **A large delegation** of St. Louisans is attending the twenty-sixth annual convention of the Investment Bankers Association of America which is being held this month at White Sulphur Springs, West Virginia. Among those who made plans to attend the meeting were: Roy A. Dickie, Whitaker & Co., newly elected chairman of the local I. B. A.; I. A. Long, Mercantile-Commerce Bank and Trust Company, present group chairman; Kelton E. White, G. H. Walker & Co.; James F. Quigg, Mississippi Valley Trust Company; Louis J. Nicolaus, Stifel, Nicolaus & Co.; Julius W. Reinholdt, Reinholdt & Gardner; William H. Burg, Smith, Moore & Co.; Walter W. Ainsworth, Metropolitan St. Louis Company; Edward D. Jones of Edward D. Jones & Co.; Andrew S. Mills, Francis Bro. & Co.; John R. Longmire, I. M. Simon & Co.; H. Fred Hageman, Boatmen's National; Frederic A. Arnstein, Stix & Co.; Richard Morey, Jr., L. E. Mahan & Co.; John H. Crago, Crago Hitchcock & Co., and Mrs. Crago; Kenneth H. Bitting, Bitting, Jones & Co., and Mrs. Bitting; Royal D. Kercheval, Boatmen's National, and Mrs. Kercheval; Meredith C. Jones, Bitting, Jones &

Co., and Mrs. Jones; Henry L. Ruppert, H. L. Ruppert & Co., and Kenneth Drummond of Calvin Bullock, Inc.

¶ **Higher stock prices** and three or four more years of good business are in store for the United States, according to representatives of Babson's Statistical Organization, Wellesley Hills, Massachusetts, who addressed a public meeting held last month at the Statler Hotel, with a large group of St. Louis investment men in attendance.

Leonard Spangenberg, managing editor of the organization, said general business conditions throughout the country next year should improve about 5 per cent over 1937 and asserted the recent stock market collapse had been only an "interruption" in a general bullish movement.

"Eventually there will be a good business boom before we finally start down in the next fundamental decline," he said. "Our theory of action and reaction does not forecast any depression yet. The reaction that we are now in is not a fundamental readjustment and is not one to compensate for our industrial sins. It is one to prevent sins. There is no wild over-expansion to readjust. There is no boom to deflate. The prices of stocks, bonds and commodities are reasonable and fair."

Despite declines in cotton and wheat prices and weakness in numerous other commodities, the level of commodity prices will be higher in 1938 and the underlying trend in wholesale prices will continue upward, Henry H. Stafford, a member of the Babson staff, declared.

¶ **Henry J. Richter** of Scherck, Richter Company, addressed the annual meeting of the Texas group of the Investment Bankers Association of America, held last month in Dallas. He spoke on the subject, "A Code of Fair Practices in Stock and Bond Trading," discussing unlisted trading, deliveries, transfers, taxes, etc. His address was followed by an open forum discussion of his subject.

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### CHARLES R. DUNN

FISCAL AGENT  
For the Federal Intermediate Credit Banks  
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# LEGAL TENDER

Volume 22

November, 1937

Number 11

## EDITORIAL BOARD

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*Mississippi Valley Trust Company*

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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.

## To New Members

To you who are members of St. Louis Chapter, A. I. B. for the first time, we extend a hearty greeting. This chapter, like so many other organizations, formed for the personal betterment of the individual, will succeed only in the degree that its members succeed. The old adage which reads: "You only get out of anything that which you put into it," certainly applies here.

Through the efforts of various committees your Chapter presents an active year, social as well as educational. It is our hope that you will take full advantage of this program. Regular attendance at all Chapter affairs will broaden your acquaintance with men and women in other banks. Social contacts made and friendships formed at these social functions lead to opportunities to display your initiative and leadership.

On behalf of the executive committee and our board of governors I welcome you to an organization designed primarily for your benefit.—DAVID L. COLBY, *President*.

## The Bulletin

Do you read your A. I. B. BULLETIN?

If you like I. Q. tests you will find the questions on page 545 very interesting. Louis E. Koenig of the St. Louis Union Trust Company made the Hall of Fame. Raymond L. Neyer of the Mississippi Valley Trust Company made the Roll of Honor. Both of these men made the grade before. How about you?

