

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

▲
ST. LOUIS
FEBRUARY
1939
▼



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— in St. Louis

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STATEMENT—DECEMBER 31, 1938

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ADMITTED ASSETS

Cash in Banks and Trust Companies	\$ 12,053,210.03
United States Government Bonds	9,693,243.72
All other Bonds and Stocks	87,847,547.66
Premiums uncollected, less than 90 days due	6,908,581.09
Accrued Interest	220,635.00
Other Admitted Assets	1,081,196.35
	<hr/>
	\$117,804,413.85

LIABILITIES

Capital Stock	\$ 15,000,000.00
Reserve for Unearned Premiums	43,558,406.00
Reserve for Losses	5,914,743.00
Reserve for Taxes and Accounts	2,800,000.00
Funds Held under Reinsurance Treaties	64,800.00
NET SURPLUS	50,466,464.85
	<hr/>
	\$117,804,413.85

NOTE: In accordance with Insurance Department requirements—

Bonds are valued on amortized basis. Insurance stocks of affiliated companies are carried on basis of pro-rata share of Capital and Surplus. All other securities at Market valuations. Securities carried at \$2,555,325.00 and cash \$50,000.00 in the above Statement are deposited as required by various regulatory authorities.

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(a new name for an old-established bank)

1873 1500 ST. LOUIS AVENUE 1939
ST. LOUIS, MISSOURI

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION—MEMBER FEDERAL RESERVE SYSTEM

1939 Convention Calendar

- Alabama:** May 11-12, Montgomery.
Arkansas: May 23-24, Little Rock.
California: May 24-26, Hotel del Coronado, Coronado.
Colorado: June 16-17, Hotel Colorado, Glenwood Springs.
District of Columbia: June 8-11, The Homestead, Hot Springs, Va.
Florida: Jacksonville, date undecided.
Georgia: Savannah, date undecided.
Illinois: May 25-26, Peoria.
Indiana: May 3-4, Indianapolis.
Iowa: June 5-7, Des Moines.
Kansas: May 10-12, Topeka.
Louisiana: March 26-31, Cruise to Havana on S.S. "Rotterdam."
Maryland: May 17-18, Atlantic City, N. J.
Minnesota: June 14-16, St. Paul Hotel, St. Paul.
Mississippi: May 9-10, Buena Vista Hotel, Biloxi.
Missouri: May 8-10, Excelsior Springs.
New Jersey: May 18-20, Ambassador Hotel, Atlantic City.
New Mexico: April 28-29, Hotel Clovis, Clovis.
Ohio: Toledo, sometime in May.
Oklahoma: May 4-5, Oklahoma City.
Oregon: June 12-13, place undecided.
South Carolina: May 10-11, Greenville.
South Dakota: June 2-3, Pierre.
Tennessee: Chattanooga, date undecided.
Texas: May 16-18, Dallas.
Virginia: May 14-19, Cruise from Norfolk to Bermuda on S.S. "Queen of Bermuda."
Wisconsin: June 7-8, Milwaukeee.

General Conventions

- Feb. 9-10:** Regional A.B.A. Conference, Columbus, Ohio.
Feb. 23-24: Regional A.B.A. Conference, Minneapolis, Minn.
March 8-10: Regional A.B.A. Conference, Waldorf Astoria Hotel, New York.
June 19-30: Graduate School of Banking, Rutgers University, New Brunswick, N. J.
Feb. 14-16: A.B.A. Mid-winter Trust Conference, Waldorf-Astoria Hotel, New York City.
June 5-9: American Institute of Banking, Pantiland Hotel, Grand Rapids, Michigan.
Sept. 25-28: American Bankers Association, Seattle, Wash.

Bankers' Conferences

- Kentucky:** University of Kentucky, Lexington, July 18-20.
Tennessee: University of Tennessee, Knoxville, Aug. 14 week.
Wisconsin: University of Wisconsin, Madison, April 4-5.

Mid-Continent Banker

THE FINANCIAL MAGAZINE OF THE MISSISSIPPI VALLEY

Vol. 35 No. 2

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BANKERS BLANKET BONDS

*Lower Rates and Increased Protection
Are Results of Recent Developments*

By **HENRY W. NICHOLS**

Vice President and General Counsel, National Surety Corporation

BANKERS for many years have realized the need of the types of protection furnished in Bankers Blanket bonds. A few still do not succeed in obtaining an amount of insurance adequate for their respective purposes. Every year we see banks taking heavy losses through under-insurance. It is the desire of both the American Bankers Association and the Surety Association of America to correct this situation so far as possible. Their joint efforts in 1937 and 1938 have made available more protection for more banks at lower premium rates.

No other insurance instruments include protection against such a variety of insurable hazards. Blanket bonds, so called, first came upon the insurance market twenty-five years ago. They are issued to financial institutions such as incorporated banks, private bankers, stock brokers, credit unions and building and loan associations. Under one cover they carry insurance against the infidelity of officers and employes, forgery, burglary, larceny, embezzlement, theft, robbery, and holdup on the premises as well as in transit; also losses due to destruction, misplacement, mysterious disappearance, and to some extent, negligence. The forms of these bonds are standardized by the Surety Association.

Bankers Blanket bonds as they are known today have developed from a gradual evolution of early experiments in combining known coverages such as Fidelity bonds and Burglary and Holdup policies in one instrument called a Blanket bond. In the past, underwriters, although seeking to give the greatest benefits to banks, did not always succeed in combining the various insurance features in a manner and for rates entirely agreeable to the banks. Bankers sometimes suggested a combination of coverages not permissible under the insurance laws, or combinations that would have necessitated fixing exorbitant rates. There never has been a time, however,

when underwriters of Bankers Blanket bonds did not strive to meet the needs of bankers.

The Bankers Blanket bonds have in recent years attained a perfection unknown a few years ago. Protective features have been broadened. Rates have been fixed more scientifically at savings to the banks. This has come



HENRY W. NICHOLS

about largely through the very splendid cooperation of the Insurance Committee of the American Bankers Association which has been alert to the interests of the banking fraternity both as to coverage and costs. It is gratifying to the surety corporations to witness the splendid spirit of cooperation evidenced on the part of all members of this committee in its work with the surety companies and particularly the Towner Rating Bureau which fixes rates for the surety corporations that make up the Surety Association of America.

The recent improvements that have been accomplished through the broadening of Blanket bond covers are very ably set forth in the report of the Insurance Committee of the American Bankers Association made by William B. Gladney of Baton Rouge, Louisiana,

chairman, and James E. Baum of New York City, secretary. This report is available to banks that are members of the American Bankers Association and it is respectfully suggested that all bankers responsible for insurance carried by their banks should carefully read the report of November 14, 1938, if they have not already done so.

Any explanation of new Blanket bond features and recent adjustments of premiums must necessarily cover some of the ground covered by the report above mentioned. The following comments relating to Bankers and Brokers Blanket bonds as well as such bonds provided for savings and loan associations and building and loan associations and other financial institutions should be of interest in showing the trends in 1938. If the American Bankers Association, through its Insurance Committee, continues to work with the Surety Association and its Towner Rating Bureau as well as it has in recent years, then we can feel certain that American bankers will be provided with the finest insurance covers in the world at premiums equitable to all concerned.

Bankers and Brokers Cover

Following lengthy conferences of the Drafting Committee of the Surety Association of America with the Insurance Committee of the American Bankers Association, the enactment of amendments to insurance laws giving broader underwriting authority, and subsequent amendments of some companies' charters, announcement was made of broadening revisions in Bankers Blanket bonds, effective January 17, 1938. These amendments have been received with enthusiasm by American bankers.

Bankers Blanket bond Standard Form 8 Revised is known to practically every substantial banker in the United States. By the extensions above referred to, the definition of property in this form was enlarged to include cancelled revenue stamps, gold, platinum, silver and other precious metals, re-

fined and unrefined, and articles made therefrom, also articles commonly found in safe deposit boxes such as jewelry, gems and semi-precious stones. Coverage was extended in Insuring Clause B to provide protection against losses through damage, except by fire, to any of the insured's offices covered under the bond and to the furnishings, fixtures, equipment, safes and vaults therein, caused by larceny or theft in, or by burglary, robbery or holdup of such offices or attempt thereat. In order to recover, the insured may either be the owner of such offices and equipment or liable for damage thereto. A new paragraph under Section 5 was added to the bond dealing with valuation of property protected by this extension.

Insuring Clause C of this bond was broadened to include coverage for property while in the custody of an armored motor vehicle company for the purpose of transportation by armored car accompanied by one or more armed guards, or through negligence on the part of any of the employes of such company so having custody. As provided in the new subsection (i) of Section 2, the coverage under such circumstances is excess over amounts recoverable by the

insured from other sources. The transit begins at the time the property is received by the armored motor vehicle company and continues until it reaches its destination whether or not the guards are negligent or remain with the armored motor vehicle for the entire transit period.

The Travelers Checks Exclusion Clause has been amended so as to no longer exclude from the bond loss of regularly issued travelers checks after they have been cashed by the insured banks. Neither is there excluded, loss through the cashing or paying of forged or altered travelers checks where fraud or dishonesty on the part of any employe is involved. Other and less important changes have been made to eliminate questions that have arisen in the past.

Bankers Blanket bond, Standard Form 2, which is one of the oldest of the blanket bond forms, was also broadened in 1938. Under the definition of property covered by this bond, fiduciary capacities in which the insured may hold property have been added by including the following: "pledgee, custodian or in any other capacity." A broad definition of property has been added which includes articles commonly found in safe de-

posit boxes such as jewelry. Cancelled and uncanceled revenue stamps and uncanceled postage stamps are covered. "Securities" has been broadened so as to include non-negotiable as well as negotiable instruments. This coverage also has been extended to provide protection against losses through damage except by fire to any of the insured's offices and equipment covered under the bond, caused by larceny, burglary and kindred risks whether the insured is owner or is liable for their damage.

Under Insuring Clause C of the Form 2 bond, the messenger radius zone has also been extended. The revised bond, in addition, includes coverage for property while in the custody of an armored motor vehicle company. The definition of employes has been broadened. The bond includes other improvements including a re-phrasing of the exclusion clause relating to riot and civil commotion. Among other important changes in this form, it is to be noted that coverages are given for loss of property contained in customers' safe deposit boxes when sustained through a dishonest act of an identifiable employe under such circumstances as shall make the insured legally liable therefor. It will be noted that this clause is now identical with that contained in Form 8 Revised, and should be very helpful where an assured carries both forms.

New Savings and Loan Bond

On June 1, 1938, the Surety Association of America broadened the bond known as Building and Loan Blanket bond Standard Form 16, but in view of the new Form 22, the older Form 16 should be less important in the future.

The Surety Association of America very recently, on November 14, 1938, promulgated a new form of blanket bond known as the Savings and Loan Blanket bond, Form 22. This form has been drafted by the Surety Association in collaboration with the Committee on Fidelity Bonds and Insurance of the United States Building and Loan League. The form is patterned upon Bankers Blanket bond Standard Form 5 for mutual savings banks and affords special protection drafted to take care of characteristic operations of Savings and Building and Loan Associations. It is the broadest form of protection against various dishonesty losses available to such associations.

Although the new form differs somewhat from the Building and Loan Blanket bond Form 16, space does not permit a description of all the interesting coverages provided under this bond. But among a great many other

First National Bank, Kansas City, Announces Promotions



NORTON THAYER



WILLIAM F. SCHMIDT

Promotions announced last month by the First National Bank, Kansas City, Missouri, included the advancement of both Norton Thayer and William F. Schmidt from positions as assistant vice presidents to positions as vice presidents, and the election of Logan W. Wilson as an assistant cashier. Both Mr. Thayer and Mr. Schmidt are identified with the correspondent bank division of First National and are well-known to bankers throughout the entire Mid-Continent area.

protective provisions, it includes a broad insuring clause covering losses "by reason of the forgery or alteration of any instrument" which includes counterfeited currency. The inclusion of this coverage makes it unnecessary for such an association to carry a Building and Loan Forgery bond. If, for any reason, the insured does not desire this broad insuring clause, it may be eliminated with a reduction in premium.

Revision of Brokers Blanket Bonds

Likewise, important revisions have been made in the Brokers Blanket bonds. Effective June 20, 1938, the companies, through their Association, promulgated extensive revisions to Brokers Blanket bonds, Standard Forms 12, 14 Revised and 19. In recent months many stock brokers, carrying the broad Form 14 Revised bond, have arranged to have their purchases, sales and deliveries of customers' securities, managed by banks or other brokers as their clearing agents.

This arrangement has enabled the non-clearing brokers to reduce their own personnel and office expenses and has transferred to their clearing agents the management of most of the bondable exposures incident to such transactions. Accordingly, Standard Form 19 has been promulgated and revised to provide such non-clearing brokers, in one contract and at a cost which is considerate of their changed situation, broader insurance on money and securities while in their possession or control during business hours and at any time while in the custody or control of their clearing agents.

This revision in Standard Form 19 also provides the clearing agents with assurance that specific insurance is carried on the securities handled by them in their capacity as clearing agents for the insured non-clearing brokers, and by so much their own regular Brokers Blanket bonds are relieved of sole responsibility in the event of loss of such securities while in their custody. The non-clearing brokers insured by revised Standard Form 19 are thereby enabled to respond with the proceeds of insurance recoveries in assuming some responsibility for the loss of their customers' money or securities from the custody of the clearing agents under circumstances beyond the control of the latter. Standard Form 19 has been improved and broadened in many other particulars as well.

Notwithstanding the extensive improvements and increased protection provided by the surety companies in

(Continued on page 31)

Several Promotions Announced by Lincoln Bank of Louisville



DEROY SCOTT HUGH E. POWERS S. T. BISHOP D. W. FAIRLEIGH

Promotions announced last month by the Lincoln Bank & Trust Company, Louisville, Kentucky, included the following: Derooy Scott, formerly cashier, elected vice president; Hugh E. Powers, formerly assistant cashier, elected cashier; David W. Fairleigh, formerly secretary, elected vice president and secretary; Sanford T. Bishop, formerly assistant cashier, elected assistant vice president. Shirley B. Lawrence was elected an assistant cashier, and J. Garnett Cook and A. E. Cabbell were elected assistant secretaries. W. L. Hampton, president of the Consolidated Biscuit Company, was added to the bank's board.

American National Bank, Indianapolis, Reports Good Year

JAMES S. ROGAN, president of the American National Bank, Indianapolis, Indiana, announced last month that directors had voted the retirement of \$50,000 of preferred stock which, including the retirement of preferred stock in a similar amount in July of last year, reduced the preferred stock outstanding to \$725,000 from an original issue of \$1,800,000. In his annual report, Mr. Rogan stated that the bank

had enjoyed a satisfactory year during 1938 both from the standpoint of earnings and growth in volume of business. Deposits, which exceeded \$35,000,000 at the year-end, established a new high point in the institution's growth and reflected a gain of 10.7 per cent during the previous twelve-month period.

Henry L. Hilken, cashier, was elected vice president and cashier, and E. Marion Lutz, assistant cashier, was advanced to assistant vice president. Frank E. Kramer, a department manager, was elected assistant cashier. William H. Trimble, president of the Trimble Realty Corporation and the Trimble Oil Corporation, was added to the bank's board of directors.

Mr. Lutz, who handles the country bank business of the American National along with Gus Mueller, has been identified with Indianapolis banking institutions for the past twenty-seven years, having served as assistant cashier in the correspondent bank division of the American National since its formation in 1933. He is a native of Ohio and attended both Ohio State University and the University of Michigan. At the present time he is treasurer of the Indiana Bankers Association.



E. M. LUTZ

INVESTMENT TRUSTS

« « « *A Solution to a Major Banking Problem*

By R. E. CLARK of Calvin Bullock

This is the ninth of a series of articles designed to help bankers answer their customers who ask: "How Shall I Invest My Money?" Previous articles have stressed the importance of equities as well as fixed-income securities in well-rounded investment programs, and have discussed investment trusts as a solution to the problem of investing in equities. They have also discussed the various types of investment trusts, particularly "mutual funds," and have made suggestions for the selection of investment trusts. Last month's article compared the performance of ten of the country's most prominent open-end management (mutual) investment companies with three different groups of stocks. This article discusses the development of investment trusts and points out how mutual investment companies assist the banker in performing constructive community service.

DEVELOPMENTS in the investment trust field are no longer a matter of mere academic interest to commercial bankers. They have become a matter of direct consequence in affecting the investment welfare of the community as a whole.

In one small middle western city a securities distributor has reported that those of his clients owning shares in one well known investment company of the mutual type represented over 40 different occupations or professions (including bankers). Obviously, since the commercial bank is a focal point in the business and financial life in the community, the situation is one to warrant close attention of the banker.

There are still many different kinds and varieties of investment trusts or companies. Lack of definition has long been one of the chief obstacles to a thoroughgoing understanding of them. In recent years, however, the Federal tax laws have sought to define "mutual investment companies" and, since companies of this type have shown the broadest expansion lately, the following observations are largely confined to companies in this general category.

In one section of its report to Congress on investment trusts, the Securities and Exchange Commission drew attention to the growth in the number of stockholders of "management open-end investment companies" (many of which have qualified as "mutual investment companies") from 1930 to 1935. It was estimated that such companies gained 154,000 additional stockholders in that period. Other types of investment trusts at the same time reported a diminishing number of stockholders.

It is probably safe to say that this trend has been accelerated since 1935. A study of the annual reports of several leading companies of this type would indicate this to be true.

Since this involves both widespread geographical distribution and since such stockholders represent virtually a cross section of United States investors, the banks themselves have been, are being and will be consulted by those citizens on the general subject of investment companies and their suitability for the particular investor involved.

A major factor contributing to the trend has been the general investment situation during recent years. A period of disillusionment in reference to individual common stocks—after 1929—has been more recently followed by a realization that selected common stocks may be considered as a desirable holding for an increasing percentage of the funds constituting an investor's portfolio.

Recently, high-grade bond prices have been approximating their Twentieth Century peaks. Money is plentiful. New financing is at low ebb. Government deficits are steadily rising. Investors logically are more and more receptive to the policy of acquiring conservative common stocks under such circumstances, both for the larger return afforded and the future protection to purchasing power in the event of rising prices generally.

But the mere recitation of the virtues of equities as such does not solve the problem. Rather it creates new ones. The hazards of common stock selection are no less than they ever have been. Not only is our domestic economy infinitely more complex, but Europe, Asia and South America are adding their contributions with alarming frequency to the unsettlement of American business and finance.

In such circumstances it is natural that investors should consider the advantages of investment companies. Selected diversification and constant supervision are valuable safeguards and whereas these features have long appealed to the investor of modest means (because his limited capital would not permit him to obtain his own diversification), the investor of large means is now accumulating investment company shares for these same—and other—reasons.

Ever since former President Hoover dramatically sought—and obtained—court permission for the investment of funds of Leland Stanford University in common stocks, institutions of virtually every type have given the matter due study. For nobody knows better than the experienced investor the specialized knowledge, facilities and talents which are required to evaluate and constantly re-evaluate common stocks as such.

Even though wealthy individuals and institutions command the resources which would enable them to obtain widespread diversification, even though they are personally well informed and have access to competent opinion—despite this, many have made common stock purchases through the medium of investment companies. The stockholders' lists of some of the better known funds are studded with the names of colleges, insurance companies, corporations, welfare societies—and banks as trustees.

Why?

First of all, because of the pressing problems of low yields on good bonds and because of the limitations of senior securities in compensating for any upward trend in the costs for goods and service. Basically, the investment company is designed to assure an adequate return and to reflect upward trends in prices insofar as they are accompanied by a rise in equity averages.

Second, because while conditions are such as to warrant some digression from the traditional policy of investing in bonds exclusively, the step must be taken without the assumption of greater risks than necessary. Broad diversification minimizes the risks of wide fluctuations in either income or principal value.

Technically, an investment of this nature has many other advantages. Mutual funds are self-liquidating—meaning shares can be presented to the companies themselves and the latter will redeem the shares for their net asset value at the time surrendered—thus enhancing marketability. From the standpoint of convenience, the fact that there is but one certificate and one quarterly dividend modifies the burden inherent in administering a portfolio comprised of many different issues, and relieves to a large extent the complexities of transfer taxes, dividend collections and general administration.

But a list of these advantages only partially serves to explain the reasons why institutional investors have acquired large blocks of investment company securities. The real reason is to be found in the fact that in recent years leading units in the investment company field have earned the confidence of these investors.

This confidence has been engendered by two factors particularly. In the first place, evidence supports the assertion that the investment trust, which has had an extremely stormy career in American finance, has now attained a certain stability and maturity. Moreover, the trusts are becoming more clearly classified. The distinction between holding companies, listed management companies, fixed trusts, special industrial trusts and others have at last been made more apparent. The mutual fund of today has even been defined and acknowledged in Federal tax laws. It clears the atmosphere and makes intelligent selection and analysis possible.

The second factor engendering confidence is the record of the leading investment companies. Time enough has elapsed to permit inspection of these records and, after such inspection, the results in many cases have been found noteworthy.

As a corollary of this has evolved the firm which devotes itself only to the interests of investment companies. It is no longer just a sideline but a full-time profession. In England and Scotland this has been true for years. In this country such firms are of recent vintage—recent enough to be significant but old enough to be appraised.

These are important developments

to the banker. For he can readily check the records of the companies and as readily satisfy himself as to the reputation, the abilities and the record of the management organizations.

Nor is this as difficult as is the case with many other types of securities. A fundamental attribute of the mutual investment company is not only to share income and capital gains with its stockholders but to share with them and with the public at large information as to its portfolio, its record, its supervisory activities and other vital company affairs.

Mutual investment companies, first of all, are distributed only by means of prospectuses filed under the Securities Act of 1933, as amended. Most of them, in addition, send audited financial reports to stockholders at least semi-annually. The majority send their stockholders quarterly a complete list of portfolio companies held, and itemize the changes which have been made in such holdings during the quarter. Moreover, since the market value of the shares bears fixed re-

lationship to their net asset value, management performance is readily ascertainable as contrasted with that of other securities which sell at premiums above or discounts below net worth, depending upon supply and demand factors.

It has been said that the greatest protection which an investor can have is full publicity relative to the security he is asked to buy and the security he owns. If, in conjunction with this publicity he can consult with his banker, who, by his own long experience in financial affairs, can interpret those items which the investor is not able to appraise, he is indeed well protected. And so, it would appear, is the banker, for he has the requisite information upon which sound advice can be given. Yet he does not have to assume the burdens of advising on many individual stocks and taking the responsibility of seeing that the investor acts upon it promptly.

There seems little question that the mutual investment company has al-

(Continued on page 23)

First National Bank, St. Louis, Installs Mechanical Time-Teller



Marvin E. Holderness, vice president, First National Bank, St. Louis (left), and Walter W. Smith, president (center), are shown listening to John L. Franklin, inventor, explaining his device, the Audichron, which automatically gives the correct time to St. Louisans who dial telephone number GARfield 2511. The machine was installed in the bank's lobby recently and answered more than 340,000 calls during the first week it was in use, according to William M. Sherrill, the bank's advertising manager. When you dial the Audichron's number, you hear a pleasant, feminine voice say, "Correct time, courtesy First National Bank in St. Louis," followed by the time. The machine is entirely mechanical and brings into play the principles of light, sound and mechanics.

Guaranty Trust Company Observes One Hundredth Anniversary

THE Guaranty Trust Company, New York, has completed one hundred years of service, its history dating from the founding on January 1, 1839, of the Bank of Commerce in New York, with which institution the Guaranty was merged in 1929.

That consolidation, although it retained the name of the Guaranty Trust Company, itself founded 75 years ago, combined two banks of almost equal size, and to the resulting institution the Bank of Commerce brought not only a large organization and volume of resources, but also a distinguished background of public service and prestige.

Articles of association establishing the Bank of Commerce were signed on January 1, 1839. The bank opened to receive deposits April 3, 1839, but from its unfilled capital it had previously subscribed \$500,000 to a New York State loan for widening and deepening the Erie Canal and had made loans to various merchants of the city.

In observing its anniversary, the bank looks back over a century that encompasses the country's greatest development. In 1839 railroad building was at its beginning, with a total mileage of about 2,800 in operation as compared with today's 416,000 miles. The first ocean crossing by a ship propelled solely by steam had just been made. The Erie Canal, completed in 1825, and other advances in transportation were laying the foundation for agricultural and industrial expansion. The population of the country a century ago was less than 18,000,000, and the Union comprised only 26 states. New York, although already a city of more than 300,000 persons, most of whom lived and worked below 18th Street, was still provincial in contrast with the metropolis of today.

The banking business of the country at that time was conducted by 840 banks with combined capital of about \$327,000,000—not much more than the present \$272,000,000 capital funds of the Guaranty Trust Company alone.

Striking recognition of the bank's services to the country was recorded in 1864 when Congress was debating revision of the National Bank Act. Because of the resources, standing, and public service of the Bank of Commerce, the Government was particularly desirous of having the institution become a national bank under the new law. Directors of the bank wished to enter the new system, but an appar-

ently insuperable obstacle was presented by a provision in the bank's articles of association exempting its stockholders from individual liability, which was contrary to one of the provisions of the pending bill. To amend the articles of association would have required the consent of every one of the bank's 2,500 stockholders.

To meet the situation the National Bank Act was so amended as to permit acceptance of its provisions by the Bank of Commerce without alteration of its liability agreement with its stockholders, and in January, 1865, it entered the system as the National Bank of Commerce in New York. The continued exemption from individual liability granted to National Bank of Commerce stockholders under the amended National Bank Act remained in effect throughout its separate existence, until 1929.

Both the Guaranty and the National Bank of Commerce pioneered in developing facilities for international business. The Guaranty appointed a London agent in 1892, and a permanent branch office was established there in 1897—one of the first foreign offices of any American bank and now one of the company's eight offices abroad, which include three in London and one each in Paris, Brussels, Liverpool, Havre, and Antwerp. During the World War the London and Paris offices were both designated official United States depositories and rendered varied financial service to the Government and military authorities. The American Expeditionary Force was paid through the Paris office, and at one time during the war there were more individual accounts in that office than in all the rest of the institution.

The consolidation of the Guaranty Trust Company and the National Bank of Commerce in 1929 was one of the largest and most important ever concluded between banks, bringing together two of the country's leading institutions and paving the way for a wide extension of activities along banking and trust lines. Changes in the capital structure of the company at the time of and shortly after the merger increased capital and surplus to their present figures of \$90,000,000 and \$170,000,000, respectively, which, with undivided profits of \$12,041,182 (September, 1938) represent total capital funds of approximately \$272,000,000.

The company's present staff in New

York comprises more than 3,000 employes and officers, including the personnel of its two New York branch offices. The foreign staff is made up of more than 600 employes and officers, divided among the three branches in London and those in Paris, Brussels, Liverpool, Havre, and Antwerp. Its affiliated companies include the Guaranty Executor and Trustee Company, Limited, organized in 1925, which has its head office in London and transacts a fiduciary business abroad, and the Guaranty Safe Deposit Company, incorporated in 1911, which offers safe deposit facilities at the New York branch offices of the Trust Company. In addition, the bank's foreign service is augmented by a network of more than 8,000 banking correspondents, located in all parts of the world.

W. J. Bramman Named Head of St. Louis Clearing House

W. J. Bramman, executive vice president, Mississippi Valley Trust Company, was elected president of the St. Louis Clearing House Association at their annual meeting, held January 17. Mr. Bramman has been vice president of the Clearing House Association for the past two years, and succeeds W. L. Hemingway, president, Mercantile-Commerce Bank and Trust Company, as president. Arthur F. Barnes, president, Manufacturers Bank and Trust Co., succeeds Mr. Bramman as vice president. R. R. Tillay was re-elected manager of the Clearing House Association. Tillay has been manager of the Association for the past 18 years.

Mr. Bramman was vice president of the Merchants-Laclede National Bank at the time that bank merged with Mississippi Valley Trust Company and



W. J. BRAMMAN

the State National Bank in 1929. He was elected executive vice president of Mississippi Valley Trust Company in 1931. He is a member of the Advisory Council of the R. F. C., and chairman of the Legislative Committee of the St. Louis Chamber of Commerce. He is also a member of the Association of Reserve City Bankers.

Mr. Barnes is a member and former president of Robert Morris Associates, a national organization of bank credit men, and is also a member of the Association of Reserve City Bankers.

First National, St. Louis Names New Director



PRESTON B. POSTLETHWAITE

Mr. Postlethwaite, who is president of the Wagner Electric Corporation, has been elected a director of the First National Bank, St. Louis, succeeding the late M. E. Singleton.

Paul West, of the National Bank of Tulsa, Oklahoma, recently was appointed assistant treasurer and a member of the finance committee of the Tulsa Junior Chamber of Commerce. C. T. Everett, vice president, and P. D. Hays, assistant vice president, represented the National Bank of Tulsa at a banquet given oil men by the St. Joseph Forward Association in St. Joseph, Missouri, last month. The bank was represented at the Tenth Regional Clearing House Association held at Seminole last month by Walter Eye-stone, assistant cashier, Raymond Cobb, manager of the collection department, and Marvin Millard, manager of the central proof and transit department. Verser Hicks, vice president, and Russell Shepard, represented the bank at the meeting of the Payne County Bankers Association at Yale, Oklahoma, January 21.

Crime Career of Ace Bank Swindler Ended by Alert Tulsa Teller

C. C. LAWRENCE, JR., teller at the number 7 window of the First National Bank and Trust Company of Tulsa, had a line "backed up" at his window a dozen deep at 11:30 o'clock on December 7. It was lunch hour in the teller line. Windows numbers 6 and 8 were closed.

"Dr. Irving Taylor" pushed four checks, properly indorsed and listed, at him with deposit slip attached. Lawrence was also asked to give cash for a \$150.00 check drawn by "Dr. Taylor." Asked the "Doctor," "Where's Mr. McCarter today?" (McCarter is the number 8 teller. Then, "It seems Mrs. Taylor needs money today. \$150.00 ought to be enough."

Even though rushed, Lawrence, while counting out the money, decided he should verify the signature; take an ordinary precaution. "Dr. Taylor" graciously agreed when the suggestion was made. "Certainly," he said, "I'd rather you were satisfied as to my identity than to cash it with doubt in

your mind. I'm new in town, been here only four months—I understand."

A customer in line just behind "Dr. Taylor" said, "The minute Lawrence turned around to look up the signature card 'Dr. Taylor's' coattail was in the wind."

Lawrence immediately notified bank officials of "Dr. Taylor's" unusual response. Other banks in Tulsa were notified. When warned at another bank one teller said, after taking a quick glance at a deposit just presented to him, with a check drawn to cash for \$150.00, "He just left here."

Going out on the street "Dr. Taylor" was accosted but explained he had an appointment in his office—would return later to assist the teller in rectifying his error.

Police were notified. It was found that "Dr. Taylor" had secured \$150.00 from each of two banks. After two attempts to stop him "Dr. Taylor" was found at the union bus station, sitting

(Continued on page 31)

Harry "Buck" Kohl Rides Again



If you never have seen a banker ride a high-wheeled bicycle, we invite you to look at the picture above which shows Harry Kohl, vice president of the Old National Bank, Centralia, Illinois, performing very successfully on one of these almost forgotten vehicles. Few of his friends know it, but Mr. Kohl was a stunt-cyclist many years ago, and last fall, after forty-six years, he got out his old high-wheeler and rode again to help make the annual Halloween parade at Centralia a success. More than 34,000 persons witnessed the parade which has been an annual affair in Centralia for the past fifteen years.

Cost Accounting for Banks

Price cutting may lower income from service charges unless bankers learn their cost figures

By C. J. SCHANIEL, C.P.A.

Assistant Vice President, Lake Shore Trust & Savings Bank, Chicago

COST accounting has been the subject of more discussion and less action than any other matter to which bankers have addressed themselves. As Mark Twain remarked on the weather, "Everybody talks about it but nobody does anything about it." It is a subject upon which articles have appeared from time to time in virtually every important banking publication, speeches have been made by the score and even a few books have been written. It has provided a basis for the assessment of service charges, which in turn have produced an ever-increasing contribution to bank earnings, earnings without which many banks would have operated at a loss. Nevertheless it is probably safe to say that not over 20 per cent of Chicago banks have more than a hearsay knowledge of their costs. In many other areas the proportions would likely be smaller.

The causes for this condition and a remedy therefor should be of interest to all banks. As to causes, there are two. Either those banks without cost data don't see *why* they should have it or they don't know *how* to secure it. It shall be the purpose of this article to set forth some of the more significant "whys" and recount the Chicago District of the Illinois Bankers Association answer to the "how."

Why should banks study their costs? Because even the most elementary steps in the process will point the way to greater efficiency. The preparation of a detailed floor plan, for example, will often disclose wasted space and illogical equipment locations. It will surprise anyone who tries it to see how obvious an unknown but needed change can become under the treatment. Another obvious requirement to cost analysis is tabulation of activity. This may easily furnish a clue to clerical inefficiency. The rhythm of peak concentrations of activity may be studied if daily activity counts are made.

Cost study will protect sources of service charge income. This form of

income is of relatively recent origin and without protection may disappear. It has been developed in an atmosphere of cooperative action by the banks but will have to fight for existence with the return of a more competitive attitude. Only a widespread knowledge of actual costs will provide a basis for resistance to its worst enemy, price cutting. Not only is price cutting in prospect within the present ranks but it may accompany new entrants to the field. Certainly every

This article cites a number of reasons why bankers should have a better knowledge of actual costs, and tells how the Chicago District of the Illinois Bankers Association organized a study group to determine how to obtain actual cost figures.

new bank is anxious to secure a reasonable volume of transactions at the earliest moment. In their eagerness they are quite apt to disregard cost. Banks without an accurate knowledge of their own costs will have a difficult time deciding just how far they may safely go to meet such competition. They have no means to combat the strong argument of lower charges. They have failed to arm themselves with what could be their most effective weapon. They have no means of convincing the customer of the justice of their position and the unfair character of their competition. How effective it is when faced with the loss of an important customer to "take down your hair" and show him what it costs to do business. The man whose business is worth the effort to keep will appreciate the confidence and continue his

account. After all, most people do not begrudge paying a reasonable profit but they do like to be sure it's no more than that.

In most other businesses the chap who disregards the cost of his product is conspicuous therefor. He is known to the general public and in the early days of the present national administration was called some rather unpleasant names. In banking, however, with no more general knowledge of costs than now exists we may easily find ourselves in the position where the price cutter is the rule rather than the exception. Such a condition will undermine, if not completely destroy, service charge income.

Bankers without cost systems often argue that inasmuch as they operate at a profit it is safe to use estimated costs. By "estimated" they probably mean the actual costs determined in some other bank. Assuming they mean an operating profit and not merely a net profit it is possible to eliminate profit on the sale of securities as a contributing factor. However, even the presence of an operating profit provides no assurance that each of the great variety of banking services produces a profit. It follows, therefore, that if certain of these services are given away or sold at less than cost, other services must be priced unnecessarily high to maintain a profit position on the aggregate. That such conditions do exist there can be little doubt. Generally the over-priced services are the ones around which the basic volume should be built. It remains for the nuisance operations to be given away. Any bank in this position would be at the mercy of a cost-wise competitor.

Any reader who still wonders why his bank should have cost data may be referred to his loaning officers. They can tell him what they would say to any borrowing customer offering a variety of product without knowledge of costs. If this isn't enough he might ask himself if there isn't more than a bit of hypocrisy in the banker's posi-

tion. The customer is unhesitatingly charged with the "cost" of handling his account even with actual knowledge of costs as scarce as it is.

Not quite one year ago a group of Chicago banks set out to provide one answer to the "how" of bank cost accounting. It was originally suggested that a course of instruction in this subject be offered. The response at that time was rather indifferent. However, this indifference was more than matched by the persistence of the president of the Chicago District of the Illinois Bankers Association, Joseph R. Frey. The credit is his for pushing to a point where the formation of a forum for cost study was announced.

The forum plan was substituted to insure participation by banks with cost systems. It was hoped they would represent themselves with men actively engaged in this work and willing to contribute their experience. The response was gratifying. Thirty-four banks enrolled forty-nine representatives. All of our larger banks participated. Even more encouraging was the quality of their representation.

The nature of the undertaking was discussed at some length and a plan of study which I proposed was accepted with minor revision. This plan had as its basis the time-tested methods of instruction in accounting subjects. Text material was to be furnished in advance of each session. Accompanying this was a series of case work assignments for outside work, solutions to which were subsequently furnished. These assignments illustrated the points covered in the text. They were built around what we called "The Theoretical State Bank." Complete details of operation and floor plan blueprints of this imaginary bank were furnished. The arrangement of the material was such as to follow the routine of preparing an actual cost survey. The group was to be carried step by step through what corresponded to an actual cost study.

This forum met on fourteen occasions, discussing the following topics:

Fundamentals of general cost accounting.

Distribution and application of manufacturing overhead.

Cost elements of banking transactions.

Controls and occupancy costs.

Income distributions.

Fixture and equipment depreciation.

Expense classifications and salary distributions.

Expense distributions.

Item costs.

Special analyses.

Differential costs.

Application and mark-up.

Each of our sessions was two hours in length and while accounting in any form is not the sort of thing that elicits wild enthusiasm, there was ample interest.

This is not a subject that can be covered in one or two afternoons, nor may it be reduced to a simple formula. So far no machine has been built providing slots for the various information required and a place to drop out resulting costs. Careful and exhaustive study is required for a reasonable understanding of the problems involved. Even so we have none of us progressed to the point where definite rules may be laid down.

However, while a study of bank cost accounting requires more than a little time, it is not too complicated. After all, in one sense of the words, every bank has a cost system. Our records customarily indicate the cost of salaries, taxes, insurance and similar classifications. For cost purposes the expenses require further classification. We must determine the portion of each type of expense affecting each of the operating departments of the bank and these departments must be bounded with an eye to their functions. The problems are, at many points, similar to those of other lines of business. Manufacturing enterprises, particularly, have been forced to give close attention to costs. Their experience with the subject covers a long period of time and it was with this in mind that we reviewed the high spots of the procedure they have developed.

After this review we proceeded to problems more specifically relating to banking. Occupancy costs, for example, are entirely different than those of a manufacturer. Quarters are more elaborate and occupy more prominent locations. Some bank buildings are only partially occupied by the bank, with quarters offered for rental to others. Some banks own their own buildings and others rent them. Some buildings are subject to mortgage debt and others are not. Each of these conditions presents a special problem, each was covered in our material and discussions and suitable treatment was developed.

To produce the answers to all our questions, it was often necessary to do some outside research. On such occasions several participants were assigned to the task and made later reports of their findings.

In any cost system the greatest problem is encountered in disposing of the indirect expenses. In banking they are proportionately large, often amounting to 50 per cent or more of the total. Many views have been expressed on

this subject and many methods of distribution offered. We examined them all, at least all that had come to our attention. In this, as in other matters, it was often found that the views of the larger banks varied from those of the small. Perfectly reasonable solutions for the small bank became obviously ridiculous when enlarged to big bank proportions. For example, the matter of FDIC assessments. It was originally suggested that their cost be borne pro rata by all of the accounts; that is, that they share equally irrespective of the size of the account. This argument was advanced on the theory that although assessments were based on average deposit balances, the benefits were equal. Each depositor had \$5,000 protection whether he used it or not. The depositor with a \$1,000 balance need not serve notice nor request permission to increase his balance to or beyond \$5,000 and has full assurance that his deposit is nevertheless insured to that extent. Furthermore, assessment rates are based on a past period and cost may not be increased by such increased coverage. True, the cost of insuring the deposits of a subsequent period will be changed, but there is no direct effect on current cost. Treatment such as this is perfectly reasonable in a bank with a large portion of its deposits insured, but will not stand up in a large bank where the assessment per account may be several times that of a small bank. As one of our participants pointed out, the big bank has a hard enough time finding justification for handling small accounts without their being burdened by costs traceable to large accounts. Solution: Cost to be treated as deduction from income attributed to the use of deposit balances.

In this manner, each phase of the problem was examined. Our final session was devoted to the application of costs to customer activity, the means of assessing various types of service charge and the extent to which costs should be marked up for profit.

The trail has been blazed. Any group of banks can make a similar study of this subject.

¶ A recent advertisement of the American National Bank, Nashville, Tennessee, calls attention to the fact that 15,070,078 items were deposited in the bank during 1938, as compared with 13,807,329 in 1937. Another advertisement points out that the average per capita deposit of Nashville citizens in the American National was \$350.09 in 1938, as compared with \$190.29 in 1933 and \$151.93 in 1923.

Can You Answer These Ten Legal Questions?

By CHARLES H. WAGER

Attorney at Law, St. Louis

1 Matthews paid a Kansas bank for a certificate of deposit in which his son was made payee. This was done because Matthews' wife was suing for a divorce and he wished to divest himself of his property to defeat any claim by her to it. His actions were fraudulent as to his wife. The certificate was duly paid to the son on its due date. Matthews asked the son to return to him the amount thereof. The son refused and Matthews sued him. Can he recover?

2 Carpenter and his two sons owned all the stock in a certain corporation. The corporation, with the consent of all its stockholders, pledged certain assets with a bank to secure the individual indebtedness of Carpenter. There was no statute forbidding such action and the corporation had no creditors. Was such a pledge valid?

3 Roof entered into a contract with Black whereby Roof agreed to sell and Black agreed to buy certain materials for a year. The contract also provided that Roof would extend to Black a 30-day line of credit. After about six months Black became insolvent and Roof refused to make further deliveries except on a cash basis. Was Roof's actions in the matter within his legal rights?

4 Brown and his wife borrowed various sums at various times over a period of years from a national bank in Kentucky. The bank charged a usurious rate of interest on some of the loans. Was any claim by the Browns against the bank on account of such usurious charges barred after two years?

5 A \$1,000 negotiable promissory note contained a provision to the effect that, if it was not paid at ma-

turity and was placed in the hands of an attorney for collection, there should also be due thereon a reasonable attorney's fee. The note was duly executed by the maker and was endorsed by several others. Are the endorsers liable for the attorney's fee in the event of non-payment by the maker?

Chase National Promotions



ROLAND C. IRVINE

A banker with hundreds of friends throughout the Mid-Continent territory, Roland Irvine was last month advanced from second vice president to vice president of the Chase National Bank, New York. Other promotions by the Chase National to positions as vice presidents include George Champion, William L. Hildeburn, John S. Linen and Seymour Monroe. Alexander Conovich, Malcolm Corduan, Richard Griffiths, Henry J. MacTavish, Arthur B. Murray and Francis G. Ross were named second vice presidents, and Earle W. Allen, Edwin Cornell, James E. Robertson and Alfredo N. Ruz were appointed assistant cashiers.

Correct answers to these questions will be found on page 54 of this issue.

6 In a case involving a note similar to the one outlined in the preceding question the maker and all but the last endorser failed to pay on the due date. The last endorser voluntarily paid to the holder \$1,000, the face of the note, and thereafter placed the note in the hands of a lawyer for collection from the prior endorsers. Could he recover the \$1,000 and an attorney's fee as well?

7 An employe of a bank was injured in an automobile accident. He was treated by a doctor for his injuries and the bank paid the bill. Later, the person who caused the accident was sued for negligence. In the suit should he be allowed as part of his recovery an amount equal to the doctor bill?

8 Blackmer died in Iowa leaving a will disposing of his estate, which was small. The beneficiaries, subsequent to his death, entered into a stipulation that the will should not be admitted to probate and later entered into a second stipulation by which they agreed to a different distribution than that provided in the will. The beneficiaries were the only ones affected by the stipulations. Were the stipulations valid?

9 A farm machinery company sold a New Mexico banker certain farm machinery in that state. The sales agreement was in writing and contained a provision to the effect that the company would warrant that it would make repairs in certain circumstances but that such was the only warranty upon which the machinery was sold. The machinery proved to be entirely unfit for the purposes for which it was purchased. Has the banker any recourse at law?

10 The only stockholders of a Massachusetts corporation, four in number, agreed that upon the death of any of them his stock might be acquired by the corporation at a price to be fixed by the surviving stockholders. Was such an agreement valid?

Mr. Banker:

We believe
you will be interested
in inspecting our
operating departments.

Banks are efficient
in proportion to
their facilities
for rapid and accurate
handling of accounts
and records.

You are invited
when in St. Louis
to observe our detailed
operations.



Member of Federal Deposit Insurance Corporation

How to Start a Department to Make Automobile Installment Loans

WITHIN the past few weeks a number of MID-CONTINENT BANKER readers have written to ask us how they should go about establishing a department to make installment loans—particularly automobile loans.

Numerous articles discussing the profit possibilities of installment loans have been published in the MID-CONTINENT BANKER and we are glad to include here the suggestions of one of our banker friends as to how to go about establishing a department of this kind.

"Pick out a young man in your bank who is bright, willing to work long hours, and has not had previous experience of consequence in lending bank funds. Give him \$250 to \$500 in expense money and start him out to contact banks that have installment loan departments. Have him talk to bankers, finance company officials and others who have a knowledge of this business and gather all the information he can obtain.

"After the man you have picked has spent about three weeks gathering information, have him come back to the bank and digest the information he has obtained and don't try to have him do any other routine work while he is trying to digest his information. When he has done this, have him make written recommendations as to equipment, costs, plan of operation, etc., and have him sell the managing officers of the bank on the idea.

"Once the managing officers have been sold, the man selected for this job should contact the right kind of an insurance broker and arrange to handle the insurance the same as finance companies handle it. He should then make charts showing the various rates, various types of charges for different loans, interest rate, maturity, fees, insurance and other charges, gross amount of note, dealers' reserves, net payout, etc. All of this should take about thirty days of the average man's time, and when this has been done and the necessary equipment has been purchased, you are ready to start making installment loans.

"The managing officers of the bank should then give the man they have selected the authority to make loans as the applications come in—with the regular lending officers reviewing each

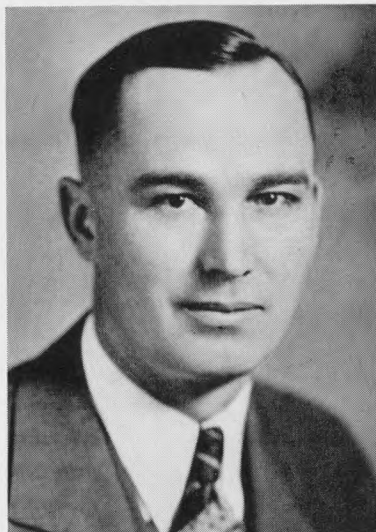
loan at the end of a day's business and making such suggestions or criticisms as they deem proper.

"Start in slowly, take such business as comes for a while and see how it all works out. If there is a dealer who is doing considerable business, make an arrangement with him to handle the paper on a certain basis. After the department has been operating for six months or a year a small amount of advertising may be practical. However, most business will be obtained

Dale R. Ainsworth Will Join City National, Kansas City

Dale R. Ainsworth, manager of the Wichita, Kansas, Clearing House for the past seven and one-half years, has resigned, effective February 28, to become an assistant vice president in the correspondent bank division of the City National Bank & Trust Co., Kansas City, Missouri.

Mr. Ainsworth, who is 40 years old, started his banking career at the age of 12 in his father's bank at Norway, Kansas. After graduating from the University of Kansas he helped some friends get started in the banking business at Ames, Kansas, before joining the State Banking Department under Commissioner Roy Bone. He became manager of the Wichita Clearing House Association on July 1, 1931.



DALE R. AINSWORTH

by direct contacts, and the knowledge will gradually get around that the bank makes loans of this kind."

The banker who offers the foregoing advice has been making installment loans for several years. It is a profitable department for his bank, but he warns of the many pitfalls of installment financing and is firmly convinced of the necessity of careful preparation, thorough training and complete and adequate records.

He furnished the following list of original supplies necessary for the operation of an installment loan department:

- Application blanks.
- Notes and chattel mortgages for direct loans.
- Notes and chattel mortgages for appliance dealers' use.
- Notes and chattel mortgages for automobile dealers' use.
- Rate charts for appliance dealers and automobile dealers.
- Receipts or pass books.
- Notices to be sent mortgagor that note has been purchased.
- Notices of past due payments.
- Record of payments made for book-keeper.
- Necessary books for records on earnings, fees, insurance, etc.
- Liability ledger.
- Filing system for notes and ledger sheets—including tickler system.
- Posting machine.
- Subscription to one of the national reporting systems to obtain current market prices on automobiles of all makes and models.
- Subscription to local or nearby newspaper which carries a large number of automobile advertisements and quotes prices which prevail in your territory.

☐ National Bank of Topeka, Kansas, last month celebrated its seventieth anniversary. It is one of the oldest and largest banks in the state. It was incorporated seven years after Kansas became a state. It began as the Topeka Bank & Savings Institution but shortly changed its name to the Bank of Topeka. It became the National Bank of Topeka when it was nationalized in 1925.

"Five Dollars' Worth of groceries, please *It doesn't matter what . . . IT'S FOOD, ISN'T IT?"*



THE absent-minded professor may buy food that way. But your important customers don't. Housewives demand that you keep a wide variety on your shelves so that you can fill their special needs at a moment's notice. And many products *must* be fresh *daily*.

So the experienced housewife of today does not turn her kitchen pantry or her cellar into a food warehouse. She gladly pays your slight profit for your services as an expert middleman who knows his groceries.

When the retail grocer buys insurance from the experienced agent or broker of a stock insurance company he does not say "\$50 worth of insurance please". He asks for and gets the advice and full

services of an expert purchasing agent in the complex insurance field, like himself an expert middleman. No worries about uncovered risks that might wreck a business.

* * *

Because we believe so thoroughly in the services of an expert middleman whether retail grocer, insurance agent or broker, we refuse to accept business direct because it is not in the interests of the Company or the assured to do so. When *you* buy National Surety Fidelity Bonds, Surety Bonds, Burglary or Forgery Insurance through your local insurance agent or broker, you deal with a customer and friend who is a fellow member and supporter of the American Business System.

● This is a reprint of an advertisement of a stock-insurance company directed to the independent business men in the grocery trade in your city.

The commercial bank, like the merchant, is a middleman, specializing in the credit field. Its customers and its directors, are chiefly independent business men—representative of the American Business System.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

News of the Banking World

✓ **Last month** banks in several cities announced earlier closing dates on Saturdays (and in some instances on week days) to comply with the provisions of the Wages and Hours Act.