On page 502 is an announcement of St. Louis Chapter's candidate for the National Executive Council. The election will be held at the National Convention of the Institute in Louisville, Kentucky, June 6-10, 1938. See page 473, Louisville—The Gateway to the

South. Have you ever attended a convention?

Now, turn to page 538. Par, Cost, Income, and Premium Control of Bond and Mortgage Accounts, by Winston G. Ettl of the Mercantile-Commerce Bank and Trust Company.

Everything in THE BULLETIN is well worth your while.

## Armistice Eve Dance

Arrangements have been completed for the Armistice Eve Dance sponsored by the Entertainment Committee of the Chapter for bankers and their friends at Norwood Hills Country Club, Wednesday evening, November 10.

Herb Maehler's swing band will begin at nine o'clock.

Tickets are 40c per person and may be secured from the Consul in your bank or at chapter headquarters. Tables for eight persons, or more, may be reserved by telephoning E. N. Ullrich, executive secretary, Chestnut 9280, before Tuesday noon, November 9.

## Graduate School of Banking Theses

A number of original theses on various phases of banking prepared by members of the graduating class of 1937 of the Graduate School of Banking have been selected and placed in the library of the American Bankers Association, 22 East 40 Street, New York City, it is announced by Harold Stonier, director of the school. They are available for study at the library or will be mailed on request under the conditions imposed by it regarding the use of its books and documents.

The theses were selected by the faculty of the school from those submitted by members of the class as a part of their required work. Neither

the association nor the school, it is stated, assumes any responsibility for the material or conclusions in these documents, the authors alone being responsible for all statements of fact and opinions expressed, but the faculty "believes that these particular theses are worthy of consideration and study by bankers and others who may be interested."

A catalogue of the topics and synopses of the theses may be obtained from the American Institute of Banking Section of the American Bankers Association.

## Graduate Certificate Requirements

In order that there may be no misunderstanding regarding the regulations which have been in force governing the granting of the Institute Graduate Certificate and the Special Graduate Certificates that have heretofore been authorized, the various regulations have been collated and are set forth chronologically.

Please note the final dates by which applications must be filed.

*September 1, 1929, to August 31, 1934*

Holders of the Institute Standard Certificate dated prior to September 1, 1934, who completed at least one Graduate course prior to that date are eligible for the Special Graduate certificates on request. The courses leading to the Special Graduate certificates were as follows:

- Special Graduate Certificate in Commercial Banking.
  - Analyzing Financial Statements.
  - Investments.
- Special Graduate Certificate in Investment Banking.
  - Business Forecasting.
  - Investments.
- Special Graduate Certificate in Trust Banking.
  - Trust Functions.
  - Investments.



Applications for Special Graduate certificates as outlined above must be made to the National Office prior to August 31, 1938. (Investments I may be substituted for the old Investments course, and Trust Business I may be substituted for Trust Functions.)

*September 1, 1934, to August 31, 1936*

The following rule was in effect from September 1, 1934, to August 31, 1936: Holders of the Institute Standard Certificate dated prior to September 1, 1936, who completed at least one Graduate course prior to that date are eligible for the Graduate certificate on the completion of any three Graduate courses representing 126 hours of classwork. The Graduate courses available to such students were as follows:

Investments I	Trust Business I
Investments II	Trust Business II
Business Forecasting	Farm Credit Administration

Application for the Graduate Certificate on the basis outlined above must be made to the National Office prior to August 31, 1938. Credit for Investments II or Trust Business II will not be granted without credit for Investments I or Trust Business I, as the case may be. (The old Investments course and the old Trust Functions course *may not* be substituted for Investments I and Trust Business I respectively.)