◆ ◆ ◆

✓ **A Kentucky bank** has filed claim for "seasonal" exemption under the Wages and Hours Act during the tobacco marketing period. One official of the Wages and Hour Division is said to have stated that it was his opinion that banks never operate seasonally and that the exemption would not be granted.

◆ ◆ ◆

✓ **Only 18 complaints** have been received by the Wages and Hours Division from bank employees throughout the country upon the grounds of excessive hours of employment, according to an announcement made last month.

◆ ◆ ◆

✓ **John S. Wood** has retired as a vice president of the Federal Reserve Bank of St. Louis, under the bank's retirement pension plan. Mr. Wood, former chief national bank examiner for the Eighth Federal Reserve District, expects to devote his time to the management of three large farms he owns in Ralls County, near Hannibal, Missouri.

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✓ **Bruce Barton**, author, advertising agency executive and United States representative from New York, in a recent address before the mid-winter meeting of the New York Bankers Association stated that 1939 should be an active and profitable year if it brings no major war. "This is the opinion in Washington and the judgment of most manufacturers who are national advertisers," said Mr. Barton.

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✓ **Rumors from Washington** indicate that the board of governors of the Federal Reserve System is badly split in the attitude towards Governor Eccles' "spending-for-recovery" theories.

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✓ **Irving Trust Company**, New York, reports gross operating income of \$8,662,000 for 1938 and security profits of \$2,404,000. Net profit for the year amounted to \$3,113,738.82. Loans and discounts, which reached a low point of \$137,820,000 in April, 1938, had increased to \$150,716,000 by the end of the year. Deposits exceeded \$587,851,-

000 and total resources exceeded \$706,017,000 on December 31, 1938. William N. Enstrom, a vice president, was added to the board of directors at the annual stockholders' meeting last month.

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✓ **Edward F. McGinley**, formerly an assistant vice president, has been appointed a vice president of the Chemical Bank & Trust Company, New York. George Lysle and William S. Renchard have been appointed assistant secretaries of the bank.

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✓ **National Bank of Detroit** reports 1938 earnings available for common stock (after expenses, reserves, taxes and preferred stock dividends) amounting to \$2,529,432.47, equal to \$3.37 per share on the 750,000 shares of common stock outstanding, compared with \$3.46 per share in 1937. Gross income for the year, including \$1,838,803.71 profit from sale of U. S. Government securities, was \$9,638,201.81. During the year \$500,000 preferred stock was retired and \$500,000 was

added to surplus. Deposits on December 31, 1938, exceeded \$391,573,000.

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✓ **Harvey D. Gibson**, president of the Manufacturers Trust Company, New York, reports that the number of out-of-town banks carrying accounts with the Manufacturers Trust Company continued to increase during 1938 and now includes 12 per cent of all the banks of the United States. Deposits of the bank increased from \$610,292,000 to \$655,486,000 during the year. Average loans outstanding during 1938 were approximately \$12,000,000 less than in 1937. Earnings of the bank for 1938 amounted to \$4.03 per share, compared with \$4.46 in 1937.

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✓ **Percy H. Johnston**, chairman of the Chemical Bank & Trust Company, New York, reports that the bank set aside \$50,000 a month for general reserve during 1938 and added \$1,006,757.99 to undivided profits. During the year the bank operated with excess reserves averaging \$68,084,000 per day. Deposits during 1938 averaged \$24,192,000 more than in 1937 and stood at \$567,760,000 on December 31. Total resources are more than \$658,873,000.

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✓ **Mid-winter trust conference** of the A.B.A. will be held February 14-16 at the Waldorf-Astoria hotel in New York. Features will include a forum session on legal trust problems and a question box period at the closing session.

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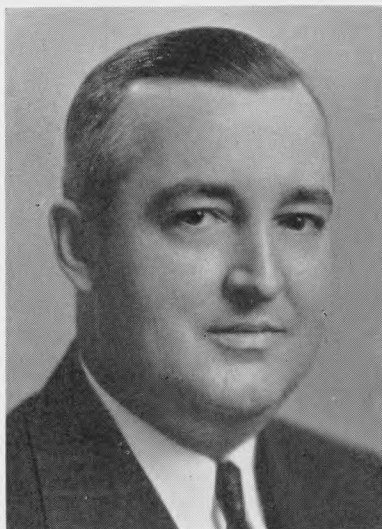
✓ **William McC. Martin**, president of the Federal Reserve Bank of St. Louis, has announced that preliminary figures indicate that current earnings of the bank during 1938 amounted to \$1,564,000, while current expenses were \$1,415,000.

Current net earnings for 1938 were \$149,000. Additions to current net earnings amounted to \$396,000 and consisted chiefly of profits realized on the sale of United States Government securities. Deductions from current net earnings of \$290,000 included prior service contributions to the Retirement System.

Making these additions to and deductions from current net earnings leaves net earnings for the year available for dividends, surplus, etc., in the amount of \$255,000.

The net earnings for 1938 were dis-

Elected Vice President



OKEY MILLER

Mr. Miller, who has been assistant cashier of the National Stock Yards National Bank, National Stock Yards, Illinois, has been elected a vice president of that institution. Only other change at this time is the election of Gordon F. Sweeney as an assistant cashier of the bank. National Stock Yards National Bank now has deposits of approximately \$35,000,000.

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Peaks can be leveled by adopting a plan that will permit handling part of the peak volume at a valley period, and by shifting employees from one job to another.

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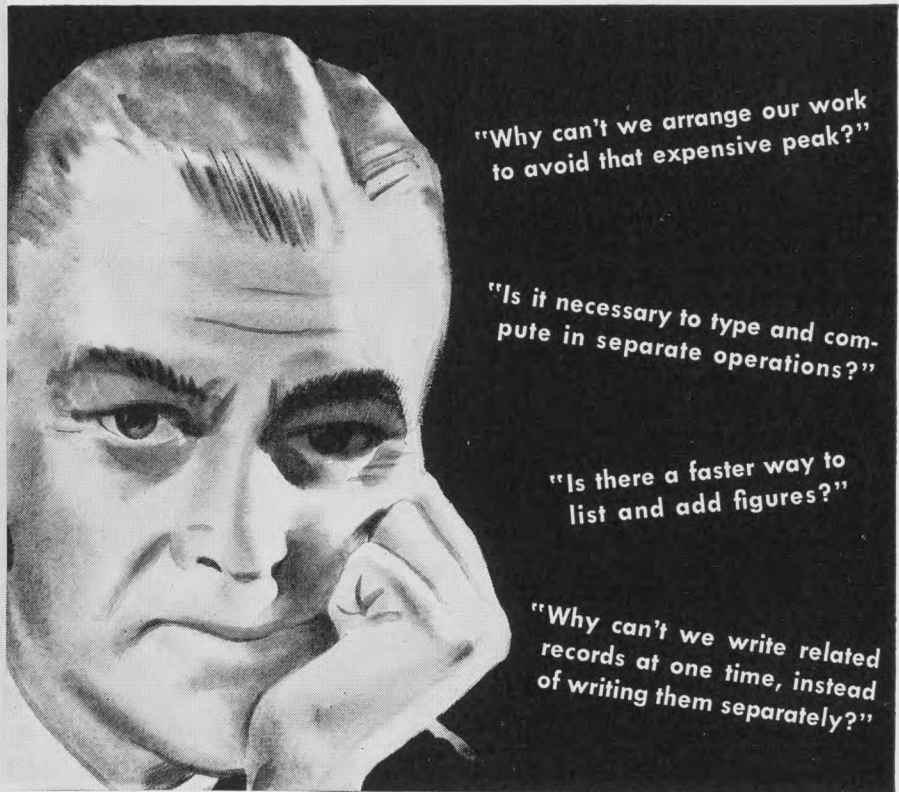
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tributed as follows: Dividends to member banks, \$235,000; payments to Treasury of United States under provisions of Section 13b of the Federal Reserve Act relating to industrial advances, \$2,000, and net addition to surplus account, \$18,000.

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✓ **At a meeting** of the board of directors of Bancamerica-Blair Corporation, held last month and presided over by the new chairman, A. O. Stewart, Hearn W. Streat was elected vice chairman of the board and chairman of the executive committee of that corporation.

In view of the recent sale by the Transamerica Corporation of all of its holdings in Bancamerica-Blair Corporation, the board of directors of the latter company is recommending to its stockholders that its name be changed to Blair & Co., Inc., thus restoring the name by which the old banking house was known for many years before its merger with the Bank of America, New York.

Mr. Streat has been with Bancamerica-Blair Corporation and its predecessor firms for forty years, having started with the original banking firm of Blair & Company in 1899.

John R. Montgomery, who has been with the corporation or its predecessor firms since 1913, was elected president.

✓ **Excess reserves** of member banks reached an all-time peak of \$3,600,000,000 last month.

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✓ **Walter J. Cummings**, board chairman of the Continental Illinois National Bank & Trust Co., Chicago, announces that net earnings of the bank for 1938, after preferred dividends, were \$14,790,518, with no recoveries on assets previously charged off included in these earnings. The earnings amount to \$9.86 per share on the present 1,500,000 shares of common stock. During the year \$10,000,000 in preferred stock was retired and \$2,500,000 was added to surplus.

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✓ **There is a splendid illustration** of the community of interest that exists among all independent business men in a full-page advertisement of National Surety Corporation which appears in this issue of MID-CONTINENT BANKER. It shows a picture of a perplexed grocer confronted by an absent-minded professor, who is saying, "Five dollars' worth of groceries, please. It doesn't matter what. It's food, isn't it?"

National Surety Corporation is a large company, selling Fidelity and Surety bonds, Burglary and Forgery Hold-Up insurance. But their purpose in the advertisement, which is one of a series, is not to directly sell

insurance but to call attention to the fact that the local insurance agent, like the retail grocer, the druggist, the hardware dealer, is a middleman. He renders a service for a profit—he justifies that profit, sometimes many times over, in performing a service that no individual customer can perform as cheaply or as effectively for himself.

Under the American business system, business men are almost always middlemen in one way or another. The bank is a middleman, accepting deposits on the one hand and granting credit on the other. In fact, it is difficult to name any business which is not a middleman in some sense.

This campaign by a large stock insurance company, demonstrating the effectiveness and value of the middleman in our whole economic structure, is another evidence of the awakening of American business to the fact that the benefits of a system which has produced the tremendous wealth and high standard of living which marks the United States off from the rest of the world are often forgotten.

To preserve that system and our way of life and our way of doing business, we must frequently remind ourselves and others of its benefits. And it is certainly true that the local insurance agent, like the retail merchant, is an independent business man, typical of the American business system.

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✓ **The financial statement** of National Surety Corporation as of December 31, 1938, shows total admitted assets of \$24,187,307.24, including cash of \$1,951,436.72. The capital stock of the Corporation is \$2,500,000, with surplus of \$10,376,427.32. In commenting upon the statement President Vincent Cullen indicated that the business of the Corporation continues to grow with losses and expenses on a normal basis. National Surety Corporation is a wholly owned subsidiary of Commercial Investment Trust Corporation.

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✓ **The annual meeting** of the Minnesota Commercial Men's Association was held last month and Paul Clement was re-elected secretary and general manager. The Association enjoyed a successful year in spite of adverse conditions in 1938. The reserves were increased by more than \$20,000 during the past year making total resources of over \$313,000 of which more than 76 per cent is in cash and highest grade securities and municipal bonds. This increase was recorded in spite of a reduction in the book value of the home office building property by more than \$5,000, even though the property has probably actually increased in

GMAC

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

foreign made automotive vehicles.

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

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value. Policies in force show a substantial increase over a year ago. The Association insures commercial and professional men at cost and has a large membership among bankers throughout the United States and Canada.



✓ **Three regional conferences** of the A.B.A. are scheduled to be held in the next few weeks. The first will be held at the Neil House, Columbus, Ohio, February 9 and 10. The second meeting will be held at the Nicollet Hotel, Minneapolis, Minnesota, February 23 and 24. The third meeting will be held March 8 to 10 in New York City. The theme of the meetings will be "Meeting Public Needs in Banking."



✓ **Leo T. Crowley, F.D.I.C.** chairman, announced last month that since January 1, 1934, the F.D.I.C. has expended \$80,700,000 "to protect the depositors of 240 insured banks which have closed since this law became effective."



✓ **Leonard P. Ayres, chairman** of the A.B.A. Economic Policy Commission, believes that an annual national income of \$80,000,000,000 "ought not be too difficult," but is "related to one simple controlling factor . . . the attitude of the Federal government toward business profits."



✓ **Dan V. Stephens, former president** of the Stephens National Bank, Fremont, Nebraska, and a veteran and beloved character in A.B.A. circles for many years, died last month at his home in Fremont. He served as president of the State Bank Division of the A.B.A. in 1929.



✓ **Tenth anniversary** of Commercial National Bank & Trust Co., New York, was observed last month. Herbert P. Howell has been president of the bank since its inception, and during the ten-year history of the bank it has made a place for itself in the list of the nation's 100 largest banks. Deposits are now more than \$92,147,000, capital is \$7,000,000 and surplus and undivided profits total more than \$8,297,000.



✓ **Preston Delano, Comptroller** of the Currency, reports an increase of 24 in the number of branches of national banks for the year ended October 31, 1938, giving the national banking system 5,245 banks with 2,043 branches. Only one national bank failed during this period. It had deposits of only \$36,000.

✓ **Ernest G. Coffman, vice president** of the First National Bank, St. Louis, is confined to his home due to an illness which started when he contracted influenza during the Christmas holidays. Ernie, as he is known to hundreds of bankers throughout the Mid-Continent territory, has enjoyed excellent health during the thirty years he has been connected with the First National, and it will not be easy for him to stay away from his work. His doctor says, however, that he must take it easy for a few weeks and stay away from the bank until he recovers.



✓ **New home construction** in the United States during 1938 showed a gain of at least 10 per cent over 1937, and may reach 15 per cent when all figures for the country are completed, according to a national survey of business conditions reported to the annual convention of Investors Syndicate. Daniel E. Farr, board chairman of Investors Syndicate, reported that the company now holds more than \$47,000,000 of insured F.H.A. home mortgages, the second largest holding of such mortgages in the United States. Total resources of Investors Syndicate now exceed \$132,500,000, a gain of more than \$21,000,000 during 1938.

✓ **Current earnings** of Federal Reserve Banks during 1938 amounted to \$36,261,000, or \$4,972,000 less than in 1937, according to preliminary figures. Current expenses were \$28,912,000, or \$111,000 more than 1937.

Investment Trusts

(Continued from page 11)

ready assumed a major role in America's investment life. Based upon unquestionably sound principles, operated with distinction during the past few years, developing a new type of professional investment manager, it is equally clear that they are here to stay.

To the banker, concerned with the welfare of investors in his community, seeking to advise without assuming undue risks and responsibilities and engaged in piloting men and women through the stormy seas of economic life today, the mutual investment company is certainly a possible solution to a major problem.

If it assists the banker in performing constructive community service then the mutual type investment company has made one more major contribution towards the goal of serving the best interests of the American investor. Which is the goal of the commercial banker in every community.

CONDENSED STATEMENT OF CONDITION

OF THE

National Bank of Commerce

MEMPHIS, TENNESSEE

AT THE CLOSE OF BUSINESS DECEMBER 31, 1938

RESOURCES		LIABILITIES	
Cash and Due from Federal Reserve and Other Banks	\$12,089,393.47	Capital Stock	\$ 1,000,000.00
U. S. Government Securities	7,668,420.78	Surplus	1,000,000.00
Federal Intermediate Credit Bank Debentures	95,000.00	Undivided Profits	1,168,787.08
State and Municipal Bonds	868,693.22	Reserve for Contingencies	87,629.66
Other Bonds and Securities	31,503.00	Reserve for Accrued Taxes and Expenses	81,002.90
Stock in Federal Reserve Bank	60,000.00	Foreign Bills for Customers, Acceptance Guaranteed	1,958.78
Loans and Discounts	12,983,515.71	Deposits	31,291,119.23
Overdrafts	289.96		
Banking House	830,000.00		
Furniture and Fixtures	1.00		
Customers' Liability a/c Foreign Bills, Acceptance Guaranteed	1,958.78		
Other Assets -- Accrued Interest on Securities Purchased	1,721.73		
TOTAL	\$34,630,497.65	TOTAL	\$34,630,497.65

We cordially invite business from individuals, business organizations and banks

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

St. Louis Bank Enlarges Quarters for Trust Department



View showing part of the new quarters now occupied by the recently enlarged Trust Department of the Tower Grove Bank and Trust Company in St. Louis.

ON December 19 the Tower Grove Bank and Trust Company in St. Louis staged the formal opening of its new quarters for the trust and real estate departments of the bank. The quarters occupy 5,500 square feet of space on the second floor of the bank's home at South Grand Boulevard and Hartford Street.

The Tower Grove Bank and Trust Company, fifth largest banking institution in St. Louis, has experienced remarkable growth during the past few years. Total resources of the bank now exceed \$17,000,000. Less than two years ago the bank enlarged its main floor accommodations, but due to the

growth of its trust business as well as its banking business the institution soon outgrew its ground floor space. New elevators were installed to make access to the second floor possible from the main lobby of the bank, and the trust and real estate departments were moved to the new quarters on the second floor, which are as modern and attractive as any banking quarters in the Middle West. Ground floor space formerly occupied by the trust and real estate departments is now used for additional officers' quarters.

An additional feature of the remodeling includes an enlarged safe deposit

department for better serving the bank's 27,000 customers.

Officers of the Tower Grove Bank and Trust Company are: Alex Miltenberger, chairman of the board; James K. Vardaman, Jr., president; A. L. Locatell, vice president; James V. Dunbar, vice president and general counsel; Elmer Von Doersten, secretary-treasurer; Arthur H. Gidionsen, assistant vice president; H. L. Gaser, assistant vice president; Samuel W. Mitchell, assistant trust officer; Stuart H. Smith, assistant trust officer; Bernard W. Schrand, assistant secretary-treasurer; and Walter A. Hombs, auditor.

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NEWS of ILLINOIS BANKS and BANKERS

☐ **Albert Schweikert**, cashier of the Lincoln State Bank, Lincoln, Illinois, has been with the bank for 25 years. The institution celebrated its 35th anniversary on January 15. W. H. Burger, who was reported as the cashier of the Lincoln State Bank in the last month's issue, is cashier of the First National Bank in Lincoln. He has never been associated with the Lincoln State Bank.

☐ **Sidney Moore**, vice president of the Washington State Bank, Washington, Iowa, has purchased an interest in the First National Bank, Danville, Illinois, and will become an executive officer of that institution.

☐ **Samuel V. Stuckey**, president, Farmers & Merchants Bank, Galesburg, Illinois, died December 26 at the age of 74.

☐ **At Toulon, Illinois**, Charles P. Dewey & Sons, Bankers, a firm founded 73 years ago and headed for 61 years by the elder Dewey, announced recently that it will liquidate. The bank is a member of the Federal Deposit Insurance Corporation and it was announced that all depositors will be paid in full.

☐ **Henry H. Kohn**, vice president of the Anna National Bank, Anna, Illinois, died in December at the age of 77.

☐ **August E. Helmts**, president, State Bank of Davis, Illinois, died recently at the age of 71. A heart attack was the cause.

☐ **Ira M. Lindsey**, vice president of the Onarga State Bank, Onarga, Illinois, died recently of a heart attack. He was 71 years of age.

☐ **Berthold E. Borges**, secretary of the Heitman Trust Company, Chicago, has resigned his position at the bank and expects to open a general law office soon.

☐ **Philip E. Kuhl**, a former president of the Lincoln National Bank for 30 years, died January 2 at the age of 80.

☐ **At Elgin, Illinois**, Robert C. Kewley, a Chicago attorney, has been named president and director of the Union National Bank, Elgin, and Clarence D. Oberwortmann, former national bank examiner in the Tenth Federal Reserve District with headquarters in Kansas City, has been

named vice president and director. It is reported that both have purchased substantial stock interests in the bank, will serve as active officers and will reside in Elgin. Alexander L. Metzel who was formerly president and who founded the bank 35 years ago, was elected chairman of the board. Mr. Kewley is also a director and largest stockholder of the First National Bank, Piper City, Illinois.

☐ **W. R. Dorris** has been advanced from cashier and trust officer of the First National Bank, O'Fallon, Illinois, to president of the institution. E. H. Smiley, who had served as president since the bank was organized in 1903, will take the newly created office of chairman of the board. Vice president Julius A. Schalter becomes first vice president to succeed George W. Tiedemann, resigned because of ill health. G. B. Gieser has been promoted from assistant cashier to cashier and assistant trust officer. Mr. Smiley will remain active in the bank's affairs.

☐ **First State Bank**, Patoka, Illinois, reports that business in the Patoka area is much improved since the discovery of oil and that prospects look bright for good production in deeper strata. Demand for local loans is also reported as "good." During the past year the bank completed con-



First State Bank, Patoka, Illinois

struction on a new building which is completely modern and is equipped with modern machines and vaults that meet the highest standards for small towns. P. J. Mojonier is president; Fred Brown is vice president.

☐ **Herman Waldeck**, executive vice president of the Continental Illinois National Bank & Trust Company, Chicago, and vice president of the Chicago Clearing House Association, was named president of the Association at the annual meeting to succeed William C. Cummings, president, Drivers National Bank, Chicago. All members of the clearing house committee were

reelected, Bentley G. McCloud was elected vice president and Howard M. Sims was reelected manager.

☐ **The South Shore National Bank of Chicago**, Illinois, opened January 21 with charter number 14405 issued by the Comptroller of the Currency January 11. The new bank is located at the northwest corner of Seventy-First Street and Jeffery Avenue. The new institution is reported to have a capitalization of \$300,000, including \$200,000 in capital stock, all common; \$50,000 surplus and \$50,000 in contingent funds. It is the first bank to be opened in Chicago's South Shore District since the 1933 banking moratorium. The district once had six banks. Walter J. Riley is president of the new bank; George G. Brandenburg, chairman of the board; E. A. Delaney, vice president and cashier; Richard M. Lenihan, vice president; and Thomas D. Allin, assistant cashier.

☐ **R. N. Stohl**, who was formerly a teller, has been elected assistant cashier of the First National Bank of Englewood, Chicago, Illinois.

☐ **Leon C. Welch**, vice president of the Standard Oil Company of Indiana, has been added to the board of the First National Bank, Evanston, Illinois.

☐ **At Madison-Crawford National Bank**, Chicago, R. T. Ummach advanced from assistant cashier to assistant vice president; E. C. Conner was elected credit manager, and Robert R. Lowe elected auditor.

☐ **Chicago Heights National Bank**, Chicago Heights, Illinois, announced following its annual meeting that George A. Prugh, executive vice president, had been elected to the board of directors and that J. L. Schlener had resigned from the board.

☐ **At Aetna State Bank**, Chicago, F. Hartford Kolb has succeeded T. O. Wallace, resigned, on the board of directors.

☐ **Ralph N. Larson**, executive vice president and cashier of the Upper Avenue National Bank, Chicago, has been relieved of his cashier duties by Frank A. McGlinchey, advanced from assistant cashier. Fred Mangels was advanced from note teller to assistant cashier.

☐ **O. B. Cottle**, who has been assistant cashier of the Merchandise National

Bank, Chicago, has been promoted to vice president.

☐ **Arthur A. Ludwigs** has been named on the board of directors of the Kaspar American State Bank, Chicago, and Joseph J. Kral, cashier, has been elected vice president and cashier.

☐ **Henry Scarborough, Jr.**, has been named a director of the Lake View Trust & Savings Bank, Chicago.

☐ **At La Grange**, Illinois, Edward J. Farrell and A. H. Wesemann, attorneys, recently were elected to the board of directors of the La Grange State Trust & Savings Bank to succeed H. B. Kilgour and F. L. Johnson.

☐ **Changes** announced by the Suburban Trust & Savings Bank, Oak Park, Illinois, were: William M. Hillborn and George M. Jedlicka elected directors; Wesley T. Clifton promoted from teller to assistant cashier, and Edson C. Zemek promoted from savings department manager to assistant cashier.

☐ **Harold L. Reeve** has been named secretary of the Chicago Title & Trust Company to succeed Henry J. Tansley, who died recently at the age of 62 after 45 years of service with the institution. Mr. Reeve will retain his position as general counsel.

☐ **Lincoln Harris**, who has been associated with the bank investment and trust department of the Harris Trust & Savings Bank, Chicago, has joined the investment department of Shields & Company, Chicago.

☐ **C. W. Shafer**, formerly assistant cashier, has been elected cashier of the Wilmette State Bank, Wilmette, Illinois, succeeding W. D. Leary who has been relieved of his cashier's

duties but will continue as vice president.

☐ **J. A. Miller**, president of the First National Bank, Smithton, Illinois, since 1922, has been named chairman of the board, a newly created office, and Fred C. Daab, vice president for the past ten years has been named president of the bank. E. P. Baltz was advanced to vice president and will retain his position as cashier. Deposits of the bank have increased \$50,000 during the past year.

☐ **All officers and employes** of the Mount Olive National Bank, Mount Olive, Illinois, who are all brothers and sister of one family, were re-elected at the annual meeting for the coming year. They are Charles A. Prange, active president; Walter W. Prange, vice president and cashier; Lillie W. Prange, assistant cashier, and Milton H. Prange, teller and bookkeeper.