*September 1, 1936, to August 31, 1937*

The following rule was in effect from September 1, 1936, to August 31, 1937: Holders of the Institute Standard Certificate dated prior to September 1, 1937, who completed at least one Graduate course prior to that date are eligible for the Graduate Certificate on the completion of 126 hours of classwork beyond the Standard Certificate requirements. Students taking either Investments I or Trusts I must complete Investments II or Trusts II in order to receive 84 hours of credit toward the Graduate Certificate. The Graduate courses during the year September 1, 1936, to August 31, 1937, were:

Investments I	Trust Business I
Investments II	Trust Business II
Business Forecasting	Farm Credit Administration

Application for the Graduate Certificate on the basis outlined above must be made to the National Office prior to August 31, 1938. (The old Investments course and the old Trust Functions course *may not* be substituted for Investments I and Trust Business I respectively.)

*September 1, 1937, to August 31, 1938*

The following rule became effective September 1, 1937: Holders of the Institute Standard Certificate who are candidates for the Graduate Certificate must complete 168 hours of classwork beyond the Standard Certificate requirements. Students who elect Investments must complete Investments I and Investments II, and students who elect Trusts must complete Trusts I and Trusts II. The

Graduate courses are listed in A Banker's Educational Program as follows:

- \* Credit Administration.
- Bank Administration (Banking III).
- Corporation Finance and Investments (Investments I).
- Corporation Finance and Investments (Investments II).
- Trust Business (Trusts I).
- Trust Business (Trusts II).
- Business Forecasting.
- Home Mortgage Lending.

\* Course available September 1, 1938. Pending availability, Standard Certificate holders not required to take Credit Management for the Standard Certificate may substitute that course for Credit Administration.

*Note.* Standard Certificate holders who completed Credit Management or Bank Management or both of them as special courses prior to September 1, 1937, may count such courses as Institute credit for Credit Administration or Bank Administration or both of them as Graduate courses, but in such cases 168 hours of work are required for the Graduate Certificate.

After August 31, 1938, no credits toward the Graduate Certificate will be recognized except as they may be applicable under the requirements set forth in the 1937-38 edition of *A Banker's Educational Program*, which are based on 168 hours of classwork, and no Graduate certificates will be issued except for work done in accordance with that program.

### Public Affairs Trip

The St. Louis Dairy Company will be host to St. Louis Chapter members on November 16 and 18. The Public Affairs Committee has arranged an inspection tour of the new plant at 20th and Chestnut Streets. Our group will be divided into two sections, Tuesday evening, the 16th, and Thursday evening, the 18th.

Invitations will be mailed to all chapter members.

—FRANK J. O'RIORDAN, *Chairman.*

### Inter-Bank Debates

The finals of the inter-bank debates will be held at chapter headquarters on Monday evening, November 22, at 7:30 p. m. Mercantile-Commerce Bank and Trust Company will take the affirmative side of the question: "Resolved, That the undistributed profits tax in the Tax Bill of 1936 should be repealed," and the Federal Reserve Bank team will defend the negative side. Members of the winning team will be presented with silver loving cups.

Teams representing six banks participated in the preliminary debates.

On Tuesday evening, October 12, The Boatmen's National Bank, affirmative, and Security National Bank, negative, debated: "Resolved, That consumer cooperatives should be encour-

aged." R. Emmett O'Connor, Frank A. Schmidt and Hugh S. Hauck, represented Boatmen's, and Richard Werner, Charles F. Bound and William C. Dowd, represented Security. The judges voted 2-1 in favor of the negative. The judges were E. H. Brockmeyer, B. L. Sterbenz and Samuel J. Story.

On Thursday evening, October 14, the second inter-bank debate was held. Mississippi Valley Trust Company, affirmative, and Federal Reserve Bank, negative, on the question: "Resolved, That the U. S. should maintain its national defense at a parity with that of the other world powers." Kurt E. Schnedler and Edward H. Brockmeyer, represented Mississippi Valley, and William J. Hagedorn and Earl R. Billen, represented Federal Reserve. The judges voted 2-1 in favor of the negative. The judges were Leon G. Fox, Miss Cecilia Kiel and A. P. Kuer-schen.

Tuesday evening, October 26, the third inter-bank debate was between Mercantile-Commerce, affirmative and the Security National, negative, on the subject: "Resolved, That in the event of a foreign war the United States should break off all commercial relations with the nations actually at war." Edward B. Hughes, Theodore W. Johnson and Joseph B. Shank, represented Mercantile-Commerce, and Richard Werner, Charles F. Bound and William C. Dowd, represented Security National. The decision of the judges was 2-1 in favor of the affirmative. The judges were E. J. Green, Walter D. Brockman and M. L. Pollard.