☐ **General Charles G. Dawes**, chairman of the board of the City National Bank & Trust Company, Chicago, was the speaker at the recent meeting of the Chicago Association of Commerce. His subject was "Why We Should Not Expect War in Europe."

☐ **Promotions** announced by the Harris Trust & Savings Bank, Chicago, were as follows: James M. Barker named a director; Donald P. Welles advanced from assistant vice president to vice president; Joseph B. Mitchell, Norman N. Feltes and George H. Rigler from assistant cashiers to assistant vice presidents; Hardin H. Hawes from sales manager to assistant vice president; Charles C. Looney from assistant comptroller to comptroller; Merwin Q. Lytle from assistant secretary to assistant vice president; J. Russell Ward, Kenneth B. Zweiner, John

J. McDonough and Errett Van Nice appointed cashiers; Henry M. Tibbits named assistant secretary, and Fred L. Stone and Mary A. Kennedy personnel officers.

☐ **Promotions** at the First National Bank, Chicago, were announced last month by Edward E. Brown, president of the bank, as follows: Louis H. Northrop and Vernard S. Higby from assistant cashiers to assistant vice presidents; Robert G. Collins from assistant secretary to assistant vice president; Charles Z. Meyer from auditor to comptroller, and Edmund Burke from assistant auditor to auditor. Five assistant cashiers, all promotions from the bank's clerical staff, were named: Charles A. Aspinwall, Jr., Leslie H. Dreyer, Ellerton A. Lodge, R. Kenneth Newhall and Edward H. Callies.

☐ **Merchandise National Bank**, Chicago, reports that all directors of that institution were reelected for the coming year. The 1938 profits for the bank totaled \$296,000, and the bank believes that its \$59.00 per share earnings were exceeded only by one bank, the First National Bank of New York.

☐ **American National Bank**, Chicago, at its annual meeting, elected Lawrence F. Stern a member of the board and he was later elected chairman of the executive committee. Benjamin G. Kilpatrick, assistant secretary, and Louis W. Fischer, assistant secretary and trust officer, were named assistant vice presidents. A \$3 semiannual dividend was declared by the bank.

☐ **H. P. O'Connell**, second vice president of the Continental Illinois National Bank & Trust Company, Chicago, was elected vice president at the bank's annual meeting. Harry L. MacGregor and John W. Nichols, assistant cashiers, were elected second vice presidents; A. G. Bradt and Boyd J. Simmons were elected assistant cashiers, and Elmer A. Degen and F. L. Lagerhold were elected assistant secretaries.

☐ **H. J. Lohman** was elected president of the State Bank of Ashland, Illinois, last month and R. F. Mau was elected vice president. They succeeded Walter S. Rearick, president and William Mau, vice president, who died within 15 hours of each other on December 24. Mr. Rearick was 82 at the time of his death and Mr. Mau was 71. S. W. Anderson was named a director of the bank.

☐ **At Galesburg**, Illinois, the First Galesburg National Bank & Trust Company recently celebrated its 75th anniversary.

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Is Now Associated With Our Organization

FRANCIS, BRO. & CO.

ESTABLISHED 1877

INVESTMENT SECURITIES

Alton, Ill.

ST. LOUIS, MO.

Tulsa, Okla.

February 1, 1939

☐ **Joseph A. Sullivan**, cashier, and Frank L. McDavid, vice president, Montgomery County Loan & Trust Company, Hillsboro, Illinois, have resigned their positions at the bank. Mr. Sullivan plans to enter another business but Mr. McDavid will remain at the bank at the request of the directors until a successor has been named.

☐ **The three banks** in Aurora, Illinois, Aurora National Bank, Merchants National Bank, and Old Second National Bank report that deposits during the past year have increased nearly half a million dollars. The total deposits for the three banks is \$11,233,337.

☐ **First National Bank**, Waukegan, Illinois, has voted to increase capital stock from \$100,000 to \$150,000. All members of the board were reelected for the coming year.

☐ **State Bank of New Athens**, Illinois, recently voted to increase capital stock from \$50,000 to \$60,000.

☐ **Morris S. Heagy**, who has been vice president and chairman of the board of the Rock Island Bank & Trust Company, Rock Island, Illinois, was elected president of the bank last month. He succeeds G. Herbert Pemberton, who has been president of the bank since its opening in 1933. Mr. Pemberton continues as a director.

☐ **Deposits** of the Belleville Savings Bank, Belleville, Illinois, have increased about \$900,000 since January 1, 1938. The bank will be eighty years old this month and is said to be the second oldest bank in the State.

☐ **C. V. McClenathan**, president of the Second National Bank, Danville, Illinois, died January 2 at the age of 74. He was also a director of the First National Bank, Homer, Illinois. Woods

H. Martin, vice president, has been named president to succeed him. Herman E. Douglas, cashier, becomes executive vice president and E. F. Reese, cashier.

☐ **Bank of Mascoutah**, Illinois, deposits have increased about \$170,000 since January, 1938.

☐ **Loans** of the Belleville National Bank, Belleville, Illinois, have increased 33 per cent during the past year and deposits have increased \$500,000. The bank reports that its move from the west part of town to the public square has been in its favor.

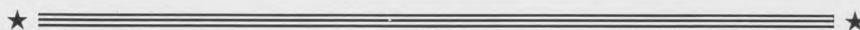
☐ **In Granite City**, Illinois, the Granite City Trust & Savings Bank reports that deposits have grown \$200,000 during the past year.

Illinois Bankers Meet

S. N. Pickard, president of the National Manufacturers Bank, Neenah, Wisconsin, and president of the Wisconsin Bankers Association, speaking before the Illinois Bankers Association Mid-Winter Conference in Chicago, January 26, stressed the need of a sound public relations program for each individual bank. He emphasized that it must be continual and consistent. "The cumulative effect of honest, sound and frequent reports of individual banks and businesses cannot help but create a growing consciousness on the part of all as to the principles for which they stand, in terms of their importance to every citizen," he said. He suggested liberal use of advertising as one of the best methods.

True D. Morse, associated with the Doane Agricultural Service Station, St. Louis, told bankers they must know of the principles of successful farm management if their banks are to be profitable and sound. "Every bank should have carefully worked out loan plans for the various types of farms in the area being served," he said.

Frank C. Welch, president, Peoples Savings Bank, Cedar Rapids, Iowa, speaking on bank earnings said: "I am sure banks are on the lookout for all the good loans available in their communities. The only suggestion I have to make that might help to increase your loan volume is to use the newspapers and radio to tell the people that you want loans." He believes that bankers should sell their merchandise in an attractive package to people who will pay for it. Otherwise it will not be sold.



THE NORTHERN TRUST COMPANY

NORTHWEST CORNER LA SALLE AND MONROE STREETS • CHICAGO



Statement of Condition

At the close of business, December 31, 1938

RESOURCES

Demand Loans (Secured by Collateral)	\$ 6,415,992.16
Time Loans (Secured by Collateral)	8,004,404.37
Other Loans and Discounts	18,460,849.66
U. S. Government Securities	108,643,115.16
<i>(Including \$16,000,000.00 pledged to secure deposits of U. S. Govt. and other Public monies, as required by law)</i>	
Other Bonds and Securities	79,471,974.37
<i>(Including \$500,000.00 deposited with State Authorities under Trust Act)</i>	
Federal Reserve Bank Stock	270,000.00
Bank Premises	1,400,000.00
Customers' Liability Account Letters of Credit and Acceptances	478,786.60
Other Resources	1,974,000.00
Cash and Due from Banks	139,686,633.46
TOTAL	\$364,805,755.78

LIABILITIES

Capital Stock	\$ 3,000,000.00
Surplus Fund	6,000,000.00
Undivided Profits	4,155,735.71
Reserve for Taxes, Interest, etc	9,413,673.22
Dividend Payable January 3, 1939	135,000.00
Letters of Credit and Acceptances Outstanding	554,920.92
Other Liabilities	1,569,469.20
Deposits:	
Demand	\$263,656,305.18
Time	76,320,651.55
TOTAL	\$364,805,755.78

Member Federal Deposit Insurance Corporation



NEWS of INDIANA BANKS and BANKERS

☐ **In Muncie**, Indiana, the Merchants Trust & Savings Company has changed its name to Merchants Trust Company.

☐ **Edward C. W. Wischmeier** has been advanced from assistant cashier to vice president of the Indiana National Bank, Indianapolis; Wilson Mothershead, formerly assistant secretary of the Union Trust Company, Indianapolis, has been named vice president and director; Paul C. Buckler advanced from assistant cashier and auditor to cashier; Lee M. Mayer advanced from manager of the currency department to assistant cashier; J. Kurt Mahrtdt advanced from assistant auditor to auditor, and C. Harvey Bradley, president of W. J. Holliday & Company, was named a director.

☐ **Charles M. Havens**, president, First National Bank & Trust Company, Plainfield, Indiana, died recently at the age of 76 after a brief illness. He was one of Indiana's best-known insurance men. Chester G. Pike, cashier for 24 years, has been elected to succeed him as president.

☐ **Gary Trust & Savings Bank**, Gary, Indiana, has been admitted to membership to the Federal Reserve System. It was effective January 6.

☐ **The three banks** in Elkhart, Indiana, the First National Bank, the First Old State Bank and the St. Joseph Valley Bank, will close at 12 o'clock noon on Saturdays, it has been announced. Prior to January 7, the banks closed at 1:00 p. m. Saturdays.

☐ **Joseph E. Reagan**, vice president, Bankers Trust Company, Indianapolis, Indiana, died January 3 following a heart attack. He was 72 years old.

☐ **Louis W. Bohn**, chairman of the board and president, Peoples Trust & Savings Bank, Boonville, Indiana, died January 9 following a brief pneumonia illness. He was 69. Mr. Bohn had been with the bank since its organization in January, 1895, when he became its first cashier. He was elected president in 1913. J. W. Hendrickson has been elected to succeed him as president.

☐ **Arthur V. Brown**, president, Union Trust Company, Indianapolis, and the Indiana National Bank, Indianapolis, recently was named president of the board of directors of the Claypool

Hotel, Indianapolis. John P. Frenzel, Jr., president, Merchants National Bank, Indianapolis, was elected treasurer of the hotel.

☐ **Indiana State Bank**, Terre Haute, Indiana, recently elected Frank F. Rawley a new director but reduced the number of board members from eight to seven. The two directors not reelected are directors of another bank and the reduction was in accordance with the new law which does not allow interlocking directorates. Directors renamed were Henry W. Conrad, John R. Gillum, William H. Hoff, Warren M. Hussey, John L. Thompson and William E. Williams.

☐ **State Bank of West Terre Haute**, Indiana, renamed Charles H. Ray, George L. Berry, George W. Splaty, C. W. Cooper and E. R. Cramer, directors.

☐ **A testimonial dinner** was given in South Bend, Indiana, recently, in honor of Harry S. Driggs, assistant secretary-treasurer of the First Bank & Trust Company, South Bend, who has been appointed city comptroller by Mayor-elect Jesse I. Pavey.

☐ **In Greensburg**, Indiana, the Decatur County National Bank and the Union Trust Company, both announced a change in banking hours. They will open at 9:00 a. m. and close at 3:00 p. m.

☐ **D. W. Thompson** has been named assistant cashier of the Citizens State Bank, Ewing (Brownstown), and began his duties the first of the year. E. N. Kestner, who has been made chief clerk for State Treasurer-elect Joseph M. Robertson, will remain as cashier.

☐ **First Bank & Trust Company**, South Bend, Indiana, has been admitted to membership in the Federal Reserve System, according to announcement made by President F. W. Van Antwerp.

☐ **Dr. W. V. Stanfield**, 62, president of the Newtown Bank, Newtown, Indiana, died January 7. He had practiced medicine for nearly 34 years and was an active Fountain County Democrat.

☐ **Horace H. Day**, vice president and a director of the Farmers-Central Bank, West Lebanon, Indiana, died recently at the age of 70.

☐ **W. H. Robbins**, who had been a vice president of the old Greensburg National Bank and was a director of the Union Trust Company, Greensburg, Indiana, died recently at the age of 80.

☐ **C. B. Enlow**, president, National City Bank, Evansville, Indiana, announced recently that the bank will adopt a pension plan for its employes. The bank also paid a 5 per cent annual bonus to employes and declared a 3 per cent semi-annual dividend.

☐ **Farmers State Bank**, Leipsic, Indiana, will liquidate, according to announcement made by Dr. G. G. Colglazier, president. All depositors will be paid in full, it is said.

☐ **Rush County National Bank**, Rushville, Indiana, recently announced that M. A. Havens, has been elected cashier and Loren Wolk has been named assistant cashier. All other officers and directors were reelected. No changes were made by the Rushville National Bank and the Farmers Trust Company, both in Rushville.

☐ **All officers** and directors of the American National Bank, Vincennes, Indiana, were reelected at the annual meeting recently. Ira D. Schaffer is president.

☐ **The first cash dividend** since its organization five years ago was made by the First National Bank, Wabash, Indiana. The dividend was for 3 per cent.

☐ **Calumet National Bank**, Hammond, Indiana, paid a 6 per cent dividend recently. The bank has loans and discounts of \$1,339,367; undivided profits of \$33,846, and deposits of \$3,913,454.

☐ **Wade C. Harrison** has been named vice president of the Central National Bank & Trust Company, Attica, Indiana, and James A. Coffing and W. W. Haworth were named new directors at the annual meeting.

☐ **All officers and directors** of the Owen County State Bank, Spencer, Indiana, were reelected at the annual meeting.

☐ **A. L. Stage**, 66, cashier of the First National Bank, Knightstown, Indiana, for the past 22 years, died last month.

☐ **The charter** of the State Bank, Amboy, Indiana, will expire March 19

and will be renewed without changes, it is announced. All officers and directors of the bank were reelected at the annual meeting.

☐ **W. K. Fraizer** of Van Buren was elected a director of the Marion National Bank, Marion, Indiana, for the thirty-sixth consecutive year.

☐ **J. F. Mouglin**, who resigned his position at the Rock City Bank, Rock City, Illinois, has been named cashier of the Bremen State Bank, Bremen, Indiana, and assumed his new duties February 1.

☐ **Citizens State Bank**, Stilesville, Illinois, discontinued receiving deposits after January 20 and will enter voluntary liquidation this month. The bank is reported solvent and depositors will be paid in full. It is said that the bank had too much money on hand and could not operate profitably.

☐ **LaFontaine Bank**, LaFontaine, Indiana, paid a 6 per cent dividend recently.

☐ **Community State Bank**, Avilla, Indiana, recently paid a dividend of 6 per cent and reelected all officers and directors.

☐ **Minor E. Leffingwell**, vice president and director of the Central State

Bank, Connersville, Indiana, died recently at the age of 74. He was active in the work of the Presbyterian Church and had served three times as commissioner to the national assembly of that denomination.

☐ **Fred McCune** has assumed his duties as assistant secretary-treasurer of the Peoples Trust Company, Linton, Indiana. He was formerly a junior bank examiner of the Department of Financial Institutions of Indiana.

☐ **Delos J. Needham**, Washington general counsel of the American Bankers Association, was the featured speaker at a recent meeting of the Fort Wayne, Indiana, chapter of the American Institute of Banking. In the address, Mr. Needham gave a forecast of banking and other legislation which probably will come before the next congress, including a possible boosting of bank deposit insurance from \$5,000 to \$10,000. He explained that legislation to increase the deposit insurance failed last year, but that it would probably be revived at the January session. He predicted that the general tax program will be more conservative than in the past, and that a number of "nuisance" taxes probably will be eliminated. Seventy-five bankers attended the meeting.

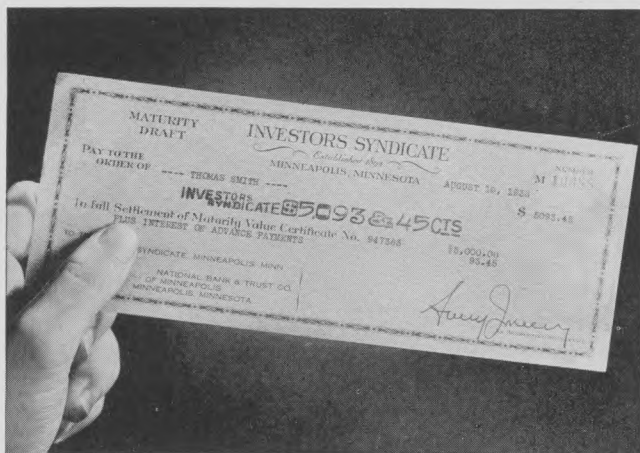
☐ **E. J. Schroeder**, vice president, Lamasco Bank, Evansville, Indiana, recently was elected president of the Evansville Clearing House Association.

☐ **Donald H. Harter**, vice president and secretary, Wabash Valley Trust Company, Peru, Indiana, recently resigned from his position at the bank to devote his time to his brokerage business in Peru. His duties at the bank were assumed January 1 by Joseph Kennedy who was elevated from treasurer to secretary-treasurer.

☐ **First National Bank & Trust Company**, La Porte, Indiana, recently declared a dividend of \$1 per share of common stock. The dividend is the first since 1936.

☐ **La Crosse State Bank**, La Crosse, Indiana, recently declared a dividend of 3 per cent on the \$25,000 capital stock outstanding. The dividend is an increase of 1 per cent over the 1937 dividend.

☐ **Floyd Chappell** recently was elected vice president of the Francisco State Bank, Francisco, Indiana. Mrs. Stella Gasaway was named assistant cashier and Otto Mans was chosen a new director. J. M. Husses is president and E. H. Wetzel is cashier.



This will introduce Tommy Smith

IT DIDN'T seem likely that you'd ever meet Tommy.

For years, he was no more likely to walk into a bank than into an Arab's tent—to say nothing of having a handsome check to use as a calling card.

He was puzzled, bewildered, and a bit dismayed by his inability to keep from spending all he made. His efforts to accumulate money were haphazard, periodic, unsystematic—and unsuccessful.

That's where we came in.

We got hold of Tommy and persuaded him to try the *Living Protection* plan—a plan requiring him to put aside part of his earnings regularly and persistently—a plan with a fixity of purpose—a plan that could not be abandoned without some financial loss as well as an evasion of responsibility.

He began to accumulate some money.

And finally there came the day when Tommy walked into a bank and plumped down a check for several thousand dollars—as evidence. Evidence of a new-found ability to enter into the financial life of his community, to buy a home or farm or business, to stand on his own two feet and face the world with faith and hope—but not a bit of need for charity.

For obvious reasons, Tommy Smith is an imaginary person. But he is typical of thousands of people whom we persuade each year to act as Tommy did. And in so doing, we sincerely believe that we render a reasonably important service to the Tommy Smiths, their bankers, and the communities in which they live.

We advocate for every man:

A WELL BALANCED PROGRAM

1. A bank account
2. Life Insurance
3. Living Protection

Home office, Minneapolis, Minn. Affiliates: Investors Syndicate Title and Guaranty Co., New York; Investors Syndicate, Ltd., Canada.

INVESTORS SYNDICATE
Established 1894

**Living Protection...everyman's road
to financial security**

NEWS of KENTUCKY BANKS and BANKERS

☐ **Charles M. Thompson**, cashier of the National Bank of Lancaster, Lancaster, Kentucky, reports that year-end resources of his institution exceed \$735,000. The bank has never failed to pay a dividend every six months since it was organized in 1865, and the total thus paid amounts to \$865,500. The bank has never paid interest on any deposit and during its entire history has had only three cashiers.

☐ **Total resources** of the Mt. Sterling National Bank, Mt. Sterling, Kentucky, now exceed \$1,377,000, and deposits (all demand) exceed \$1,105,000. The bank has capital of \$100,000 and surplus and profits of more than \$171,000. Claude P. Killpatrick is cashier.

☐ **C. A. Randolph**, vice president and cashier of the Citizens Bank, Shelbyville, Kentucky, reports year-end resources of more than \$903,000 and deposits of more than \$714,000 for his institution. Capital, surplus and profits total more than \$185,000.

☐ **Merle E. Robertson**, president of the Liberty National Bank and Trust Company, Louisville, who last month was named chairman of the board as well, reports that during 1938 the bank retired \$27,000 preferred stock "A," added \$40,000 to surplus, increased undivided profits by nearly \$10,000 and added more than \$10,000 to the retirement fund for preferred stock "A." Deposits of the bank increased approximately \$500,000 to more than \$24,611,000 during the year, and loans and discounts increased approximately \$750,000.

☐ **The new officers** and directors of the Planters Bank, Morton Gap, Kentucky, are Mayor John T. Davis, president; C. P. Edwards, vice president, and W. D. Jones, director.

☐ **Mrs. B. G. Waller, Jr.**, for 20 years affiliated with the Union Bank & Trust Company, Morganfield, Kentucky, recently resigned her position. Camilla Mason is serving in her position until directors appoint a successor.

☐ **Woodford Bank & Trust Company**, Versailles, Kentucky, recently declared a special dividend to stockholders of 9 per cent in addition to its usual 6 per cent dividend on the last six months' business and gave employees a month's salary bonus.

☐ **Directors** of the Harris-Seller Banking Company, Versailles, Ken-

tucky, recently voted a 6 per cent regular dividend, a 4 per cent extra dividend, and gave a 10 per cent salary bonus to employees.

☐ **Offices** of the First National Bank & Trust Company, Covington, Kentucky, recently were damaged by fire to the extent of \$1700.

☐ **Farmers National Bank**, Princeton, Kentucky, recently declared its second 3 per cent dividend of 1938.

☐ **R. G. Woods**, cashier, Peoples Bank, Paint Lick, Kentucky, died recently at the age of 52.

☐ **Peoples Bank**, Hustonville, Kentucky, declared a 3 per cent dividend recently.

☐ **Commercial Bank**, Liberty, Kentucky, recently declared a dividend of 5 per cent.

☐ **In Falmouth**, Kentucky, the First National Bank and the Falmouth Deposit Bank both declared regular dividends and reelected all officers and directors.

☐ **Prior to the merger** of the Fleming County Farmers Bank and the Deposit Bank of Pearce, Fant & Company, Flemingsburg, Kentucky, the Deposit Bank declared a special dividend of \$80 a share, which on 500 shares distributed \$40,000. Officials of the bank said the dividend was declared to decrease surplus. The capital stock of the new Farmers-Deposit Bank of Pearce, Fant & Company is \$100,000.

☐ **Henry Rice** recently accepted the position of cashier of the Citizens Security Bank, Hardinsburg, Kentucky, where he succeeds J. D. Lyddan, resigned. Mr. Rice was formerly associated with the Nashville Cotton Oil Mill Corporation at Nashville, Tennessee, and later with the Home Owners Loan Corporation and the Federal Housing Administration, both in Louisville, Kentucky.

☐ **Louisville banks** recently announced a change in Saturday banking hours, effective January 21. All Louisville Clearing House banks and branches will open at 9:00 a. m. on Saturday and close at 12 o'clock noon. Safe deposit vaults will also close at noon. Members of the Association included in the announcement are: Citizens Union National Bank, Fidelity & Columbia Trust Company, First Na-

tional Bank, Kentucky Title Trust Company, Liberty National Bank & Trust Company, Lincoln Bank & Trust Company, Louisville Trust Company, Security Bank, Stock Yards Bank and United States Trust Company.

☐ **At Owensboro**, Kentucky, the First-Owensboro Bank & Trust Company, recently filed amended articles of incorporation increasing capital stock from \$300,000 to \$350,000.

☐ **Dr. Silam Witherby**, formerly president of the Bank of Middletown, Kentucky, died last month at the age of 93. He had practiced medicine in Jefferson County for more than half a century.

☐ **Everett E. Caldwell**, assistant cashier, Kentucky-Farmers Bank, Catlettsburg, Kentucky, recently was elected president of the Catlettsburg Board of Education.

☐ **Lincoln County National Bank**, Stanford, Kentucky, recently authorized a 2 per cent dividend. Officials of the bank reported that the dividend was not larger because of the extensive building program which the bank has been completing during the past six months.

☐ **Central Trust Company**, Owensboro, Kentucky, recently announced a payment of approximately \$110,000 to holders of special certificates of indebtedness No. 7, which were issued when the bank was reorganized. The payments brought the total distributed among depositors in the old bank to approximately \$760,000 since October, 1933, when the present bank was opened. In addition to this amount, \$210,000 has been paid to trust estates. After certificate No. 7 was paid only three more certificates of indebtedness remain unpaid.

☐ **Deposits** in Owensboro, Kentucky, banks at the close of 1938 showed a total of \$9,695,788, a gain of \$1,557,118 over the corresponding period a year ago.

☐ **First National Bank**, Adairville, Kentucky, recently declared its forty-fourth dividend. It was the second 3 per cent dividend of the year.

☐ **First-Hardin National Bank**, Elizabethtown, Kentucky, recently declared a \$4 dividend. Deposits of the

bank as of December 31 were \$2,655,369 and total resources were \$2,677,442.

☐ **First National Bank**, East Bernstadt, Kentucky, added \$1,000 to surplus and recently declared a six per cent semi-annual dividend.

☐ **Stanford State Bank**, Stanford, Kentucky, recently paid a semi-annual dividend of 3 per cent and a bonus to employes of two weeks' salary. The dividend makes 5 per cent in dividends paid since April 1, 1938. Deposits are \$300,561, loans and discounts \$170,354, and undivided profits \$6,012.