The fourth inter-bank debate was held on Thursday evening, October 28, with Federal Reserve Bank, affirmative, and First National Bank in St. Louis, negative, on the question: "Resolved, That recent chain store tax legislation tends to lower the standard of living." Dewey D. Shea, William J. Hagedorn and Earl R. Billen, represented Federal Reserve, and Lawrence F. Brennan, John J. O'Meara and Edmund B. Welshans, represented the First National. In this case all the judges favored the affirmative side. The judges were L. B. Meyer, E. H. Brockmeyer and E. W. Kubik.

The outstanding feature of these inter-bank debates was the fine work done by O'Connor, Schmidt, Werner, Bound, Johnson and O'Meara who debated for the first time. Under the guidance of Hauck, Dowd, Hughes, Shank, Brennan, Welshans, Shea, Billen and Hagedorn, the beginners will soon be seasoned and will take part in inter-chapter debates.

The debate program contemplates

five inter-chapter debates and one local debate, all to be held in January, February and March. Chapter members are invited to all debates and should attend whenever the opportunity presents itself.

### Mississippi Valley News

Just to take one last shot at par before the autumn leaves covered the course, about thirty-five of the great and near great of the Valley Trust golfing fraternity gathered at Norwood Country Club on September 28.

According to custom they were divided into three groups, but it was again demonstrated that the handicapper was off in his calculations and did not make allowances for the possibility of a golfer "going wild."

Elmer Motzel and Jim Romero, ordinarily easy going fellows who are satisfied to make ninety occasionally, went out of control completely, that is, to their opponents, and wound up with 78's, including their handicaps. Joe O'Leary also drew down a prize for play in this group, being third to Motzel and Romero.

This was tops for the entire group, although the star golfers (scratch) of the company played in a fivesome, which included Messrs. Sidney Maestre, W. J. Bramman, Blasdel Shapleigh, William D. Walsh and Lindell Gordon, and while no scores were turned in, par was tied and shattered by the five. The last two named gentlemen fought it out for the championship—match play—with the verdict going to Mr. Gordon one up.

Guy C. Philips, the Lawson Little of the golfers, in regard to match play, had the low score of the scratch players, whose scores were turned in, his being slightly above par.

A. O. Wilson, who never misses a golf tournament was present and turned in a nice score in spite of the fact that he was playing with the aforesaid match play champ.

With "no squat, no stoop, no squint," Frank C. Ball putted the ball into the cup with as much abandon as if it had been a water bucket, and clearly demonstrated his right to be classed among the better golfers of our company. He was low for the second group, with Dan Halloran and Ollie Schaettler following in second and third places respectively.

In the third group there was little to distinguish their play from that of the other groups above them, so excellent were their performances, and henceforth, there will be but two groups. Emil Kubik, Al Shaw and Stan Foote were the winners.

With customary finesse nothing was left undone to make the affair a happy one. The evening was spent before the festive board and later on cards rounded out a perfect day.

It is with great reluctance that we bid adieu to summer and golf but we still have hopes that someone will challenge us to a match before the snow falls. What say?

### Ninetieth Anniversary of Boatmen's Bank

(Continued from page 7)

Ten years had passed the bank had moved three times to larger quarters; it was occupying its own three-story building at the northeast corner of Second and Pine Streets, and deposits for the first time exceeded \$1,000,000. Adam L. Mills, the first president, had been succeeded by Sullivan Blood, merchant and steamboat owner, and Rufus J. Lackland, destined to become an outstanding figure in St. Louis banking, had become a trustee. It was due largely to Mr. Lackland's influence that the Legislature was asked for a new charter which was granted in 1855, after which \$400,000 in stock was quickly subscribed. In 1871 Mr. Lackland succeeded Captain Blood as president, and two years later the bank's capital was increased to \$2,000,000.

At this time, Eads Bridge, the first bridge across the Mississippi River was being constructed; the Boatmen's had participated in the financing of the Pacific Railroad of Missouri, which was also under construction, and St. Louis had acquired telegraph service, though the first telephone in St. Louis was not installed until five years later in 1878.