☐ **J. B. Mason**, vice president, recently was elected president of the National Bank of London, Kentucky, to fill the vacancy caused by the death of D. C. Edwards. Dr. J. W. Cook was elected to the vice presidency and D. C. Edwards, Jr., will take his father's place on the board. The bank recently declared a semi-annual dividend of 5 per cent and carried approximately \$8,000 over as undivided profits. The bank has completed the installation of a new safety deposit vault and will establish a Savings Department.

☐ **Russell Fryman**, cashier, Bank of Dayton, Kentucky, resigned recently.

Crime Career Ended

(Continued from page 13)

in a bus that was ready to start for Wichita, Kansas. He ran. Police gave chase and he is now languishing in the hands of police authorities. All the money he swindled from Tulsa banks has been recovered. A local hotel has also recovered \$7.00 due them.

Last week he "worked" Oklahoma City for \$510.00. At all but one bank he was able to get money more than once. He says he became intoxicated a few days later and lost it in a dice game. He also says he has taken \$40,000.00 from banks in the same manner during his career as ace swindler.

He is registered with city police as Jess S. Comer. Some of his aliases, according to police, are Dr. C. E. Martin, Dr. R. A. Taylor and Dr. Irving Taylor, the names he used in Tulsa. He is wanted on similar charges in Des Moines, Seattle and numerous west coast points south of Seattle. He spent a week laying ground-work in Tulsa. He still contends that banks are "suckers." "They're easy marks," he says.

And the Tulsa banks would have been easy marks had it not been for a teller named Lawrence, of the First

on a bus that was ready to start for who was exercising "ordinary precaution."

Another much wanted man, a nationally known swindler, as reported in the American Bankers Association Protective Bulletin, has been taken out of circulation—because a teller at the First National in Tulsa was "on his toes."

Bankers Blanket Bonds

(Continued from page 9)

their Blanket bonds, the rates, as of October 1, 1938, were substantially reduced resulting in savings of thousands of dollars to insureds. This was made possible by the more favorable loss experience. Premium reduction on Blanket bonds for small banks ranged anywhere from 5 per cent to 40 per cent; on coverage for larger banks, the Form 2 reduction amounted to approximately 8.6 per cent of the former premium charged, and on Form 8 the reduction was approximately 9.6 per cent of the premium. In the case of Form 16 for Building and Savings and Loan Associations there was a reduction as of November 14, 1938, amounting to approximately 20 per cent of the premium.

ILL. KY. TENNESSEE MISS. ALA. GA. C.

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

"The Oldest National Bank in the South"

First National Bank

OF LOUISVILLE

Charter No. 109

If you have no Louisville banking connection now, or if expansion of your business requires you to consider making a change as you go into 1939, this 75-year-old bank invites your inquiries.

A Profitable New Year!

Member Federal Deposit Insurance Corporation

NEWS of MISSISSIPPI BANKS and BANKERS

☐ A fifteen per cent dividend recently was declared by the Grenada Trust & Banking Company, Grenada, Mississippi. Stockholders of the bank reelected H. J. Ray, president; Raphael Semmes, vice president, and W. K. Huffington, cashier. Directors of the bank elected were H. J. Ray, Cowles Horton, J. K. Avent, Raphael Semmes, F. T. Gerard, J. J. Hardy, J. P. Pressgrove, George Garner and W. F. Martin.

☐ Earnings of approximately 15 per cent were transferred to surplus recently by the Bank of Batesville, Batesville, Mississippi. A 4 per cent dividend also was declared on common stock. Reelected officers and directors are: T. Z. Pollard, president; R. V. Johnson, vice president; H. E. Herron, cashier; Wesley Whitten, assistant cashier; Mrs. Eunice W. Shinn, cashier branch bank of Pope, and directors, P. V. Graves, R. V. Johnson, H. E. Herron, J. W. Land, E. W. Leigh, T. Z. Pollard and J. R. Still.

☐ Bank of Oakland, Oakland, Mississippi, stockholders recently elected the following officers and directors: G. E. Calloway, president; G. C. Pritchard, vice president, and J. M. Clark, cashier. Directors include G. E. Calloway, G. C. Pritchard, W. M. Pritchard, R. L. Matthews and P. S. Bailey.

☐ First National Bank, Hattiesburg, Mississippi, recently paid a five per cent common stock dividend. All officers and directors of the bank were reelected. They are: F. W. Foote, president; G. J. Hauenstein, vice president and cashier; W. P. Jones, vice president and cashier; John L. Mixon, Charles L. Chiles and Miss Emilie W. Clemens, assistant cashiers. Directors are W. W. Crawford, L. E. Faulkner, F. W. Foote, G. J. Hauenstein, G. L. Hawkins, W. P. Jones, L. L. Major, F. D. Montague, E. C. Polk, T. E. Ross, V. M. Scanlan and S. E. Travis.

☐ Citizens Bank, Hattiesburg, Mississippi, paid a 6 per cent common stock dividend recently and reelected the following officers: W. O. Tatum, president; G. M. McWilliams, active vice president; A. B. Cook, cashier; J. W. Mangum, assistant cashier. Directors are D. P. Cameron, E. B. Conn, A. B. Cook, R. W. Heidelberg, G. M. McWilliams, Joseph Sarphie, Sr., F. M. Tatum, and W. O. Tatum.

☐ Citizens State Bank, Moorehead, Mississippi, voted a 6 per cent dividend at a recent directors meeting and a substantial amount was transferred to the surplus account in undivided profits. Officers elected were C. M. Davis, president; Dr. U. S. Wasson, vice president, and W. A. Topp, cashier. Elected to the directorship were C. M. Davis, S. L. Hervey, U. S. Wasson, J. D. Jones and W. A. Topp.

☐ In Collins, Mississippi, the State Bank & Trust Company increased salaries to all employes recently, declared a 6 per cent dividend and transferred \$2,000 to surplus. C. A. Leggett was elected president by the stockholders, D. A. McIntosh, vice president, and Ellis W. McInnis, cashier. Directors elected were C. A. Leggett, D. A. McIntosh, E. W. McInnis, R. L. Calhoun, J. D. Terrell, W. O. Thomas, and C. S. Gieger.

☐ Stockholders of the Jackson-State National Bank, Jackson, Mississippi, adopted a resolution at their annual meeting last month, extending congratulations to the entire staff of offi-

cers and employes for the excellent condition of the bank and the fine progress which it made during the past year. The bank observed its forty-ninth anniversary on December 19, 1938, at which time many congratulatory messages were received from friends and customers throughout the entire state, commenting on the bank's long record of useful service without interruption. All officers and directors of the bank have been reelected for 1939.

☐ H. M. Love has retired as president of the Bank of Yazoo City, Yazoo City, Mississippi, after fifty years of service with that institution. P. C. Williams, formerly vice president and cashier, has been named president of the bank, and C. C. Swayze has been elected a vice president. Mr. Swayze is a planter and president of the Board of Supervisors of Yazoo County.

☐ First National Bank, Oxford, Mississippi, last month declared a 10 per cent dividend and gave all employes a one month's salary as a bonus.

☐ Bank of Sardis, Sardis, Mississippi, reports total resources of more than \$505,000 as compared with \$450,000 a year ago.

☐ First State Bank, Holly Springs, Mississippi, recently paid a 6 per cent dividend on its common stock, transferred \$3,500 to surplus and added \$2,000 to its preferred stock retirement fund.

☐ Panola County Bank, Sardis, Mississippi, now has total resources of more than \$412,000 as compared with \$373,000 a year ago.

☐ Bank of Crenshaw, Crenshaw, Mississippi, reports present resources of \$355,000 as compared with \$326,000 a year ago.

☐ Bank of Holly Springs, Holly Springs, Mississippi, reelected all officers last month and declared its usual 12 per cent dividend.

☐ First-Columbus National Bank, Columbus, Mississippi, last month declared a cash dividend of 6 per cent and a stock dividend of 20 per cent.

☐ W. O. Barrett, president, reports a satisfactory year for the First National Bank, Lexington, Mississippi. A dividend of 8 per cent was declared and the bank's surplus was increased to \$37,000.

Will Call on You Soon



ED MARTIN

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

☐ **Thomas W. Yates**, vice president, Capital National Bank, Jackson, Mississippi, and a member of the executive committee of the American Bankers Association, died January 15 at the age of 61 after a month's illness. He began his business career in 1899 with the American National Bank in Kansas City, later organized a bank in Byars, Oklahoma, and later moved to Laurel, Mississippi, where he was associated with the Commercial National Bank & Trust Company and conducted an insurance business there. He became vice president of the Merchants Bank & Trust Company, Jackson, in 1932.

☐ **Bank of Benoit**, Benoit, Mississippi, declared a 25 per cent dividend last month. It was the bank's fifth successive 25 per cent annual dividend.

☐ **Bank of Macon**, Macon, Mississippi, announces the payment of a 20 per cent dividend from 1938 earnings.

J. E. Boggess, cashier of the bank for the past thirty-three years has retired because of ill health, and W. C. Downer, teller for the past sixteen years, has been named cashier. O'Dell Sanders has been elected an assistant cashier, and L. L. Martin, a director for several years, has been named active vice president.

☐ **T. H. Norvell** was reelected president of the Bank of Olive Branch, Mississippi, at the annual meeting and other officers elected were: Dr. H. A. Stuart, vice president; G. B. Payne, cashier, and K. M. Haraway, assistant cashier.

☐ **A profit of \$2,500** earned by the Bank of Bruce, Mississippi, was passed to surplus. All officers and directors were reelected.

☐ **Bank of Anguilla**, Mississippi, declared a dividend of 6 per cent, gave a 5 per cent annual bonus to employes, and elected W. T. McKinney, presi-

dent; Miss Rubye K. Fields, vice president; Homer G. Greer, cashier at Rolling Fork; and S. A. Summers, cashier at Anguilla, at its annual meeting.

☐ **M. D. Brett**, vice president, Commercial Bank & Trust Company, Jackson, Mississippi, recently suffered severe injuries in an automobile accident. He is reported to be recovering.

☐ **Commercial National Bank**, Greenville, Mississippi, recently directed the transfer of \$10,000 from undivided profits to the surplus account and declared an 8 per cent dividend of approximately \$10,000 to stockholders.

☐ **State Bank of Como**, Como, Mississippi, earned 35 per cent on its capital last year and added 25 per cent to surplus and paid 10 per cent to stockholders. All officers and directors of the bank were reelected. Present resources are \$575,000 as compared with \$557,000 a year ago.

NEWS of LOUISIANA BANKS and BANKERS

☐ **I. F. Betts**, who has been identified with the Federal Reserve Bank of Dallas for the past seventeen years, has been elected a vice president of the Continental-American Bank & Trust Co., Shreveport, Louisiana. He assumed his new duties the first of this month. Mr. Betts is a graduate of Southern Methodist University where he was an outstanding athlete and a halfback on the football team for two years. He is a Mason, a Shriner and a member of Kappa Alpha fraternity. Commenting on his election as a vice president, Val H. Murrell, president of the bank, stated that the increase in the bank's official personnel was made necessary by the growth of the bank's resources, which since 1931 have increased from \$5,000,000 to more than \$11,000,000 at the present time. J. Homer Jordan retired as a vice president of the bank on January 1, but will remain as a director.

☐ **At New Orleans**, Louisiana, the Louisiana Savings Bank & Trust Company has been admitted to membership in the Federal Reserve System. The membership was effective December 23. The bank also recently became a member of the New Orleans Clearing House Association, it was announced by Rudolf S. Hecht, president of the Association and chairman of the

board of the Hibernia National Bank, New Orleans. Eugene McCarroll, vice president and cashier of the Louisiana Savings Bank & Trust Company, has been elected a member of the board of directors.

☐ **Henry S. Palfrey**, who has been an official of the Commercial National Bank & Trust Company, Franklin, Louisiana, and its predecessor, for more than 45 years, recently resigned his position as president of the bank. The board elected Edward H. Peterman, a director, to succeed him as president. Mr. Palfrey will become chairman of the board.

☐ **At Whitney National Bank**, New Orleans, Louisiana, J. P. St. Martin, assistant cashier, and Paul L. McCay, manager of the Spanish-American department, were elected vice presidents at the annual meeting; A. Mangipane, assistant manager, was promoted to manager of the Carrollton branch; John H. Guthans, assistant manager, was named manager of the building.

☐ **Open house** was held in December by the Bank of St. Joseph & Trust Company, St. Joseph, Louisiana, to dedicate the new bank building.

☐ **Wade H. Jones**, president, Bank of LeCompte, Louisiana, recently was

reelected president of the Rapides Parish School Board.

☐ **Andrew Querbes**, who has served as president of the First National Bank, Shreveport, Louisiana, since 1909, recently was named chairman of the board, and Walter Jacobs, vice president and cashier, was elected to succeed Mr. Querbes as president. H. K. Phelps, Jr., assistant trust officer, was elected cashier.

☐ **At a meeting** of the board of directors of the National Bank of Commerce, New Orleans, held last month, Edward A. Amar was elected assistant cashier, and Francis C. Doyle assistant trust officer. Both have been with the bank or its predecessor institutions for many years.

Mr. Amar, a native of New Orleans, was educated in the public schools and began as a runner in the Commercial-Germania Trust and Savings Bank in 1910. For 20 years, he was manager of the Maison Blanche branch. Since 1934, he has been assigned to the head office, and for several years has been in charge of the bank's personal loan department.

Mr. Doyle entered the trust department of the Canal-Commercial Bank and Trust Company in 1923, and has been steadily engaged in trust work during his bank career.

NEWS of TENNESSEE BANKS and BANKERS

W. J. Bryan and G. A. Puryear were promoted from assistant cashiers to assistant vice presidents of the Third National Bank, Nashville, Tennessee, last month, and John Reid Woodward and W. E. Jones were elected assistant cashiers. Mr. Woodward has been working in the correspondent bank division since he joined the Third National in June, 1937. Prior

to that time he was with the examining division of the Comptroller's office, working out of Atlanta. Mr. Jones has been employed in the discount department of Third National for several years.

Deposits of the bank increased \$1,946,000 during 1938 to a year-end total of more than \$27,633,000. Undivided profits increased more than \$155,000 to

a total of more than \$358,000. During the year the bank also absorbed more than \$100,000 in non-recurring expenses which were brought about by the construction of its new bank building.

L. P. McDaniel recently was elected president of the Farmers Bank, Cornersville, Tennessee, to succeed J. B. Edwards.

Dr. P. E. Miller was elected a director of the Bank of Friendship, Tennessee, at the annual meeting. The bank declared an 8 per cent dividend.

John M. Crigger recently was elected president of the Munford Union Bank, Munford, Tennessee. J. W. Corbitt was elected vice president, and C. L. Hatcock and A. S. Witherington were elected directors. Mr. Crigger was formerly vice president.

An increase to 10 per cent in the dividend rate for the first six months of 1939 was announced last month by the Union Planters National Bank & Trust Company, Memphis, Tennessee. The former dividend rate was 8 per cent. The bank also announced the election of Clyde T. Denton and Edward F. Longinotti as vice presidents, and the election of A. Leon Huddleston as assistant cashier. Mr. Denton was secretary of the old Guaranty Bank & Trust Co. when it merged with the Union Planters in 1924. He has been connected with the Union Planters Title Guaranty Co. and the Bluff City Abstract Co. as secretary. Mr. Longinotti has been connected with the North Memphis branch of Union Planters as assistant vice president. Mr. Huddleston has been with the bank's Manhattan branch for sixteen years. He is president of the Memphis Chapter of the American Institute of Banking.

John M. Baker, formerly assistant cashier, was elected cashier of the Bank of Morristown, Tennessee, at the bank's annual meeting in January. Mr. Baker is a native of Morristown and began with the bank when it was organized in 1936, having had previous experience in the old City National Bank of Morristown. David C. Wakefield was reelected president and H. E. Williams was reelected vice president. Mr. Wakefield also began with the bank when it was organized, hav-

CENTRAL HANOVER BANK AND TRUST COMPANY NEW YORK



Statement of Condition at Close of Business December 31, 1938

ASSETS

Cash and Due from Banks	\$639,591,438.89	
U. S. Government Securities	153,446,068.68	
State and Municipal Securities	22,784,701.21	
Real Estate Mortgages	7,376,602.74	
Other Securities	22,474,908.36	
Stock in Federal Reserve Bank	2,430,000.00	
Loans and Bills Purchased	171,263,069.92	
Banking Houses	15,891,010.00	
Other Real Estate	2,210,142.27	
Interest Accrued	733,811.69	
Customers' Liability Account of Acceptances	4,501,262.95	
Total	\$1,042,703,016.71	

LIABILITIES

Capital	\$21,000,000.00	
Surplus	60,000,000.00	
Undivided Profits	11,537,028.94	\$92,537,028.94
Reserve for Taxes, Interest Accrued, etc.	5,037,329.10	
Dividend Payable January 3, 1939	1,050,000.00	
Acceptances	4,818,285.16	
Deposits	939,260,373.51	
Total	\$1,042,703,016.71	

There are pledged to secure public monies and to qualify for fiduciary powers
U. S. Government Securities \$4,614,867.35

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ing had previous experience at the Greene County Bank of Greenville, Tennessee. All members of the board of directors were reelected.

☐ **An encouraging report** of the past year's business was read and discussed by Edward Potter, Jr., president of the Commerce Union Bank, Nashville, Tennessee, at the annual meeting last month. All officers and directors of the bank were reelected. Commerce Union now has total resources of more than \$24,475,000 and deposits of more than \$22,215,000. Capital is \$1,000,000 and surplus and profits total more than \$1,057,000.

☐ **Earl Williamson**, who has been an employe of the First National Bank of Jackson, Tennessee, for many years, was named assistant cashier at the annual meeting last month. F. M. Vanden, assistant cashier, was elected to the board of directors.

☐ **Third National Bank**, Union City, Tennessee, has announced the election of Miss Mattie Mae Benthall as assistant cashier of the bank, following the regular annual meeting. Miss Benthall first became associated with the bank in 1936 and was advanced to general bookkeeper the following year.

☐ **Walter C. Hibbett**, president, First National Bank, Smyrna, Tennessee, died January 11 at the age of 70. He had been president of the bank since 1922. Mr. Hibbett was at one time the Mayor of Smyrna and a director of the Federal Loan & Savings Corporation in Smyrna.

☐ **H. C. Black**, president and chairman of the board of the Peoples Bank, Johnson City, Tennessee, recently announced the purchase of a building which will be razed to make way for a new home for the bank. The site of the new fire-proof and modern building is at the corner of Roan and Main Streets. The building is expected to be ready for occupancy about June 1. An increased patronage is said to be the reason for the need of larger quarters.

☐ **Oliver Benton**, president of the National Bank of Commerce, Jackson, Tennessee, recently was appointed a member of the board of directors of the Memphis branch of the Federal Reserve Bank of St. Louis. His three year term began January 1. He fills the vacancy caused by the retirement of Willis Pope, of Columbus, Mississippi, who has served the two three-year terms permitted by law.

☐ **Miss Alta Knight**, formerly assistant cashier, Bank of Milton, Tennessee, recently was named cashier of the

bank to fill the vacancy caused by the death of R. A. Williamson.

☐ **Service charges** of \$1 per year are now being charged by both the First National Bank and the Peoples Bank & Trust Company, Manchester, Tennessee. Also a charge of 25c is being made on all checks returned because of insufficient funds.

☐ **H. A. Perry**, cashier, Bank of Alamo, Tennessee, recently was elected treasurer of the newly organized Rotary Club in Alamo.

☐ **J. H. Tidman**, trust officer of the

Commerce Union Bank, Nashville, Tennessee, recently addressed the Nashville Association of Life Underwriters. The subject of his talk was the "Functions of Trust Companies."

☐ **First National Bank**, Manchester, Tennessee, recently announced plans for a new building to be built soon. It is reported that it will be ready for occupancy the early part of the year.

☐ **At Livingston**, Tennessee, members of the Upper Cumberland Bankers Association met recently as the guests of the Union Bank & Trust Company, Livingston.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY

OF CHICAGO

Statement of Condition, December 31, 1938

RESOURCES

Cash and Due from Banks	\$ 580,203,742.46
United States Government Obligations, Direct and Fully Guaranteed	552,089,385.26
Other Bonds and Securities	64,423,562.92
Loans and Discounts	166,296,425.55
Stock in Federal Reserve Bank	2,850,000.00
Customers' Liability on Acceptances	918,146.72
Income Accrued but Not Collected	3,288,920.90
Banking House	12,900,000.00
Real Estate Owned other than Banking House	3,386,945.21
	\$1,386,357,129.02

LIABILITIES

Deposits	\$1,257,555,445.37
Acceptances	924,418.98
Reserve for Taxes, Interest and Expenses	4,668,748.44
Reserve for Dividend on Preferred Stock	312,500.00
Reserve for Contingencies	13,929,997.85
Income Collected but Not Earned	254,481.33
Preferred Stock	25,000,000.00
Common Stock	50,000,000.00
Surplus	20,000,000.00
Undivided Profits	13,711,537.05
	\$1,386,357,129.02

United States Government obligations and other securities carried at \$212,946,453.77 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

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NEWS of ARKANSAS BANKS and BANKERS

☐ **First National Bank**, Marianna, Arkansas, at its recent board of directors meeting, elected Col. Elgan C. Robertson president and executive in charge of the institution. Vice presidents of the bank are J. L. Issacs and R. S. McClintock. Leon Castling is secretary. Other members of the board of directors are W. T. Gerrard, J. H. Payne, C. C. Mitchener, C. E. Dozier,

P. B. Benham, J. A. Kinard, Sr., and Dr. W. S. Crawford. The bank recently paid a 10 per cent dividend and increased surplus to \$30,000.

☐ **At DeWitt**, Arkansas, the DeWitt Bank & Trust Company recently added \$10,000 to its permanent surplus, reduced outstanding on its real estate by \$3,000 and paid a dividend of 10 per cent. Capital, surplus and undivided

profits total more than \$100,000. W. F. Schallhorn is president; R. H. Maddox, vice president and cashier, and Julian Brown is assistant cashier.

☐ **Peoples National Bank**, Stuttgart, Arkansas, reports deposits of \$1,173,727. W. B. Pfeiffer is president; Paul R. McCoy, chairman of the board; Paul R. McCoy, vice president and cashier; and T. A. Pfeiffer, assistant cashier.

☐ **The oldest bank** in Arkansas County, the First National Bank, DeWitt, Arkansas, paid a dividend recently of 10 per cent for the fifth consecutive year. Deposits are at \$795,364.

☐ **All officers** and directors of the National Bank of Eastern Arkansas, Forrest City, Arkansas, were unanimously reelected at the annual meeting of directors and shareholders. Total resources of the bank exceeded \$2,277,000 during the past year.

☐ **Bank of Trumann**, Trumann, Arkansas, officers and directors have been reelected for the coming year. J. A. Cash is president; George O. Campbell is vice president; M. T. Byrn, second vice president; Earl Yarbrough, cashier, and Edith Watkins, assistant cashier.

☐ **At Dumas**, Arkansas, stockholders of the Merchants & Farmers Bank reelected all officers and directors. B. V. Causey is president; O. L. Puryear and Charles Dante, vice presidents; W. H. Rice, cashier, and E. C. Gannaway, assistant cashier.

☐ **Surplus and profits** of the Mercantile Bank, Jonesboro, Arkansas, increased more than \$10,000 during 1938 to a total of more than \$65,000. The bank paid a 7½ per cent dividend during the year.

☐ **Deposits** of the Citizens Bank, Jonesboro, Arkansas, increased more than \$118,000 during 1938 to a year-end total of more than \$1,038,000.

☐ **Stockholders** of the First National Bank of Lawrence County, Walnut Ridge, Arkansas, declared a 10 per cent dividend last month and announced that the bank had retired its \$10,000 preferred stock during 1938.

☐ **D. F. Portis**, formerly vice president, has been elected president of the Little River Bank, Lepanto, Arkansas. W. F. Wilson and B. H. Murphy have been named vice presidents; A. T.



COMPLETE FACILITIES

for correspondent
service in Memphis

UNION PLANTERS NATIONAL BANK & TRUST CO.

MEMPHIS, TENNESSEE

★ Member Federal Deposit Insurance Corporation ★

Bell, cashier; Myrl S. Becker, assistant cashier. The bank transferred \$5,000 from undivided profits to surplus last month.

☐ **Benton Garrett**, formerly cashier of the Little River Bank, Lepanto, Arkansas, is now executive vice president of the Bank of Wilson, Wilson, Arkansas.

☐ **A. J. Lumpkin** has been named assistant cashier of the Citizens Bank, Marion, Arkansas, succeeding Lawson Garner, resigned.

☐ **E. J. White** has been elected president and cashier of the Bank of West Memphis, West Memphis, Arkansas. He was formerly vice president and cashier.

☐ **Bank of Russellville**, Russellville, Arkansas, has voted to retire \$9,375 preferred stock and issue a similar amount as a common stock dividend.

☐ **William C. Allsopp**, vice president of the Gazette Publishing Co. and advertising director of the Arkansas Gazette, has been elected a director of W. B. Worthen Co., Bankers, Little Rock.

☐ **Edward G. Lovett** has been named assistant trust officer of the Commercial National Bank, Little Rock.

☐ **D. O. Sims**, formerly vice president and cashier, has been elected president of the Arkansas National Bank, Hot Springs, Arkansas, succeeding John G. Higgins who has been named chairman of the board. Martin A. Eisele has been elected vice president, and Thomas W. Stone has been advanced from assistant cashier to cashier.