During the years 1878 to 1888 the character of the City changed rapidly. The fur trade dwindled, pioneers were finding the lands in the West attractive for agricultural purposes, and instead of lumber and hides, St. Louis was receiving vast amounts of wheat, beef and pork from the interior. An enormous market for manufactured goods had grown up and St. Louis was no longer a sprawling river town. By 1891 the bank had erected its own seven-story stone and brick building at the northwest corner of Fourth Street and Washington Avenue and deposits had grown to \$5,869,000. In 1895, C. O. Austin, State Bank Examiner, certified to the correctness of the bank's condition "as per its statement of June 29"—the first examination under the new state law.

At the turn of the century St. Louis was preparing for its World's Fair,

planned for 1903 to celebrate the one-hundredth anniversary of Jefferson's purchase of the Louisiana Territory. The Fair was held in 1904 and four of Boatmen's eleven directors served as directors of the Exposition.

Mr. Lackland died in 1910, after serving for 39 years as president of the bank and 56 years as a member of its organization. The same year marked the association with the bank of Frederick W. Lehmann as counsel. Mr. Lehmann served as Solicitor-General of the United States under President Taft and remained as counsel of the bank until his death in 1931.

Fire destroyed the quarters of the bank in 1914 and for a time it was forced to operate in temporary quarters in the Pierce Building at Fourth and Pine Streets, but in November of that year space was leased in the new Monward Building at the northeast corner of Broadway and Olive Streets, and the building was renamed "Boatmen's Bank Building."

Edwards Whitaker, who had succeeded Mr. Lackland as president of the bank, resigned in 1926, and was in turn succeeded by Julius W. Reinholdt. This same year the bank became a national bank and a member of the Federal Reserve System, and three years later, on May 24, 1929, the directors announced that an arrangement had been made to bring the organization of Kauffman, Smith & Co., an investment firm, into the bank under an arrangement whereby Tom K. Smith became president, and Mr. Reinholdt became chairman of the board. Boatmen's deposits on June 29, 1929, stood at \$23,625,000, and though the most severe depression of modern times was to start within a few months and last through several years, the bank's deposits had grown to \$52,088,000 by December 31, 1936.

Founded during a boom period, the bank has lived through four major depressions, various booms and minor depressions and two great wars. It has played a significant part in the development of a great interior territory from a fur-producing wilderness to a great agricultural and mining empire served by St. Louis—a great transportation and industrial center and a city which now ranks among the ten largest and most important cities of the United States.

¶ **Herbert F. Boettler**, vice president of the First National Bank, St. Louis, addressed the Kiwanis Club of Evansville, Indiana, on October 28th. His subject was "Current Monetary Policies and the Relation of Government to Business."



# Foreign Briefs

By WALTER W. CRUTTENDEN

Fuller, Cruttenden & Company, Chicago

❑ **Colombia:** The scrip issued in lieu of interest which was due October 1 was not paid on that date. At the time approximately 80 per cent of the necessary funds were available. It is now announced that sufficient monies are on deposit to pay at par entire outstanding scrip.

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❑ **Bolivia:** Last November there was a strong movement in various Bolivian dollar bonds which resulted in a rise in price from approximately 5 to 14. At the time there was no authoritative explanation. Recently a statement was made in a Bolivian newspaper that a total of \$639,000 of the 7 per cent bonds due 1958 and 1969 were purchased last fall on behalf of the Government. Current quotations are 4/5 for the various loans.

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❑ **Brazil:** A good many of the Brazil dollar bonds have declined as much as 50 per cent from their highs of last spring with most issues, other than Governments, selling at about 15 in the past week. There has been no accompanying explanation for the serious decline in price. As a matter of fact, recently authorities have expressed the opinion that Brazil could quite likely increase the present rate of payments. Practically all of the more speculative South American issues declined similarly percentage-wise and it seems logical to assume, in view of the lack of good reasons from the countries involved, that the drop in price was greatly due to our own market conditions. The better class foreign dollar bond has had an exceptionally stable price range with excellent inquiry for obligations of Australia, New South Wales, Norway, Denmark and Argentine.

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❑ **Costa Rica:** Plans for settlement of the Government debts to British and American investors have been turned down due to unsatisfactory internal conditions. It is estimated that 30 per cent of the Government's revenues were required to meet payment of debt under the plan and this figure was considered excessive.

❑ **El Salvador:** The Government reports a surplus as of July, 1937, exceeding that of the previous year. The Government was able to meet, several months in advance, an American bank debt.

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❑ **Uruguay:** As the result of negotiations with the Foreign Bondholders Protective Council the Government of Uruguay is expected to offer to U. S. holders of Montevideo 6 per cent and 7 per cent bonds, of which approximately \$4,000,000 are still outstanding, the following plan: Government bonds will be issued in exchange for the Montevideo 7's and will bear interest at the rate of 3 7/8 per cent in 1938 and 1939; 4 1/8 per cent thereafter to 1943; 4 5/16 per cent thereafter. The 6 per cent loan will be converted into bonds bearing 3 3/4 per cent in 1938 and 1939; 4 per cent in 1940 and 1943 and 4 1/8 per cent thereafter. It is expected that an adjustment will be made for interest which has been in default since 1933. A sinking fund will also be provided.

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❑ **Finland:** For the first half of 1937 budget receipts exceeded expenditures by nearly \$2,000,000. This was somewhat less than the surplus reported in the first half of 1936.

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❑ **The Netherlands:** During September the Government was able to refund a 4 per cent loan of approximately \$500,000,000 into a new 3 per cent 37-year loan which was offered at 96 3/4 per cent. The cities of Amsterdam and Rotterdam announced conversion loans issuing 3 1/2 per cent obligations in exchange for 4's and 5's.

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❑ **Jugoslavia:** October 1, 1937, interest coupons due of the State Mortgage Bank will be paid at the rate of \$5.25 for each \$35.00 coupon. Coupons so paid will be stamped and returned to the holders. Dealings in the bonds include delivery of this part paid coupon. Acceptance of the payment will in no way impair rights of coupon holders in any arrangement which may be made in the future.

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## Answers to Legal Questions on Page Ten

**1** No. A simple contract creditor, upon bringing suit against an individual for a money judgment upon an unsecured promissory note, and asserting no legal or equitable lien or claim against any specific property of the defendant, is not entitled to the appointment of a general receiver over the property of the debtor. An order of court appointing such receiver is void as to other creditors or claimants to property for lack of jurisdiction in the court to make the order.

**2** Yes. Where by the terms of a contract for the sale of land a vendor agrees to sell and convey the premises to the vendee by a warranty deed from himself, the vendee is entitled to such a deed from the vendor. And the vendor does not show performance of the contract on his part by proving he has conveyed the premises to a third party by a deed of warranty and tendered to the vendee a deed of warranty from third party.

**3** Yes. Where a note is endorsed to the order of an individual and delivered to him for collection on a commission basis, he may maintain a suit thereon in his own name, in view of the right of an agent to sue on commercial paper generally endorsed to him.

**4** Brady is entitled to the real estate in question. A subsequent purchaser, such as Wyatt was here, in order to prevail over prior rights in the property, such as Brady held by reason of his unrecorded deed, must be a bona fide purchaser. This he was not. That is, Wyatt was not a purchaser in good faith, for he knew of Brady's unrecorded deed prior to the time the real estate was conveyed to him and prior to the time he paid for it. It follows that Wyatt was not entitled to the real estate.

**5** Yes. The extension of time granted in the renewal note constitutes sufficient consideration for Johnston's signature thereto and he is liable thereon. The fact that Johnston was not liable on the original note would not permit him to escape liability on the second note because of the forbearance incident to the extension.

**6** Yes. The foreclosure extinguished the lease. The mortgage came before the lease. When the bank foreclosed as it did the priority of its mortgage holding wiped out the lease holding of Mandel and Mandel was justified in considering his lease interest in the land no longer in effect and in leaving the premises.