☐ **Charles A. Miller** has succeeded H. E. Benton as president of the First State Bank, Lonoke, Arkansas. Mr. Benton remains a director of the bank.

☐ **Grover S. Jernigan** has been re-named by Governor Carl E. Bailey as State Bank Commissioner of Arkansas for a four-year term to January 11, 1943.

Arkansas Group Meetings

Dates and meeting places for the 1939 Group meetings of the Arkansas Bankers Association have been announced as follows:

February 22, Group 3, Fayetteville
March 14, Group 2, Hot Springs
March 15, Group 4, Pine Bluff
March 16, Group 1, Helena

☐ **Ed Lee Johnson** was named assistant cashier of the Simmons National Bank, Pine Bluff, Arkansas, at the annual meeting.

☐ **L. C. Stephens**, formerly of Marked Tree, recently accepted the position of cashier of the First State Bank, Parkin, Arkansas. He fills the vacancy caused by the resignation of I. H. Thompson.

☐ **N. B. LeLoach** recently was elected vice president, cashier and a director of the Cleburne County Bank, Heber Springs, Arkansas. His cashier duties were assumed February 1.

☐ **J. E. Allen**, formerly with the Bank of Marianna and the Lee County National Bank, recently was elected cashier of the Planters National Bank, Hughes, Arkansas. He succeeds Brown Brady who has served in this capacity for some time.

☐ **W. B. Worthen Co., Bankers**, Little Rock, announce the adjustment of interest rates on savings accounts and certificates of deposits to show 2 per cent on amounts of less than \$1,000, 1 per cent on amounts from \$1,000 to \$5,000, and one-half of 1 per cent on amounts in excess of \$5,000.



A Part in—

“The Birth of a Nation”

In the captive city of Memphis, while Civil War drums still rolled, this bank was established in 1864—one of the first of many commercial ties that were to bind this broken Union into a Nation far stronger than ever before.

Specializing in inter-bank business, this seventy-five-year-old institution serves today as an active point of contact between the great Mid-South area and other important commercial regions of the United States.

The First National Bank



OF MEMPHIS

Memphis, Tennessee

Member Federal Deposit Insurance Corporation

NEWS of OKLAHOMA BANKERS

☐ **Peoples National Bank**, Kingfisher, Oklahoma, recently named Bill Rogers and Virgil Francis assistant cashiers of the bank.

☐ **National Bank of Commerce**, Altus, Oklahoma, last month elected C. M. Lightner and Levi Beach assistant cashiers.

☐ **Walter C. Martin** has been added to the board of the Union National Bank, Bartlesville, Oklahoma.

☐ **Miles Norman**, formerly assistant cashier, last month was named cashier of the Liberty National Bank, Weatherford, Oklahoma.

☐ **John R. Baker** recently was elected to the board of the Liberty National Bank, Oklahoma City, Oklahoma, to succeed Harland Taylor, resigned.

☐ **R. Otis McClintock**, president of the First National Bank & Trust Company, Tulsa, announces the transfer of

\$250,000 from undivided profits to surplus, bringing the bank's surplus to \$2,000,000, an amount which equals the bank's capital. Undivided profits and reserves are approximately \$256,000.

☐ **R. C. Brewer**, former cashier of the First National Bank, last month returned to the position of cashier following a 14 months' leave of absence. K. C. Henley, who has been cashier in Mr. Brewer's absence, was named assistant cashier.

☐ **N. J. Dikeman**, cashier, First State Bank, Anadarko, recently was named active vice president of the bank and E. F. Vaughan has been promoted from assistant cashier to cashier.

☐ **Dial Currin**, prominent Durant banker, recently purchased a substantial interest in the Federal National Bank, Shawnee, Oklahoma, and will become active vice president of the institution. He recently resigned from his position as vice president of the First National Bank, Durant.

☐ **Jake B. Cobb** recently was named active vice president of the Security State Bank, Hugo, Oklahoma.

☐ **K. Cavett** was named to the board of directors of the First National Bank & Trust Company, Oklahoma City, Oklahoma, to succeed the late W. T. Hale.

☐ **C. H. Seger, Jr.**, last month resigned his position as assistant cashier of the National Bank of Tulsa, Oklahoma, to become credit manager for the Bethlehem-International Supply Company.

☐ **Two new assistant cashiers** at the Oklahoma National Bank, Chickasha, Oklahoma, recently elected, are A. R. Collins and James F. Early.

☐ **G. L. Berry** recently was named president of the American National Bank, Sapulpa, Oklahoma, and L. B. Jackson, formerly president and chairman of the board will remain as chairman. Louis B. Jackson, Jr., was named on the board of directors. He has been extremely active in the handling of his father's enterprises. R. B. Thrift was promoted from cashier to vice president; H. Q. Gilliam was advanced from assistant vice president to vice president, and H. F. Dodd, who has been with the bank for 13 years, was named cashier. G. Ben Grigsby was promoted from assistant cashier to assistant vice president and H. L. Fer-

guson was advanced from head teller to assistant cashier.

☐ **Security Bank**, Blackwell, Oklahoma, recently announced that H. S. Gurley, attorney, was named a director in place of J. E. Curran, and John O'Shaughnessy of Wichita replaced his father, I. A. O'Shaughnessy on the board. L. C. Wright, vice president of the Security Bank and liquidating agent for the defunct Security State Bank, announced a final payment of 5½ per cent of common claims on the old bank.

☐ **Melvin K. Hutts** recently was named a director of the First National Bank, Miami, Oklahoma.

☐ **C. B. Williams**, cashier, recently was elected president of the Dill State Bank, Dill, Oklahoma, to succeed J. M. Armfield, resigned.

☐ **J. Arthur Smallwood** was elected cashier of the Wilburton State Bank,



WALTER EYESTONE

The election of Walter Eystone as assistant cashier was the only change made in the official family of the National Bank of Tulsa at its annual meeting. Mr. Eystone started with the bank as a messenger fourteen years ago. In his annual report, A. E. Bradshaw, president, reported earnings from operation, exclusive of recoveries, of \$567,072. During the year the bank retired \$375,000 preferred stock and added \$125,000 to surplus. Deposits at year-end were at an all-time high of \$62,436,652.



W. E. HIGHTOWER

W. E. Hightower, vice president of the First National Bank & Trust Company, Oklahoma City, recently completed work as chairman of the Committee on Policies and Projects of the Oklahoma City Chamber of Commerce. The committee was composed of 100 leading business and professional men who mapped out a program of major objectives for the city in 1939. The program was designated as the "Year of the New Run," since it is Oklahoma City's fiftieth anniversary of the colorful and romantic "Run for Homes" in 1889.

Wilburton, Oklahoma, to succeed W. F. Baird, who resigned because of ill health.

☐ **Kenneth G. Braley** recently was elected president of the Farmers Exchange Bank, Cherokee, Oklahoma, to succeed P. Stein, who has sold his interests in the bank. Paul H. Woods was elected a member of the board. He is an assistant vice president of the First National Bank, Wichita, Kansas.

☐ **M. W. Fitzgerald**, formerly cashier, Durant National Bank, Durant, Oklahoma, recently was named second vice president of the bank and A. E. Vickers, assistant cashier, was named cashier.

☐ **Linwood O. Neal**, cashier, Security State Bank, Hugo, Oklahoma, recently was named by Governor L. C. Phillips to succeed Dr. D. P. Richardson, Union City, as state bank commissioner.

☐ **Bank of Woodward**, Oklahoma, recently announced the election of Albert M. Duggin, assistant cashier, to the position of cashier to succeed Herman J. Salz. Mr. Duggin had been assistant cashier for 12 years. Miss Hazel Meunier was named assistant cashier.

☐ **First National Bank**, Hominy, Oklahoma, recently has increased its capital stock from \$35,000 to \$50,000.

☐ **Walter H. Griffith**, assistant bank commissioner of Oklahoma, was found dead in his automobile on a road 11 miles east of Oklahoma City on the evening of December 27. Sheriff's officers who investigated said death was due to suicide. A rubber hose had been run into the car from the exhaust pipe and the windows were closed tightly.

☐ **Frank C. Norris** of Ada, Oklahoma, has purchased the P. J. Cushman interests in the Bank of Commerce, Wetumka, Oklahoma.

☐ **The controlling interest** of the First National Bank, Nowata, Oklahoma, has been purchased from H. L. Campbell, president, by Roy E. Cobbs and J. Wood Glass. Mr. Cobbs will be president of the bank, Mr. Glass will be vice president and chairman of the board; Ross Bayless, executive vice president; S. E. Johnson, cashier, and, W. I. Keller, assistant cashier.

☐ **Marvin Acree** recently was named executive vice president of the First National Bank, Blanchard, Oklahoma.

☐ **An after-hour** depository will be one of the features of the extensive \$7,500 modernization program of the American National Bank, Sapulpa, Oklahoma.

RESTRICTED lists, exceptions, limitations under which items will be accepted,—whether cash or collection,—these arrangements may have their proper place in inter-bank relations.

It is a matter of pride with us that long experience and unexcelled facilities enable us to serve our correspondents in full accordance with their needs, and with no other restriction than sound banking practice requires.

... THE ...

PHILADELPHIA NATIONAL BANK

Organized 1803

PHILADELPHIA, PA.

Capital, Surplus and Undivided Profits

\$40,000,000

Member of Federal Deposit Insurance Corporation

NEWS of KANSAS BANKS and BANKERS

☐ **Officers** of the Farmers State Bank, Offerle, Kansas, report that bankers of the wheat belt are beginning to feel the need for more diversified planning, especially since the outlook for wheat prices during the coming year is not bright. Additional feed crop land is needed. They believe the State and Federal assistance being given to water conservation should be an added incentive to this diversification.

☐ **R. E. Anderson** was advanced from teller to assistant cashier by the Planters State Bank, Salina, Kansas. All other officers and directors were reelected at the annual meeting.

☐ **Frank Lamb**, a director of the Union State Bank, Cleburne, Kansas, died recently. His wife died several months ago.

☐ **Jay F. Close**, president, Citizens State Bank, Topeka, recently announced his resignation because of ill health and said that he would spend the next several months on vacation in an effort to regain his health. Bank officials said that a successor would not be chosen immediately. W. H. Thomas, a director, also resigned his position upon advice from his physician.

☐ **Lonnie E. Gandy**, son of President E. H. Gandy, First State Bank, Kansas City, Kansas, recently has been named vice president of the bank to fill the vacancy caused by the resignation of C. C. Jones, vice president.

☐ **R. C. Clevenger, Jr.**, vice president of the National Bank of Topeka, Kansas, recently was elected president of the Topeka Clearing House Association. Other officers elected include S. V. Firestone, president, Guaranty State Bank, vice president, and F. F. Clinger, vice president, Central National Bank, secretary and treasurer.

☐ **Citizens State Bank**, Hugoton, Kansas, has been redecorated on the interior.

☐ **J. R. Taylor** recently was elected a director of the Fidelity State Bank, Dodge City, Kansas, to fill the vacancy caused by the death of the late C. T. Benbow.

☐ **H. D. Randall** recently was named assistant cashier of the State Exchange Bank, Yates Center, Kansas, to fill the vacancy caused by the resignation of J. K. Markham.

☐ **Arthur J. Scott**, cashier, Exchange Bank of Schmidt & Koester, Marysville, Kansas, died recently. He had been cashier of the bank since 1925. William C. Schwartz, assistant cashier, has been elected his successor and also a director of the bank.

☐ **City National Bank**, Atchison, Kansas, has named A. D. Blythe, vice president, chairman of the board of directors. At the annual meeting, Robert G. Volk, formerly assistant cashier was named cashier; William Bodendorfer, formerly discount teller, was elected assistant cashier, and George W. Owen, formerly cashier, was appointed active vice president.

☐ **The board** of the Citizens State Bank, Liberal, Kansas, officially reduced the number of directors from nine to seven at its recent meeting. The death of Dr. George S. Smith recently removed one member from the board and J. N. Kneeland has asked to be relieved of his duties on the board.

☐ **Hesston State Bank**, Hesston, Kansas, at its annual meeting elected Miss Esther Mae Smith, teller, assistant cashier of the bank.

☐ **Glea Gillum** recently was elected a member of the board of directors of the Gypsum Valley National Bank, Gypsum, Kansas, to succeed T. R. Tinkler. Charles E. Gillum is president of the bank.

☐ **T. Ross Yowell** recently has been added to the staff of officers of the Central State Bank, Hutchison, Kansas, in the capacity of assistant cashier.

☐ **A bandit** recently held up the State Bank, Ames, Kansas, and escaped with \$200. He was captured less than two hours later.

☐ **Farmers State Bank**, Dwight, Kansas, recently promoted Robert Oleen from bookkeeper to assistant cashier.

☐ **At the annual meeting** of the First National Bank, Waverly, Kansas, E. A. Farrow, cashier, was elected president. The position has been vacant since the death of F. F. Fockele last summer. C. T. Wallace was reelected vice president; Kenneth M. Parmely, formerly assistant cashier, was named cashier, and R. E. Farrow was elected assistant cashier.

☐ **Henry Lacerte** recently was named cashier of the First National Bank, Collyer, Kansas, following the resignation of R. J. Tague who has served as cashier for 20 years.

☐ **Grace Hart** recently was named assistant cashier of the First National Bank of Tribune, Kansas.

☐ **Max L. Lee** was elected assistant cashier of the Bank of Louisburg, Kansas, at the annual meeting.

☐ **Ed Fitzgerald** recently resigned as president of the Jamestown State Bank, Jamestown, Kansas, and L. A. Herbin, vice president, was elected to succeed him.

☐ **James Swords** recently was elected a director of the First National Bank, Wamego, Kansas, to succeed the late Lucile J. Batchelor.

☐ **The board of the National Bank** of Seneca, Kansas, has confirmed E. A. Grollmes as cashier of the bank, a position he has been filling since the death of Frank L. Geary last summer. Gene Hart was named as his assistant.

☐ **Clyde E. Durham**, manager of the Stafford County Flour Mills Company of Hudson, is the new president of the St. John National Bank, St. John, Kansas. Judge Robert Garvin succeeds Mr. Durham as vice president of the institution. The presidency has been vacant for some time.

☐ **H. E. Julien** was elected president of the Patrons Cooperative Bank, Olathe, Kansas, last month, to succeed H. M. Beckett.

☐ **Two new assistant cashiers** recently were named at the Security National Bank, Kansas City, Kansas. They are: M. L. Breidenthal, Jr., son of President Maurice L. Breidenthal, and Mrs. Lorraine McKenna, secretary to President Breidenthal.

☐ **C. A. Richards** recently was added to the directorate of the Farmers National Bank, Salina, Kansas.

☐ **Glen Jenkins** recently resigned as assistant cashier of the State Bank of Kelly, Kansas, to manage the 240-acre farm of his father, the late Oakley Jenkins.

☐ **W. B. DeVilbiss**, vice president of the Peoples National Bank, Ottawa, Kansas, recently was named president of the bank, filling the vacancy caused

by the death of F. F. Fockele last summer. F. M. Harris, also vice president, was named chairman of the board. J. G. Spears advanced from cashier to vice president; Perry Burrows was promoted from assistant cashier to cashier, and Wayne Dickerson became assistant cashier.

☐ **E. L. Copeland** recently resigned as a director of the State Savings Bank, Topeka, Kansas. A successor has not been elected. Mr. Copeland wished to be relieved of active business affairs.

☐ **John W. Nyce, Sr.**, assistant cashier of the Stock Exchange Bank, Caldwell, Kansas, died recently at the age of 83.

☐ **Clinton H. Estabrook**, vice president, First National Bank, Ottawa, Kansas, died recently at the age of 83.

☐ **Carl Anzchutz**, president, Home State Bank, Russell, Kansas, died recently after a prolonged illness. He had been a resident of Russell for 60 years. Horace A. Fink, vice president, has been elected to succeed him. C. W. Shaffer, cashier, will advance to vice president and Wilmer R. Shaffer succeeds his father as cashier. Otto C. Anschutz of Salina was elected to the board of directors to fill the vacancy created by the death of his father.

☐ **Baxter State Bank**, Baxter Springs, Kansas, recently announced that W. T. Hartley, president, will become chairman of the board and that John I. Cooper, for many years vice president, will succeed him as president of the bank.

☐ **John W. McClure** recently was elected president of the Citizens State Bank, Eldorado, Kansas, to fill the vacancy created by the death of N. F. Frazier.

☐ **F. M. Harris** recently was elected president of the State Bank of Rantoul, Kansas, to succeed the late F. F. Fockele. Mr. Harris is also chairman of the board of the Peoples National Bank, Ottawa, Kansas.

☐ **E. M. Quade**, formerly assistant cashier, recently was named cashier of the Farmers State Bank, Hunter, Kansas.

☐ **Member banks** of the Topeka Clearing House Association will close one hour earlier, according to a recent announcement. The new hours will be 10:00 a. m. to 3:00 p. m. during the week and 9:00 a. m. to 12 noon on Saturday.

☐ **Willard J. Breidenthal** recently resigned as a member of the board of

the Guaranty State Bank, Kansas City, Kansas, and Joseph W. Radotinsky, architect, has been named to fill the vacancy created.

☐ **Ned N. Fleming**, vice president and general manager of the Fleming-Wilson Mercantile Company, recently was named a director of the Central National Bank, Topeka, Kansas.

☐ **James G. Hall**, vice president, National Bank of Topeka, Kansas, has been named a member of the board of the institution and designated as executive vice president.

☐ **The Denison State Bank**, formerly at Denison, Kansas, recently moved to Holton, Kansas, where it occupies the old State Bank building.

☐ **Citizens National Bank**, Fort Scott, Kansas, recently absorbed the Home State Bank, Garland, Kansas. The Garland bank had deposits of \$95,000 and a capital structure of \$21,500. The absorbed bank was not an F.D.I.C. member.

☐ **George Wille**, vice president of the Piqua State Bank, Piqua, Kansas, died recently at the age of 78.

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Correspondent, the

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Established 1865

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

NEWS of MISSOURI BANKS and BANKERS

☐ **Perry T. Wyrick**, cashier, Bank of Tuscumbia, Missouri, recently accepted a position as assistant cashier of the Bank of Iberia, Missouri. His son, O. O. Wyrick, who has just completed his second term as Circuit Clerk of Miller County, Missouri, succeeds as cashier of the Bank of Tuscumbia.

☐ **George E. Cansler**, cashier, Maries County Bank, Vienna, Missouri, is in a St. Louis hospital following a recent operation. He is reported improved.

☐ **F. L. Hedge**, assistant cashier, Bank of Iberia, Missouri, for the past 20 years, died suddenly last month of heart trouble. He was 70 years old.

☐ **W. A. Reed** is the new cashier, Bank of Bonnots Mill, Missouri. A. P. Mertens is assistant cashier.

☐ **J. H. Willibrand**, cashier, Bank of Freeburg, Missouri, recently was taken ill while on duty at the bank but later was reported improving and hoped to be back at the bank shortly.

☐ **H. O. Hollow**, formerly cashier of the Peoples Bank, Sullivan, Missouri, recently was elected president of the combined Bank of Sullivan and the Peoples Bank of Sullivan, now operating under the name of the Bank of Sullivan. Both were F.D.I.C. members.

☐ **Franklin Pixlee** recently was added to the board of directors of the First National Bank, Liberty, Missouri.

☐ **Dr. J. A. Mann**, president, Wellington Bank, Wellington, Missouri, recently announced his retirement from active duty. He is 87 and has been president of the bank for nearly fifty

years. Robert Behringer has been named his successor.

☐ **Floyd S. Tuggle**, cashier, recently was elected president of the First National Bank, Gallatin, Missouri, to succeed Charles Hemry, president, recently resigned because of ill health.

☐ **M. E. Overstreet** recently was elected a member of the board of directors of the Hamilton Bank, Hamilton, Missouri, to succeed Mrs. Ehlers.

☐ **C. F. Schaff**, vice president and cashier of the Park Bank, St. Joseph, Missouri, was given the title of executive vice president at the recent annual meeting and Melvin J. Kneib, assistant cashier, was named cashier and a director, succeeding the late A. H. Holkenbrink on the board.

☐ **Charles Bashe** recently was elected to the board of the First National Bank, Cassville, Missouri.

☐ **Thomas Burns**, a director of the Citizens Bank, Appleton City, Missouri, and pioneer citizen and business man of that city, died recently. He had been failing in health for some time.

☐ **L. E. Stephenson**, secretary-treasurer, Empire Trust Company, St. Joseph, Missouri, recently was named on the board of directors to succeed M. P. Lawler, resigned.

☐ **R. B. Sampson** recently was named assistant cashier of the Farmers State Bank of Inza, St. Joseph, Missouri.

☐ **R. B. Hughes**, cashier of the Banking House of J. S. Hughes & Company, Richmond, Missouri, has retired and C. C. Cline, vice president, recently has been named vice president and cashier. Allen Hughes has been named a director.

☐ **R. L. West** was named assistant cashier of the Palmyra State Bank, Palmyra, Missouri, last month.

☐ **At Rolla State Bank**, Rolla, Missouri, W. R. Brown and D. F. Donahoe were added to the board of directors last month.

☐ **Peoples State Bank**, Knobnoster, Missouri, last month voted to reduce the number of directors from seven to five. Directors elected were J. W. Sibert, John Miardex, Frank Jenks, Homer Beatty and C. J. Dronhardt.

☐ **At Salem, Missouri**, the Bank of Salem and the Security State Bank last month announced the merger of the two banks.

☐ **Farmers Bank**, Bowling Green, Missouri, last month began an extensive remodeling program.

☐ **J. C. Corrigan**, president, State Bank of Poplar Bluff, recently was re-elected president of the bank for his thirty-second consecutive term, having first been elected president of the bank in 1907. Officials of the bank believe that his length of tenure as president is a Missouri record.

☐ **Joseph W. White**, trust officer of the Mercantile-Commerce Bank & Trust Co., St. Louis, for the past fourteen years, has been placed in charge of the bank's trust department, succeeding Judge Thomas C. Hennings who resigned January 1 to become a member of one of the oldest law firms in St. Louis.

☐ **New officers** of the Citizens Bank, Festus, Missouri, have been elected as follows: Charles C. England, president; R. E. England, active vice president; E. P. Burroughs, cashier; Helen Edinger, assistant cashier. Mr. Burroughs, the new cashier, has been with

Officers

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

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National Stock Yards, Illinois

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the National Stock Yards National Bank, National Stock Yards, Illinois, for the past fifteen years. The number of directors was reduced from nine to seven.

¶ **E. V. Kirkpatrick** last month resigned as vice president and a director of the Missouri Valley Trust Company, St. Joseph, Missouri, and will enter business for himself, dealing in investments and securities. Bartlett Boder remains as president of the bank and all other officers received a promotion.

¶ **Kenneth R. Adams**, executive vice president of the First State Bank, Bonne Terre, Missouri, reports that all signs now point to a better market for lead in 1939. Bonne Terre is located in the heart of the lead belt where things have been somewhat depressed since 1933, but Mr. Adams states that present indications are that 1939 will be the best year in the past five years for the Bonne Terre district.

¶ **The stock** in the Stewartville State Bank, Stewartville, Missouri, formerly owned by L. G. Ehlers was purchased last month by Carl L. Hamann and a group of local Stewartville businessmen. Mr. Hamann is cashier of the bank. L. G. Ehlers is president of the Hamilton Bank, Hamilton, Missouri, which opened for business last June and now has deposits of about \$350,000.

¶ **Harry C. Cloudsley** was added to the directorate of the Baltimore Bank of Kansas City, Missouri, last month.

¶ **Excelsior Springs** will be the meeting place for the 1939 convention of the Missouri Bankers Association to be held May 8-10. Headquarters will be the Elms Hotel as usual.

¶ **Boatmen's National Bank**, St. Louis, had indicated 1938 profits of \$204,358, equal to \$2.04 per share on its 100,000 shares of \$20 par value stock. During 1938 the bank paid \$100,000 in dividends, increased surplus by \$100,000 and added \$4,358 to undivided profits. Capital is now \$2,000,000, surplus is \$1,800,000 and undivided profits are \$344,000.

¶ **W. L. Hemingway**, president of the Mercantile-Commerce Bank & Trust Co., St. Louis, reports 1938 earnings of \$1,014,001 as compared with \$1,010,079 for 1937. During the year the bank's surplus was increased from \$2,800,000 to \$3,000,000 and deposits advanced from \$152,000,000 to \$164,000,000.

¶ **Eden C. Booth** last month was elected the new president of the Pleasant Hill Bank, Pleasant Hill, Missouri.