**7** No. The transfer of a negotiable promissory note which has been indorsed "for collection" does not pass title in the instrument to an indorsee. Such a restrictive indorsement does not authorize the indorsee to sell or to indorse the note to another, and any person buying such a note with such a restrictive indorsement from such an indorsee does not, under general circumstances such as those outlined in the question, receive good title to the note.

**8** Yes. There are, of course, certain limitations on the subjecting of insurance funds similar to those involved here to debts of the insured. However, the fact that Bartlett had not designated his son as the beneficiary of his government insurance was fatal to any claim on behalf of the son that the funds could not be subjected to the payment of his father's debts. The exemptions provided by law do not extend to the son since he was not specifically named as beneficiary.

**9** No. The courts will not interfere with a decision by the members of a church to move its location. Churches are free and independent and can make their own rules by which their members are bound. When, pursuant to such rules, and in full compliance with them, a move is arranged such arrangements will be binding on the dissenters.

**10** No. The fact that one is a joint owner of an automobile does not render him liable for an injury caused by negligence in its operation by another joint owner who is using the car for his own purposes, unaccompanied by his co-owner. A recovery against Soristeau will not be permitted.

### Former Missouri Banker Will Go to Chicago

Edwin N. Van Horne, president of the Continental National Bank of Lincoln, Nebraska, will join the executive staff of the American National Bank and Trust Company, Chicago, on December first with the title of vice president, it was announced last month by Laurance Armour, president.

Mr. Van Horne's banking career dates back to thirty years ago when he started with his father's bank in Pawnee City, Nebraska. Since that time he has held positions of responsibility in various Missouri and Nebraska banks, and has also served four years as bank examiner for the state of Nebraska. In 1929 he resigned as vice president of the American National Bank of St. Joseph, Missouri, to accept the presidency of the Con-



E. N. VAN HORNE

tinental National Bank of Lincoln. This bank, under his leadership, has become one of the outstanding financial institutions in Nebraska.

Mr. Van Horne has been active in bank association work, having served as president of the Nebraska Bankers Association and as vice-president of the American Bankers Association for Missouri and a member of the Executive Council. He attended the convention of the latter association in Boston last month, serving as a member of the Commerce and Marine Commission. He is president of the Lincoln Clearing House Association and is also prominent in civic activities of his city, including the Chamber of Commerce and Community Chest.

Mr. Van Horne, with Mrs. Van Horne and two of their children, will move to Chicago when he takes up his new duties with the American National Bank.



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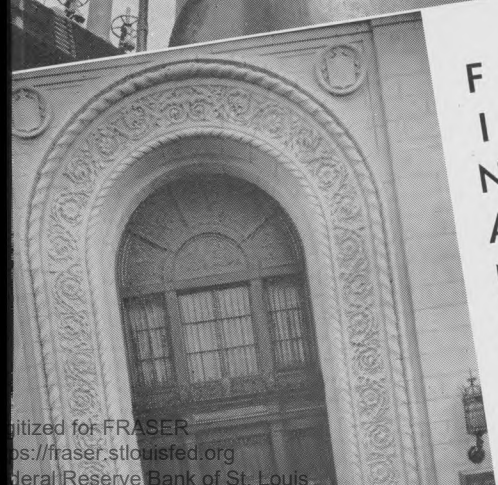
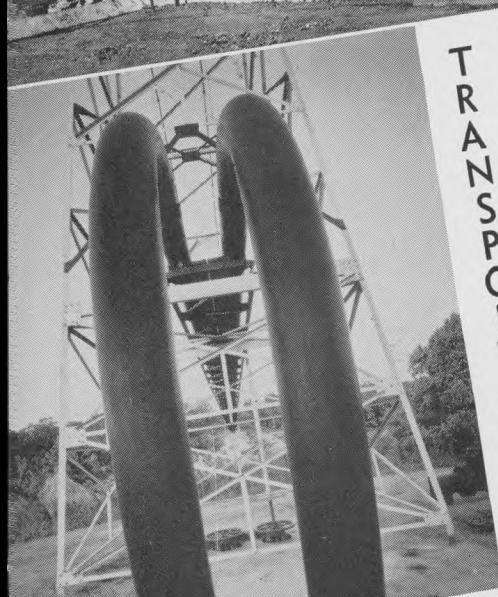
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