MANUFACTURERS TRUST COMPANY

*Condensed Statement of Condition as at close of business
December 31, 1938*

RESOURCES

Cash and Due from Banks	\$197,452,980.91
U. S. Government Securities	229,471,898.74
State and Municipal Bonds	20,620,238.86
Stock of Federal Reserve Bank	2,259,150.00
Other Securities	59,684,348.43
Loans, Bills Purchased and Bankers' Acceptances	206,827,429.24
Mortgages	21,784,733.11
Banking Houses	13,246,594.52
Other Real Estate Equities	4,591,040.39
Customers' Liability for Acceptances .	10,870,741.06
Accrued Interest and Other Resources	2,496,438.63
	\$769,305,593.89

LIABILITIES

Preferred Stock	\$ 9,244,520.00
Common Stock	32,998,440.00
Surplus and Undivided Profits	45,129,356.66
Reserves	4,138,997.17
Common Stock Dividend (Payable January 3, 1939)	824,958.50
Preferred Stock Dividend (Payable January 15, 1939)	231,113.00
Outstanding Acceptances	16,361,190.57
Liability as Endorser on Acceptances and Foreign Bills	4,890,940.24
Deposits	655,486,077.75
	\$769,305,593.89

DIRECTORS

<p>EDWIN M. ALLEN <i>President, Mathieson Alkali Works, Inc.</i></p> <p>CHARLES K. BEEKMAN <i>Beekman, Bogue, Leake, Stephens & Black</i></p> <p>EDWIN J. BEINECKE <i>Chairman, Sperry & Hutchinson Co.</i></p> <p>EDGAR S. BLOOM <i>President, Western Electric Co., Inc.</i></p> <p>JAMES H. CONROY <i>Executive Vice-President</i></p> <p>CHARLES A. DANA <i>President, Spicer Manufacturing Corp.</i></p> <p>ELLIS P. EARLE <i>President, Nipissing Mines Co.</i></p> <p>HORACE C. FLANIGAN <i>Vice-President</i></p>	<p>CHARLES FROEB <i>President, Lincoln Savings Bank</i></p> <p>PAOLINO GERLI <i>Vice-President, E. Gerli & Co., Inc.</i></p> <p>HARVEY D. GIBSON <i>President</i></p> <p>CHARLES L. HOGAN <i>President, Lone Star Cement Corporation</i></p> <p>JOHN L. JOHNSTON <i>President, Lambert Company</i></p> <p>OSWALD L. JOHNSTON <i>Simpson Thacher & Bartlett</i></p> <p>CHARLES L. JONES <i>Executive Vice-President, National Distillers Products Corp.</i></p> <p>GEORGE MACDONALD <i>Capitalist</i></p> <p>SAMUEL McROBERTS <i>New York City</i></p>	<p>JOHN P. MAGUIRE <i>President, John P. Maguire & Co., Inc.</i></p> <p>HAYWARD NIEDRINGHAUS <i>President, Granite City Steel Company</i></p> <p>C. R. PALMER <i>President, Cluett, Peabody & Co., Inc.</i></p> <p>GEORGE J. PATTERSON <i>President, Scranton & Lehigh Coal Co.</i></p> <p>HAROLD C. RICHARD <i>New York City</i></p> <p>HAROLD V. SMITH <i>President, Home Insurance Co.</i></p> <p>GUY W. VAUGHAN <i>President, Curtiss-Wright Corporation</i></p> <p>HENRY C. VON ELM <i>Vice-Chairman</i></p>
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Both Common and Preferred shares have a par value of \$20 each. The Preferred is convertible into and has a preference over the Common to the extent of \$50 per share and accrued dividends.

A selection was made by the board at the request of George Gosch, former president, who is in St. Louis recovering from an illness.

¶ **At First National Bank**, Butler, Missouri, Paul B. Levy and T. W. Duvall were elected directors last month to fill the positions formerly held by W. F. Duvall and Dr. G. A. Delamater.

¶ **Walter C. Logan** recently was elected a director of the Hannibal National Bank, Hannibal, Missouri, succeeding the late Dr. J. N. Baskett.

¶ **Clarence Stevener** last month was elected a director of the Security Bank of Rich Hill, Missouri, to succeed R. A. Padgett.

¶ **First National Bank**, St. Charles, Missouri, observed its seventy-fifth anniversary last month. The bank received national bank charter number 260 on January 15, 1864, and for seventy-five years it has borne the distinction of being the only national bank in St. Charles County. Chartered with a capital of \$50,000, the earned surplus had reached the sum of \$115,000 by 1905, when a stock dividend increased the capital from \$50,000 to \$100,000. Today the bank has capital of \$100,000, surplus of \$100,000 and undivided profits of more than \$24,000. Deposits are more than \$2,468,000 and total resources are more than \$2,698,000. The bank is headed by John A. Schreiber, president, who has been with its direction for more than fifty years. George H. Kuhlmann is vice president; A. J. Moerschel is cashier; Lee I. White, assistant cashier.

¶ **Dr. J. L. Washburn** was elected a member of the board of the Bank of Versailles, Missouri, last month.

¶ **Farmers Bank**, Bowling Green, Missouri, recently began its program of remodeling the building.

¶ **Emil Steck**, formerly vice president, was elected president of the First State Bank of Fornfelt, Missouri, last month. Stephen Barton was named vice president; W. A. Georger renamed cashier and Paul Bray renamed assistant cashier.

¶ **Samuel L. Ulen**, president of the Citizens Bank of Dexter, Missouri, since 1930, along with five other stockholders, sold the interests in the bank to St. Louis buyers.

¶ **D. M. Sheehan**, comptroller of Monsanto Chemical Company, St. Louis, recently was made a director of the Manufacturers Bank & Trust Company, St. Louis.

¶ **W. D. Sabert**, formerly cashier of the First National Bank, Sarcoux, Missouri, has assumed his duties at the Wright County Bank, Hartville, Missouri, where he is slated to become cashier. M. E. Carter, present cashier, who has been with the bank for 20 years, plans retirement as soon as Mr. Sabert can become acquainted and take full charge.

¶ **Charles S. Metzler, Jr.**, vice president of the Mercantile Home Bank & Trust Company, Kansas City, Missouri, last month was named on the board of directors.

¶ **Merchants Bank**, Kansas City, Missouri, recently announced the addition of C. Clinton Meunier to the directorate.

¶ **H. S. Spurlock**, who has been serving as assistant to the president of the Westport Avenue Bank, Kansas City, Missouri, recently was elected a vice president.

¶ **Crosby Kemper**, president of the City National Bank & Trust Company, Kansas City, recently retired as chairman of the board of the Commerce Trust Company, Kansas City, Missouri, a position he has filled since his father's death. James M. Kemper, president, was elected chairman of the board and president of the Commerce Trust Company. At the same time, Otto Peed and William C. White were elected assistant cashiers.

¶ **Bank of Kennett**, Missouri, recently declared a 140 per cent stock dividend, according to J. C. Welman, cashier. The dividend was declared out of surplus and undivided profits which had accumulated over a seven-year period. Capital was increased to \$60,000; surplus is \$25,000 and undivided profits at approximately \$40,000. Deposits are \$1,447,908. A cash dividend of 15 per cent was also declared on the old capital. All officers and directors of the bank were re-elected.

¶ **Carl W. Lehnhard**, president of the First National Bank, Monett, Missouri, recently announced his retirement and the sale of his stock to W. V. Davis and associates. Mr. Davis, vice president of the bank, has been named president; W. C. Burch, formerly executive vice president of the Webb City Bank, Webb City, and Senator Allen McReynolds, Carthage, have been named directors; C. C. Mills has been renamed vice president; Milburn Walker, formerly assistant cashier of the Gillioz Bank & Trust Company, Monett, has been elected cashier; and Hubert Kaiser and A. W. Austin, assistant cashiers.

¶ **Alvin T. Anderson** recently arrived in St. Louis from Washington to begin his duties as vice president of the Federal Land Bank of St. Louis, a position to which he was elected by the Sixth District Farm Credit Board. Marvin W. Klein, who has been field man in the Chillicothe, Missouri, area for the past two years, has been transferred to St. Louis where he will be assistant manager of the real estate division.

¶ **Ralph D. Griffin**, assistant vice president, Mercantile-Commerce Bank & Trust Company, St. Louis, recently was elected vice president of the Mercantile-Commerce National Bank, St. Louis. Raymond Schmitt was elected assistant cashier of the Mercantile-Commerce National Bank. Mr. Griffin and G. N. Hitchcock, vice president, were named members of the board.

¶ **Henry G. Keeler**, president of the Keeler-Murray Printing Company, St. Louis, was elected a director of the Plaza Bank, St. Louis, last month to fill the vacancy caused by the retirement of T. M. Nivens. Glenn Haley was elected an assistant cashier, a position created for him.

¶ **F. E. Willard** was elected executive vice president of the Easton-Taylor Trust Company, St. Louis, last month. Mr. Willard has been a bank examiner for the past 12 years and prior to that time was in the banking business in Laclede County, Missouri.

¶ **Harry Graeff, Jr.**, assistant secretary of the Lindell Trust Company, St. Louis, was elected to the board of directors last month succeeding the late F. A. Sudholt.

¶ **Northwestern Trust Company**, St. Louis, last month received a charter to operate as a national bank and on February 1, 1939, became the Northwestern National Bank of St. Louis. John P. Meyer is president of the bank. Dr. Arthur Gundlach and Henry H. Luebbert were elected to fill existing board vacancies.

¶ **Boatmen's National Bank**, St. Louis, recently announced the election of Alvin Griesedieck, president of the Falstaff Brewing Company, and William L. Holley, vice president and a member of the board of the Southwestern Bell Telephone Company, to the board of directors.

¶ **John C. Atwood**, vice president and director, Mutual Bank & Trust Company, St. Louis, died last month.

¶ **Southwest Bank**, St. Louis, stockholders authorized the issuance of \$100,000 4 per cent preferred stock. The bank previously had issued \$200,-

000 preferred. A steady gain in deposits and loans was given as the reason for the issuance of the new stock. The net profit of the institution recently reported for the year 1938 was \$62,849. All officers and directors of the bank were reelected.

¶ **Marquard F. Braun**, former executive of the Jefferson Bank & Trust Company, St. Louis, last month was elected president of the Chippewa Trust Company, St. Louis. Fred Daues was named first vice president; Frank Feger, second vice president; Joseph Sperrer, secretary, and Ralph Jacoby, treasurer. The two new directors elected were C. G. Meyer of Meyer Blanke Company, son of a former president of the bank, and Sheridan K. Loy of the Loy Lange Box Company.

¶ **Milton R. Wismar** last month was elected assistant trust officer of the Manufacturers Bank & Trust Company, St. Louis. All other officers were reelected.

¶ **A. P. Green**, president of the A. P. Green Fire Brick Company, Mexico, Missouri, recently was elected a director of the Mercantile-Commerce Bank & Trust Company, St. Louis. At the same time, August Roeder advanced from assistant manager to manager of the safe deposit department, and J. J. Reynolds, former manager, was transferred to the trust department. Henry J. Weyland, assistant manager of the country bookkeeping department of the bank, who has been engaged in the banking business for 47 years, retired December 31 under the bank's present pension plan.

¶ **Baden Bank**, St. Louis, recently reported operating profits for 1938 of

\$31,614, equal to \$15.80 a share. During the year \$15,000 was transferred to surplus account and on December 15, the bank declared a cash dividend of \$1.50 per share. All officers and directors were reelected at the annual meetings.

¶ **Herbert F. Boettler**, vice president, First National Bank, St. Louis, recently was elected a member of the board of directors to succeed Joseph S. Calfee, resigned.

County Association Meetings

¶ **Walter M. Pate**, assistant cashier of the First National Bank, Mount Vernon, Missouri, recently was elected president of the Inter-County Bankers Association meeting near Avilla. About forty members and a number of visitors were present at the meeting. F. H. Babbs, cashier Peoples Bank, Miller, was elected vice president of the Association, and H. C. Viets, cashier, First National Bank, Golden City, secretary. Paul Barrett, Springfield attorney, was one of the principal speakers. His topic was "Negotiable Instruments." W. S. Pettit, vice president, Union National Bank, Springfield, Missouri, spoke on business conditions at present and the trend for the coming year.

¶ **John P. Meyer**, president, Northwestern Trust Company, St. Louis, Missouri, was elected president of the Associate Bankers of St. Louis at a meeting January 19. He succeeds Harry C. Hartkopf, president, Cass Bank & Trust Company, St. Louis. Mr. Meyer is also chairman of Group 5 of the Missouri Bankers Association. G. R. Frederick, president, Southwest Bank, St. Louis, was named

vice president; O. H. Moberly, president, Jefferson Bank & Trust Company, St. Louis, secretary, and Marquard F. Braun, president, Chippewa Trust Company, St. Louis, treasurer. The next meeting of the organization will be March 16.

¶ **D. B. Carpenter**, cashier, State Bank of Hallsville, Missouri, has been chosen the new president of the Boone County Bankers Association. The meeting was held in Columbia on January 18. H. G. Banks, assistant cashier, Columbia Savings Bank, Columbia, Missouri, is vice president; G. C. Young, cashier, Rocheport Bank, Rocheport, treasurer, and L. H. Sapp, assistant cashier, Boone County National Bank, Columbia, is again secretary. At the meeting, the Boone County Farm Agent discussed the agricultural outlook for the coming year.

¶ **J. R. Breed**, president, University Bank, Kansas City, Missouri, was elected president at the January 19 meeting of the Associate Member Banks, Kansas City Clearing House Association. John Lawson, cashier, Linwood State Bank, Kansas City, and formerly secretary-treasurer of the organization, was elected vice president, and J. R. Sievers, vice president, Southeast State Bank, Kansas City, was elected secretary-treasurer. Meetings are held the third Thursday of each month.

¶ **R. N. Bloom**, assistant cashier, Callaway Bank, Fulton, Missouri, has been elected treasurer of the Fulton Masons.

¶ **J. R. Winters**, formerly a Clinton, Missouri, banker, died recently at the age of 71.

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PAUL CLEMENT, Secretary

Minneapolis, Minn.

NEWS of TEXAS BANKS and BANKERS

☐ **First National Bank**, Dallas, Texas, last month named Edwin S. Greer and Jordan C. Ownby as assistant vice presidents.

☐ **R. A. Jeffries**, vice president, Hale County State Bank, Plainview, Texas, has resigned his position at the bank. R. V. Payne, president, announced that a successor would not be named.

☐ **W. B. Swearingen**, president, First-Lockhart National Bank, Lockhart, Texas, died recently at the age of 61. He had served as president of the bank for 21 years. Judge E. P. Copwood has succeeded him as president.

☐ **Walter L. Bradley**, cashier, was named vice president at the annual meeting of the First National Bank,

Odessa, Texas; Leland D. Payne, assistant cashier, was advanced to cashier, and John L. Morris and Edward Meaders were named assistant cashiers.

☐ **Payne Briscoe**, formerly vice president and cashier of the First National Bank, Hebronville, Texas, and more recently vice president of the Laredo National Bank, Laredo, Texas, was elected president of the latter at its annual meeting. Louis G. Alexander, former president, becomes chairman of the board. Prinz W. Buttron, assistant vice president, was named cashier and R. J. Benavides was named assistant vice president.

☐ **W. Earl Harrison** recently was named assistant cashier of the First National Bank, Waco, Texas.

☐ **Neil Williams** was chosen active vice president of the Bonham State Bank, Bonham, Texas, recently. He succeeds the late I. W. Evans. Mr. Williams was formerly cashier.

☐ **Charles F. Roeser** was named chairman of the board of the Continental National Bank, Fort Worth, Texas, at the bank's annual meeting, and Elliott Roosevelt and J. Mac Thompson were elected directors.

☐ **Fort Worth National Bank**, Fort Worth, Texas, recently announced the promotion of J. Lewell Lafferty and W. B. Duke from assistant vice presidents to vice presidents; J. A. Cozby and W. C. Dietz, assistant cashiers, were advanced to assistant vice presidents.

☐ **City National Bank**, Houston, Texas, recently promoted Burney Parker from collection teller to assistant cashier.

☐ **Le Roy Robinson** recently was chosen assistant cashier of the Gainesville National Bank, Gainesville, Texas. J. A. Smoot, vice president, and N. F. Mosman, cashier, were named directors.

☐ **M. E. Darsey** has been named president of the Farmers & Merchants State Bank, Grapeland, Texas, recently. W. D. Granberry was elected active vice president and Leon Anderson was named vice president and cashier.

☐ **R. L. Tilly** recently was advanced from assistant cashier to assistant vice

TIME TO TALK OF

Building Plans

IT'S A new building year, and there's just time enough to make plans before the big Spring rush.

If you want a new building, large or small, modernization or repairs on your present structure, inside or out, or new equipment inside . . . then you want to talk to us.

Our single contract will save you money. Our experience will save you time and trouble. Our representative will call.

ST. LOUIS
**BANK BUILDING
 & EQUIPMENT CO.**
 NINTH AND SIDNEY • ST. LOUIS

president of the First National Bank in Houston, Texas.

☐ **W. L. Estes**, cashier, Whitesboro National Bank, Whitesboro, Texas, has resigned his position to become cashier to Secretary of State Tom L. Beauchamp.

☐ **H. P. McGaughey**, vice president, First National Bank, Gilmer, Texas, recently was named president to succeed J. W. Crowley, resigned. Mr. Crowley will continue to serve as chairman of the board. L. B. Martin, cashier, was named vice president and V. E. Todd was named second vice president.

☐ **B. E. Hamilton**, cashier, who has been associated with the Roscoe State Bank, Roscoe, Texas, for more than 19 years, recently resigned to accept a position as Federal bank examiner with the Dallas office of the FDIC. W. R. Potter, formerly assistant cashier, will succeed him as cashier.

☐ **J. W. Noel**, vice president, has been elected president of the Security State Bank, Hedley, Texas, recently.

☐ **B. J. Linthicum, Sr.**, president of the First National Bank, Marlin, Texas, died last month. He had been in ill health for some time.

☐ **George Ellis, Jr.**, vice president of the South Texas Commercial Bank, Houston, Texas, recently resigned. Harris McAshan recently was named cashier of the bank. He was formerly assistant cashier.

☐ **Reorganization** of the First National Bank, Malakoff, Texas, is under way, and it is expected that the institution will be changed to a State bank and will be the Citizens State Bank. Local businessmen recently purchased controlling stock from John W. Murchison of Plainview, and his brother, Frank Murchison of Dallas and Chicago.

Texas Group Meetings

The schedule for the 1939 Group Meetings of the Texas Bankers Association has been announced as follows:

Group 1	Houston	February 13
Group 5	Dallas	February 13
Group 2	Brownsville	February 15
Group 3	Austin	February 17
Group 4	Waco	February 18
Group 6	San Angelo	February 20
Group 7	Fort Worth	February 22

Note: Dallas and Houston meetings to be held the same day.

☐ **Clarence G. Barnes**, widely known Lone Oak, Texas, banker, died recently at the age of 86. He had been the first president of the First National Bank, now known as the Lone Oak State Bank, Lone Oak, Texas.

☐ **A \$100,000 expansion** program for the National Bank of Commerce, San Antonio, recently was announced by J. K. Beretta, president.

☐ **Ray B. Johnston**, cashier of the San Angelo National Bank, San Angelo, Texas, recently was named vice president and cashier and was elected to the board.

☐ **William A. Smith** recently was elected to the newly created office of chairman of the board of the Citizens State Bank, Houston, Texas.

☐ **Mrs. Dora Roberts** recently was named president of the First National Bank, Big Spring, Texas. She is a pioneer ranch woman of Howard County.

☐ **Lennie J. Schneider**, vice president of the American National Bank, Austin, Texas, recently was elected president of the Austin Chamber of Commerce. He has served as treasurer of the Chamber for a number of years.

ONE HUNDRED YEARS OF BANKING SERVICE: 1839-1939

Guaranty Trust Company of New York

FIFTH AVE. OFFICE MAIN OFFICE MADISON AVE. OFFICE
 Fifth Ave. at 44th St. 140 Broadway Madison Ave. at 60th Street
 LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement of Condition, December 31, 1938

RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers	\$ 788,474,638.41
U. S. Government Obligations	486,310,848.29
Public Securities	48,921,515.25
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities	20,506,621.56
Loans and Bills Purchased	528,846,450.25
Credits Granted on Acceptances	20,989,416.36
Bullion Abroad and in Transit	173,463.00
Items in Transit with Foreign Branches	5,571,535.22
Accrued Interest and Accounts Receivable	18,428,401.02
Real Estate Bonds and Mortgages	2,115,836.92
	<u>1,928,138,726.28</u>
Bank Buildings	12,143,011.51
Other Real Estate	1,483,922.92
Total Resources	<u>\$1,941,765,660.71</u>

LIABILITIES

Deposits	\$1,597,492,947.40
Outstanding Checks	22,485,473.06
	<u>1,619,978,420.46</u>
Acceptances	\$37,336,308.38
Less:	
Own Acceptances Held for Investment ...	<u>16,346,892.02</u>
	20,989,416.36
Liability as Endorser on Acceptances and Foreign Bills ...	3,914,858.00
Dividend Payable January 3, 1939	2,700,000.00
Miscellaneous Accounts Payable, Accrued Interest, Taxes, etc.	21,374,545.57
	<u>1,668,957,240.39</u>
Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	12,808,420.32
Total Capital Funds	<u>272,808,420.32</u>
Total Liabilities	<u>\$1,941,765,660.71</u>

Securities carried at \$20,553,154.84 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)

MUNICIPAL BONDS

Kentucky Municipals

By THOMAS GRAHAM

The Bankers Bond Co., Inc., Louisville

DURING the month of January offerings of new issues of Kentucky bonds have been coming along rapidly and the market absorbed them readily. Due to the fact there are practically no new issues in sight for the next six months' period, local municipal dealers believe, barring some large outside economic disturbance, that by July 1 of this year Kentucky municipals will have reached a new all-time high.

During the last year there were approximately \$16,000,000 various Kentucky municipals sold either to the public or P. W. A., which represented the largest total of new emissions in the last fifteen years, or since the "Road & Bridge" days in the 1920's.

The market for State Warrants, Kentucky Bridge Revenue bonds and all types of general obligations has remained strong and dealers report that Revenue bonds are also selling at peak levels.

ago were considered high for the best bonds. As a final touch to this bright picture the President in a recent speech advocated new legislation to do away with the tax exemption feature of government and municipal bonds issued in the future.

It is well at this point to take a look at the other side of the ledger. Even though oft repeated, it is well to remember there is certainly a top to the prices for tax-exempt bonds. Then, also, the foreign situation may explode at any time, scaring investors away from purchases at present levels. Another factor that may cause prices to decline slightly is the possibility of Government borrowings of large sums to pay the cost of proposed expenditures. Although much emphasis has been placed on the removal of tax exemption, it is well to remember that at best this will be a slow and tedious job. Many Presidents and Secretaries of the Treasury have in the past recommended this legislation only to run against powerful political pressure. Whether tax exemption is good or harmful is a controversial question with many arguments for both sides, and this alone should cause much delay.

Many economists expect an increase in business, if the foreign situation is settled, with a resultant decline in the tremendous amount of idle funds.

Taking into consideration both sides, it appears that prices should continue firm with only moderate recessions unless the unexpected happens here or abroad.

First National Bank, Tulsa, Reports Good Year

Gary Y. Vandever and Clyde A. King have been elected to the board of directors of the First National Bank and Trust Company, Tulsa. Mr. King was also made an active vice president and assigned to the direction of trust department activities.

Directors adopted a dividend policy of \$1.00 per year, per share, payable quarterly, with extra or special dividends as earnings will permit. The first dividend of twenty-five cents per share was declared payable March 15, 1939, to stockholders of record as of March 10. They also declared a dividend of twenty-five cents payable June 15, 1939, to stockholders as of record June 10.

The Municipal Market

By JOS. A. GLYNN

Francis, Bro. & Co., St. Louis

THE new year has started with renewed vigor in the tax-exempt markets. Long-term Federal obligations are reaching all-time highs and the best municipal bonds have moved to price ranges beyond the vision of even the most optimistic. Excess reserves are at unprecedented highs, crossing through the three and one-half billion mark. Bank deposits are increasing day by day and because of unsettled European conditions, gold continues to flow to our shores.

Corporate financing during the past weeks has been at a standstill, and even proposed municipal offerings are below normal. This scarcity has certainly lent much support to the present advance in prices. Dealers now find their customers with plenty of funds but with prices at a point prohibitive for the average investor. The low yields prevailing on the highest quality municipal names have caused many buyers to purchase medium-grade names. Because of the activity in this group we find new issues such as State of Mississippi, New Orleans, etc., selling at prices that a short time



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Incorporated

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LOUISVILLE, KY.

L. D. 238-9

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Illinois Municipal Bonds

Francis, Bro. & Co.

ESTABLISHED 1877

Investment Securities

St. Louis
Fourth & Olive Streets

Alton, Illinois Tulsa, Oklahoma
First Nat'l Bank Bldg. Kennedy Bldg.

Mississippi Municipals

We are in a position to give you prompt firm bids on most Mississippi municipal bonds. We solicit your offerings.

Scharff & Jones

INCORPORATED

Investment Securities

WHITNEY BANK BLDG. TELEPHONE RAYMOND 1100

New Orleans



WELCOME TO ST. LOUIS

Welcome to friendly service...
fine food and drink, served in
the hospitable atmosphere of

HOTEL
Wayfair
8th and ST. CHARLES
DOWNTOWN AT YOUR DOORSTEP

Over 50% of all rooms \$3.50 or
less, single; \$5.00 or less, double.

Stockholders in their annual meeting made the selection of directors, retaining all members already active on the board. Mr. Vandever, pioneer Tulsa merchant, is vice president of the Vandever Dry Goods Company. Mr. King was formerly president of the First National Company, whose liquidating program has now been completed.

Directors, in their meeting following the annual stockholders meeting, elevated W. H. Hansel to auditor and C. L. Baker to assistant cashier.

R. Otis McClintock, president, in his report to stockholders on the condition of the bank, said: "In many respects the year 1938 was the most satisfactory in the history of the bank. By the addition of \$500,000 to our surplus from

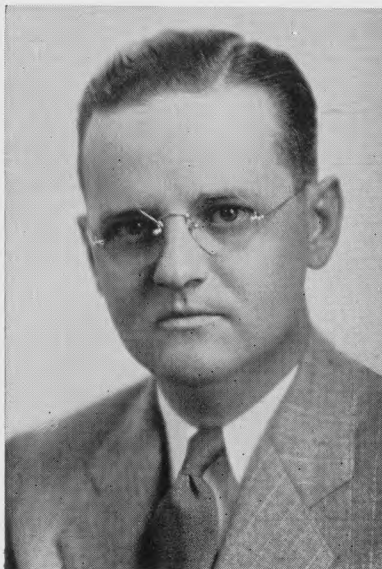
undivided profits we now have \$2,000,000 capital and \$2,000,000 surplus. We earned \$946,375.66 after losses, depreciation and taxes, or \$9.47 per share of capital stock. This was made possible by satisfactory profits from operations as well as substantial recoveries from assets previously charged off. We have disposed of or charged off all "other real estate." Our investment account has a present market value considerably in excess of our present carrying value. Contrary to a general decline in bank loans, we have enjoyed an average increase in dollar volume of loans for the year. Deposits have increased \$3,000,000. With total resources of \$57,000,000, sixty-two per cent is earning assets, and thirty-seven per cent is represented by cash."

Hibernia National Bank, New Orleans, Announces Five Promotions

SEVERAL promotions were announced last month by the Hibernia National Bank, New Orleans, as follows: George W. Owen, Jr., was promoted from cashier to vice president and cashier; R. C. Fitzgerald, J. M. O. Monasterio and W. W. Pope from assistant vice presidents to vice presidents; Addison O. Wood from assistant cashier to assistant vice president. Both Mr. Owen and Mr. Wood devote a large part of their activity to the correspondent division of the bank; Mr. Monasterio has specialized in foreign trade; Mr. Pope has served as credit manager; Mr. Fitzgerald has

served in nearly every department of the bank.

Deposits of Hibernia National increased from \$45,325,000 to more than \$50,747,000 during 1938, and net earnings of the bank during the year amounted to \$337,658.08, after provision for depreciation, taxes and contingencies. One hundred thousand dollars was added to surplus, which now stands at \$500,000, and \$131,000 was added to the special reserve for retirement of preferred stock, bringing this total to \$481,000. Loans and discounts showed an increase of about 20 per cent during the year and now total more than \$14,891,000.



GEORGE W. OWEN, JR.



ADDISON O. WOOD

**Oklahoma
Municipal Bonds**

BOUGHT AND SOLD

Offerings Invited from Dealers

R. J. EDWARDS, Inc.
ESTABLISHED 1892

Oklahoma City, Oklahoma

Missouri Municipals

We solicit orders to buy or sell issues of the State, Counties, Cities and Districts.

Francis, Bro. & Co.
ESTABLISHED 1877

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St. Louis
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Alton, Illinois Tulsa, Oklahoma
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IN *St. Louis*
**HOTEL
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9th and WASHINGTON
50% OF ALL ROOMS \$3.50 OR LESS, SINGLE
\$5.00 OR LESS, DOUBLE

St. Louis
requests the
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**HOTEL
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8th and ST. CHARLES
50% OF ALL ROOMS, \$3.50 OR LESS, SINGLE
\$5.00 OR LESS, DOUBLE

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When you are asked to find a buyer for an unlisted security, save time by putting our trading department on the job!

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Is at its best in this comfortable, conveniently located hotel, where service and good food are a byword.

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9TH AND WASHINGTON
Over 50% of all rooms \$3.50 or less, single; \$5.00 or less, double.

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J. D. HUNT, Representative
510 Merchants Laclede Bldg.,
St. Louis, Mo.

CURRENT QUOTATIONS

FURNISHED BY EDWARD D. JONES & COMPANY, ST. LOUIS, MISSOURI
On 100 Unlisted Bonds as of January 30, 1939

	Bid	Asked		Bid	Asked
Affiliated Fund, 5s, 1948	101	102	Lamar Realty "A," 6s, 1949	75	80
Alabama Water Service, 5s, 1957	99½	100½	Lexington Telephone, 6s, 1944	100	102
Allied Owners Corp., 2-3s, 1963	65	67	Lindsey Nunn Publishing, 6s, 1944	97	99
American Colorotype, 6s, 1942	100	101	Litchfield & Madison Rwy., 5s, 1959	100	102
American Gas & Power, 3-5s, 1951	40	42	Loyola High School (Los Angeles), 3-5s, 1946	71	75
American Utilities Service, 6s, 1964	73	74½	Lukens Steel, 5s, 1955	68	71
Arkansas Missouri Power, 5s, 1957	95	97	Manchester Terminal, 3-6s, 1967	34½	36½
Arnold Print Works, 5s, 1952	58	59	Mayfair Hotel (St. Louis) Income, 5s WS	22	25
Associated Gas & Electric, 3½s, 1978	24½	25½	McKesson & Robbins, 5½s, 1950	61½	62½
Associates Investors, 3s, 1946	98½	100	Mich. Gas & Electric, 5s, 1956	93	94½
Bates Valve Bag, 6s, 1942	99	101	Michigan Public Service, 5s, 1947	97	98
Bellow Falls Hydro, 5s, 1958	103¼	104¼	Middlewestern Telephone, 6s, 1943	86	89
Bloomington, Decatur & Campaign, 5s, 1940	97	100	Midland Utilities, 6s, 1938	30½	32
Broadway Motor Bldg., 4s, 1945	69½	72	Minneapolis Parcel Post, 6s, 1942	33F	37F
Cairo Bridge, 6½s, 1958	54	58	Missouri Bldg. (St. Louis) Income, 5s WS	39F	41F
Calif. Water & Telephone, 5s, 1965	103½	104½	Missouri Edison, 5½s, 1947	91	93
Central Coal & Coke, 4s, 1951	49	53	Missouri Gas & Electric, 4-5s, 1956	77½	79½
Central Gas & Electric, 5½s, 1946	72½	74	Mountain States Power, 6s, 1938	95½	97
Central Indiana Power, 6s, 1947	95½	97	Northern Elec. & Northern Paper Mills, 5s, 1948	93½	95
Central Properties Income WS, 5s, 1949	32½F	34F	Northern Ill. Coal Co., 5s, 1945	97½	99½
College of St. Marys of the Springs, 4s, 1949	88	93	Okla. Power & Water, 5s, 1948	93	94
Community Telephone, 5s, 1949	7	8	Old Dominion Power, 5s, 1951	60	62
Consolidated Cement 1st, 6s, 1950	75½	78½	Peabody Coal Co. 1st, 5s, 1953	84¼	85¼
Consolidated Electric & Gas, 6s, 1962	43½	44½	Peoples Light & Power, 3-6s, 1961	79	80½
Continental Roll & Steel, 6s, 1940	90	93	Portland Electric Power, 6s, 1950	80	90
Dallas Railway & Terminal, 6s, 1951	61	63	Public Gas & Coke, 5s, 1952	38	40
Davidson Biscuit, 5½s, 1945	98½	100½	Public Utility Consolidated, 5½s, 1948	79½	80½
Deep Rock Oil, 7s, 1937	72½	74	Republic Natural Gas, 6s, 1954	100½	102
Dickey Clay Products, 5s, 1949	86	90	Roman Cath. Archbishop Manila, 3s, 1946	50	53
Eastern Minnesota Power, 5½s, 1951	63	64	St. Louis County Gas, 5s, 1951	105½	107½
Equitable Office Bldg., 5s, 1952	39	41	St. Louis Amusement, 6s, 1945	94	97
Falstaff Brewing Deb., 5s, 1947	96	98	Society of Mary Univ. of Dayton, 3½s, 1956	71F	73F
Federated Utilities, 5s, 1957	68½	70½	Southern Cities Utility, 5s, 1958	42	44
Flour Mills of America, 6½s, 1946	33	35	Southern Illinois Missouri Bridge, 4s, 1951	67	70
Fruehauf Trailer, 4½s, 1947	95½	96½	Southern United Ice, 4s, 1950	34	36
General Public Utility, 6½s, 1955	82	83	Southwest Telephone, 6s, 1947	62½	64½
Granite City Generating, 5s, 1963	70	71	Telephone Bond & Share, 5s, 1958	67	68½
Hamilton Mfg. Co., 5s, 1951	84	86	Texas Public Service, 5s, 1961	90	91
Hotel Cosmopolitan (Denver) C/Ds, 6½s Serial	36F	38F	United Public Utility, 6s, 1960	85	86½
Houston Electric, 6s, 1950	98½	99½	University of Detroit, 1-3s, 1950	41	45
Hydraulic Press Brick, 6s Serial	20F	23F	Vicksburg Bridge Co., 4-6s, 1968	64	66
Illinois Water Service, 5s, 1952	102	104	Washington Gas & Electric, 6s, 1960	46	47½
Investors Telephone, 3s, 1961	56½	57½	Western Public Service, 5½s, 1950	88	90
Iowa Electric, 4s, 1961	93	94½	Wisconsin Hydro Electric, 3s, 1947	95	96½
Iowa Southern Utility, 5½s, 1950	98	100	York Ice Machine Co., 6s, 1947	95	97
Jefferson Hotel (St. Louis) Income, 4s, 1948	37½	39½			
Kansas City Public Service, 4s, 1957	24	25½			

American Business Shares



Prospectus available on request

A. R. Hughes & Co.

120 South La Salle Street, Chicago

Western Wholesale Representatives for

Lord, Abbett & Co., New York

Olive Street Notes

By JAMES J. WENGERT



Photograph
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W. C. Persons

✓ **Kelton E. White**, partner in the firm of G. H. Walker & Co., has been reelected president of the Better Business Bureau of St. Louis, Inc. Harry W. Riehl was reelected secretary-manager.



✓ **Froman Smith**, who has been in the investment business for several years, has become associated with Louis W. Ochs & Associates.



✓ **Oliver A. Oonk** of G. H. Walker & Co. is the newly elected president of the Round Table Club. He succeeds Max Muench of Stix & Co. Other newly elected officers are: Earl W. Godbold, of Goldman, Sachs & Co., vice president; James A. Yates, secretary; J. Sheppard Smith, treasurer; Harold Hanser, chairman of the entertainment committee.



✓ **Clark D. Hinderleider**, for several years manager of the investment department of G. H. Walker & Co., has become associated with the sales organization of Francis, Bro. & Co. Mr. Hinderleider has been in the investment business in St. Louis for more

than fifteen years and has a host of friends and customers throughout the area served by the MID-CONTINENT BANKER.



✓ **Harris Long**, former Olive Streeter and first president of the Security Traders Club of St. Louis, is now located in sunny Florida where he is manager of the trading department of Guaranty Underwriters, Inc., Shoreland Arcade, Miami. Harris has many friends in St. Louis where he spent many years in the investment business with Mark C. Steinberg & Co. and Waldheim, Platt & Co.



✓ **More than one hundred** St. Louis investment dealers were guests at a luncheon and dinner given last month at the Statler Hotel by Lord, Abbett & Co., New York, sponsors for Affiliated Fund and American Business Shares, and A. R. Hughes & Co., Chicago, western wholesale representatives for these two funds. Similar luncheon and dinner meetings were also held last month in Kansas City

and in Indianapolis. The meetings were presided over by A. R. Hughes of A. R. Hughes & Co., Chicago, and talks were made by A. J. Lord, president of Lord, Abbett & Co., and Dr. Arthur M. Wolkiser, economist for Research & Management Council, Inc., New York.

Mr. Hughes discussed the growth of Affiliated Fund, pointing out that it had quadrupled in size during 1938, then introduced Mr. Lord who discussed the duties and responsibilities of an investment trust sponsor. Dr. Wolkiser, who followed Mr. Lord as a speaker, stated that he did not believe there would be a war involving major European powers in 1939, and that he was of the opinion that present favorable signs will continue and that the major trend of business is still upward. He did not visualize any immediate danger of wild inflation.

Dr. Wolkiser pointed out that there had been an improvement in the demand for consumers' goods such as clothing, etc., since last June, but that capital goods had not kept pace with the increase in consumers' goods and that this fact is somewhat disturbing. He added, however, that government spending should help close this differential. He pointed out that it was impossible to forecast the future, but made the point that sound research based on known facts is of practical value in determining major business and market trends.



✓ **Albert F. L. Schmidt**, a partner in the investment firm of Bramman-Schmidt-Busch, Inc., died last month after an illness of two years. He was 52 years old.



CLARK D. HINDERLEIDER

Out-of-Town Banks

Out-of-town banks and bankers will find here complete banking facilities for prompt and economical handling of accounts in Chicago. We would appreciate the opportunity of serving you.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LASALLE STREET

(Member Federal Deposit Insurance Corporation)

Executive Floor Remodeled in Style of Old London Insurance Houses

THE executive floor of Manufacturers Trust Company's principal office at 55 Broad Street, New York, has recently been entirely remodeled. In its general style the rebuilt suite of public space and private offices conveys the atmosphere of the old insurance houses of London.

The interior of the large public room is adapted from a room which was originally in the Thomas Saunders house in Gloucester, Massachusetts, built in 1764 in the Georgian Colonial style. That is now the Sawyer Free Library. The interiors of the private offices of the executive officers are of a simple colonial panelling, typical of the same period.

The desks on the floor are adapted from an old table which was originally in the collection of Lord Berners, from Wolverstone Hall, Suffolk, circa 1795. The chairs are copies of English chairs of the same period. Four chairs in the entrance lobby are antique Chippendale chairs, about 1785. The lighting fixtures are an adaptation of old English chandeliers to modern lighting. The mahogany doors throughout are typical of the latter Eighteenth Century colonial period. The brass door-knobs are the same as used in the restoration of Williamsburg, Virginia.

The private office of Harvey D. Gibson, president, is built of old pine ac-

tually removed from an English room in Hook Hall, Yorkshire, England, dating about 1710. The four small brass two-light sconces are reproductions of old ones of the same period. The office of Henry C. Von Elm, vice chairman of the board, is adapted from an Eighteenth Century colonial room in Alexandria, Virginia, which is now in the American Wing of the Metropolitan Museum of Art.

Form Writing Machine With Selective Tabulation

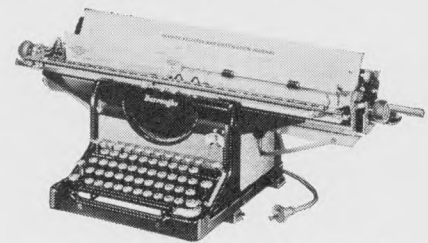
An electric carriage Form Writing Machine with selective tabulation has recently been announced by Burroughs. Especially designed for use by wholesalers, jobbers, banks, public utilities, manufacturers, insurance companies, finance companies, investment and brokerage houses, breweries, and all types of retailers, the new unit is known as the Burroughs Selective-Column Form Writing Machine.

By permitting the operator to tabulate directly to any desired column on the form merely by depressing the key which selects that column, selective tabulation simplifies and speeds the writing of "size" column invoices, financial and statistical reports, sales and purchase distribution, and payroll distribution sheets.

When equipped with a front feed chute, the machine is readily adaptable for registering checks and drafts, writing utility bills, delinquent notices, meter connect and disconnect orders, premium notices, and other similar forms. Insertion of these smaller, original forms does not disturb the journal, register, or distribution sheet which remains in the machine.

Through use of continuous forms on which progressive sizes or other classifications have been pre-printed as column headings, the number of key strokes required to write the body of an invoice is cut approximately in half. With the additional advantage of column selection, an extremely fast, efficient operation results.

The new Burroughs machine may be equipped with a form holder which rides with the carriage, eliminating side-pull on continuous forms, and assuring better registration and neater results. Unit forms may be used equally well if preferred.



New Burroughs Selective-Column Form Writing Machine

Carriage movement from left to right is controlled by the electric carriage return key, which provides a full return or partial return (reverse tabulation) to an intermediate position. This permits unusually fast, short-line writing, since a mere touch of the return key immediately spaces the paper and locates the new writing position. The machine is available in varied carriage widths up to and including twenty-six inches.

✓ **The annual report** of Incorporated Investors, Boston, Massachusetts, as of December 31, 1938, shows net assets on that date of \$54,394,410, including unrealized security appreciation of \$3,313,956. Portfolio changes made in the fourth quarter revealed that no new securities were added, three short-term governments were closed out, holdings in eight companies were increased, and decreased in twelve. Dividend disbursements during 1938 amounted to 95c per share.

✓ **Net earnings** of the Chase National Bank, New York, for 1938 were \$1.96 per share, compared with \$2.06 per share in 1937.



Newly remodeled executive floor of Manufacturers Trust Company, New York City.

Couch Named Vice President of Little Rock Bank

Harvey C. Couch, Jr., founder and former president of the First National Bank, Conway, Arkansas, was elected a vice president of the Union National Bank, Little Rock Arkansas, last month.

Mr. Couch, son of Harvey C. Couch, utility executive, founded the First National Bank at Conway in 1933, with \$25,000 common stock and \$25,000 preferred stock which was retired and replaced with a similar amount of common stock within three years.

Mr. Couch attended the public schools of Pine Bluff, Virginia Military Academy and the Wharton School at the University of Pennsylvania. At one time he was with the National Bank of Commerce at New Orleans, Louisiana. He succeeds Aristo Brizzolara, Jr., former vice president and treasurer of the bank, who became a vice president of Cherry-Villereal & Co., Inc., Little Rock investment firm, last month. Zack T. Wood, former secretary of the Union National Bank, succeeds Mr. Brizzolara as treasurer, and retains his title as secretary.

150 Attend Second Louisiana Bankers Conference

If European peace is maintained for some time to come, the United States will experience an era of prosperity beginning this spring, Dr. Marcus Nadler, research director for the Institute of Internal Finance of New York University, told more than 150 bankers meeting at the Louisiana Bankers Conference in Baton Rouge, January 25-27.

Dr. Nadler maintained that the democracies want to maintain peace at any cost and the dictator countries—Germany in particular—want to consolidate their national economies. He said that under these conditions there was an excellent chance for improvement here on a gradual basis to “levels” never before experienced.

L. F. Gordon, assistant vice president, Citizens & Southern National Bank, Atlanta, Georgia, spoke to bankers of the tremendous possibilities for banks to spread their loan business in the installment sale field.

Other speakers included at the sessions were George Buskie, manager of the New Orleans branches of the RFC and the Commodity Credit Corporation; Fred L. Bailey, state director of the FHA; John S. Linen, second vice-president, Chase National Bank, New York; H. H. White, president of White, Dunbar & Company of New Orleans, who spoke on “Municipal Bonds of

Political Sub-Divisions, State of Louisiana”; and John J. Driscoll, Jr., of Driscoll, Millet & Company, analysts in bank management, who spoke on “Service Charges and Cost Analysis.”

☐ **Tom J. Conner, Jr.**, assistant cashier, State Bank of Prairie Du Rocher, Illinois, has replaced Edgar R. Conner on the board of directors, according to announcement made recently. The bank was 32 years old in November.

☐ **State Street Bank**, Payson, Illinois, has decided to go out of business, it was announced recently.

☐ **Thomas A. Potter**, president of the Elgin National Watch Company, has been named a director of the Personal Loan & Savings Bank, Chicago, to fill an existing vacancy.

Bankers I Have Known » »

By
BILL REED

Former State and National Bank examiner, now with the St. Louis office of the R. F. C.



W. H. REED

ABOUT a quarter of a century ago it was my good fortune to become acquainted with James A. Allen of Chanute, Kansas. At that time he was a struggling young lawyer. Today he

is president of the First National Bank of Chanute.

It is not uncommon to see a man get to the top in one profession, but when he masters two professions a man really has accomplished something. Jimmie Allen has done this, for he is not only a fine lawyer but also president of one of the finest banking institutions in the State of Kansas. He is a man of excellent judgment and fine personality and has what it takes to make a success of anything he undertakes.

The First National Bank of Chanute always has been known as an Allen bank. When I first went there Arthur and Wilbur Allen were at the helm. Both of these fine characters have passed on and Jimmie is now running the bank, ably assisted by B. S. Cofer and Dan Wickard as vice presidents, and E. E. Lofgren as cashier.

I have derived a great deal of pleasure from my visits to Chanute because I have so many good friends there, and after all is said and done, the greatest success in life is not measured by wealth gained. Rather it is measured by the friends you have made who retain their confidence in and their respect for you.

I am proud to call Jimmie Allen my friend. Although circumstances do not permit us to see each other often, I still love and respect him for the grand character that he is, and in my humble way I am glad to pay tribute to him as a fine citizen, an able attorney and a good banker—and best of all as a good friend in whom I have the greatest confidence and for whom I have the greatest respect.

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NATIONAL BANK OF TULSA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Answers to Legal Questions on Page Sixteen

1 No. In Kansas and a majority of the other states the courts will not aid one who has purchased property and caused the title thereto to be transferred to another for the purpose of hindering, delaying, or defrauding his creditors in recovering that property from the one in whose name title was taken.

2 Yes. The voluntary transfer of property by a corporation to secure the individual indebtedness of one of its members is binding upon the corporation if all its stockholders assent thereto and there is no statute prohibiting such action and there are no creditors.

3 Yes. A vendor, upon the insolvency of the vendee, may refuse to deliver except for cash, although credit has been contracted for.

4 Yes. Any claim on account of usurious charges was barred after two years. The controlling law is the federal statute involved which provides that actions on account of usurious charges must be commenced within two years from the time the usurious transaction occurred.

5 In the majority of the cases on this point the endorsers have been held liable for an attorney's fee even though they simply endorsed the paper. Texas, Indiana, Georgia and Alabama so hold but there are decisions in Florida, Illinois and Tennessee to the contrary.

6 No. The maker agreed to pay the holder of the note at maturity \$1,000 plus an attorney's fee if certain circumstances occurred. Whether the endorsers' liability included an obligation to pay the attorney's fee depends on the jurisdiction, however the endorsers clearly did not agree to pay an attorney's fee in addition to the \$1,000 to any one of the endorsers that might have to sue any prior endorsers. Consequently the recovery of the last endorser should not include a recovery of an attorney's fee.

7 Yes. The rule followed by the majority of courts as to medical and nursing care is that such services by third persons do not form a valid basis for lessening the damages for which the defendant is liable. This is so whether they were purely gratuitous or according to a legal obligation, as a tort-feasor should not be allowed the advantage of any arrangement the injured party may have made for his own benefit.

8 Yes. In a set of facts substantially similar to those outlined, the Iowa Supreme Court has held that the stipulations were valid and that they did not violate either the statutes of the state or the probate policy.

9 No. The banker would have had a cause of action against the farm machinery company based on an implied warranty of fitness if there had been no contract provision against such a warranty. However, the provision cutting out all warranties ex-

cept to repair was valid and precluded such a claim.

10 Yes. One may agree to sell his property at a price to be determined by another and he may be bound by the price so fixed even though the party establishing the price is interested.

New Idea for a "Bowl" Game to be Held at Kansas City

James F. McPherson, cashier of the City National Bank and Trust Company, Kansas City, Missouri, has started a movement for a "Heart of America Bowl" football game to be played in Kansas City, Missouri, on January 1, 1940.



JAMES F. MCPHERSON

The Optimist Club of Kansas City, Missouri, of which Mr. McPherson is a member will sponsor the game and it will be strictly a benefit game for the Boy Scout Organization in the Kansas City area.

It will be the idea of the committee to choose some outstanding middle western football team, preferably from the Big Six to play some outstanding team from the East, West, or South.

The records of the weather bureau in Kansas City show that in the last ten years there has not been a New Year's Day that was not suitable for football.

✓ **Spring meeting** of the A.B.A. Executive Council will be held April 23-26 at the Homestead, Hot Springs, Virginia.

✓ **A. L. Stage**, cashier, First National Bank, Knightstown Indiana, died last month at the age of 66. He had been cashier of the bank for 22 years.

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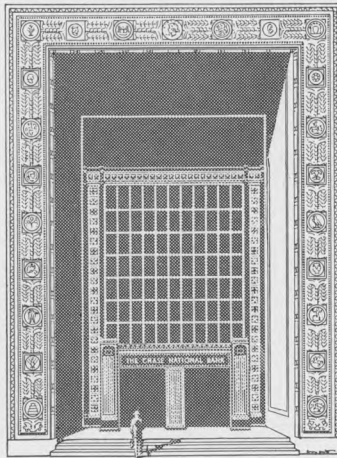
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1894...

Union Station Proclaims St. Louis the Nation's Railroad Center

WHEN the St. Louis Union Station was opened in 1894, it was the largest railroad passenger terminal in the world... it is still one of the greatest unified freight and passenger terminals today. Thus, at the end of the last century, this magnificent building proclaimed the commercial and industrial importance of St. Louis. The city's strategic, central location, at the gateway to the South and Southwest trade territory, was one of the most important factors in its development as a transportation center. Today, nineteen trunk railroads and many others use the immense facilities of Union Station.

The commercial advantage of St. Louis' central location is a basic fact that will never change... and today, because of this location, the transit service of Mercantile-Commerce, by rail and air, reaches practically all points of the country overnight.

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