

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

▲
ST. LOUIS
APRIL
1939
▼



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CONDENSED STATEMENT

FIRST NATIONAL BANK

IN ST. LOUIS

At the Close of Business, March 29, 1939

RESOURCES

Loans and Discounts	\$ 59,762,443.79
United States Government Securities	75,897,812.16
Other Securities Guaranteed by U. S. Government	28,304,052.74
Other Bonds and Stocks	8,803,283.34
Stock in Federal Reserve Bank	405,750.00
Banking House, Improvements, Furniture and Fixtures ..	617,158.94
Other Real Estate Owned	1,848,776.00
Customers' Liability a/c Letters of Credit, Acceptances, etc.	605,324.66
Accrued Interest Receivable	857,221.58
Overdrafts	5,062.66
Other Resources	5,606.39
Cash and Due from Banks	75,131,406.76
	<u>\$252,243,899.02</u>

LIABILITIES

Capital—Common	\$ 10,200,000.00
Surplus and Profits	8,679,134.02
Reserve for Contingencies	600,000.00
Reserve for Taxes, Interest, etc.	416,268.26
Unearned Discount	166,215.43
Liability a/c Letters of Credit, Acceptances, etc.	614,010.80
Other Liabilities	4,274.00
Individual Deposits	\$117,923,209.05
Savings Deposits	33,162,372.42
Bank Deposits	76,992,799.90
City of St. Louis and Other Public Funds	3,485,615.14
Total Deposits	<u>231,563,996.51</u>
	<u>\$252,243,899.02</u>



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PROTECTING INVISIBLE VALUES — NO. 4



STORM CRIPPLES PRODUCTION but expense marches on!



IT'LL BE WEEKS
BEFORE WE
CAN GET INTO
RUNNING ORDER
AGAIN.

Like a colossus from the clouds, hostile winds rush earthward to vent their fury upon man's fragile handiwork. Left in their devastating path are the untold effects of property damage . . . plants torn asunder, power lines down, machinery bogged, production crippled.

But expense marches on! For when output is stopped and orders unfilled, income is canceled. Yet during the period of inactivity to follow, payrolls come up and notes, taxes and other current charges must be met.

Here is proof that manufacturers re-

quire protection for more than *direct* loss caused by windstorm, fire, aircraft damage, explosion. Invisible income values, sustained by the whirl of wheels and the buzz of production, should also be hazard-proof.

Bankers interested in the successful operation of certain manufacturing plants may consult agents of The Home on the advantages of Use and Occupancy Insurance. This valuable supplementary form reimburses for loss suffered during interruption of normal business as the result of hazard.

THE HOME INSURANCE COMPANY NEW YORK

FIRE — AUTOMOBILE — MARINE and ALLIED LINES OF INSURANCE



TODAY numerous regulations govern the shipment of goods among countries and bring special and ever-changing problems to America's foreign trade interests.

The Foreign Department of the Chase National Bank at the head office in New York is a focal point of world commerce. Here, experienced officers keep in touch with overseas developments affecting American business. Here, correspondent banks have access to current trade information and reports on financial conditions covering all parts of the world.

Our folder "INTERNATIONAL TRADE AGREEMENTS," containing in chart form a convenient reference to the hundreds of agreements under which a large part of world commerce is conducted, will be sent to bank officers upon request.

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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.
Florida: April 14-15, Jacksonville.
Georgia: June 8-9, Savannah.
Idaho: June 26-27, Sun Valley.
Illinois: May 25-26, Peoria.
Indiana: May 3-4, Indianapolis.
Iowa: June 5-7, Des Moines.
Kansas: May 10-12, Topeka.
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 Mexico: April 28-29, Hotel Clovis, Clovis.
Ohio: May 18-19, Commodore Hotel, Toledo.
Oklahoma: May 4-5, Oklahoma City.
Oregon: June 12-13, place undecided.
Pennsylvania: May 24-26, Hotel Traymore, Atlantic City.
South Carolina: May 10-11, Greenville.
South Dakota: June 2-3, Pierre.
Tennessee: May 4-5, Hotel Patten, Chattanooga.
Texas: May 16-18, Dallas.
West Virginia: May 25-27, White Sulphur Springs.
Wisconsin: June 7-8, Milwaukee.

General Conventions

- April 23-26:** A.B.A. Executive Council, The Homestead, Hot Springs, Va.
April 28-29: Fifth Mid-Continent Regional Conference of the National Association of Bank Auditors and Comptrollers, Baker Hotel, Dallas, Texas.
May 8-10: Reserve City Bankers, Del Monte, California.
June 19-30: Graduate School of Banking, Rutgers University, New Brunswick, N. J.
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.

Mid-Continent Banker

THE FINANCIAL MAGAZINE OF THE MISSISSIPPI VALLEY

Vol. 35 No. 4

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MISSISSIPPI VALLEY TRUST COMPANY

ST. LOUIS

Statement of Condition, March 29, 1939

RESOURCES

Cash and Due from Banks	\$ 36,857,563.87
U. S. Government Securities	29,843,091.28
(Including those pledged \$11,219,238.92)	
Investment in Mississippi Valley Company, wholly owned subsidiary, consisting of obligations of U. S. Government, and Federal Intermediate Credit Bank and Cash	3,570,000.00
Bonds and Other Securities	3,955,480.66
Federal Reserve Bank Stock	225,000.00
Loans and Discounts	37,320,010.94
Customers' Liability on Acceptances and Letters of Credit ..	199,598.66
Real Estate	1,128,019.04
Accrued Earnings Receivable (Net)	476,510.22
Overdrafts	7,632.50
Other Resources	36,177.42
	<hr/>
	\$113,619,084.59

LIABILITIES

Capital	\$ 6,000,000.00
Surplus and Undivided Profits	3,056,540.35
Accrued Interest, Expenses and Taxes Payable (Net) and Other Reserves	565,759.44
Acceptances and Letters of Credit	199,598.66
Other Liabilities	13,852.96
Deposits:	
U. S. Government, City of St. Louis and Other Public Funds	\$ 8,275,972.12
Other Deposits	95,507,361.06
	<hr/>
	103,783,333.18
	<hr/>
	\$113,619,084.59

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*84 Years of
Banking Experience*

Some Pointers on How to Manage a Bank's Bond Account

By CLARK D. HINDERLEIDER

Francis, Bro. & Co., St. Louis

THE banking business, like all other business, is changing, and the modern banker realizes that the products of his institution—service and credit—must be sold.

Formerly, service was given away, and there existed such a demand for credit that it could be sold in sufficient volume, and at such a price, that both operating and management expenses could be paid and still leave something for stockholders.

Today, few banks are able to sell credit to acceptable risks in their own community in sufficient volume and at a price which will provide adequate earnings; it is therefore necessary to find other sources of income.

Conceding that the first purpose of sound bank management is to protect the safety and availability of deposits, it would appear reasonable that depositors should pay the necessary *operating* expenses incident to the services they receive. To attempt to charge for service without knowing the cost of that service is unfair to both depositor and stockholder. An overcharge is unfair to the depositor and an undercharge is unfair to the stockholder. Each bank should make an analysis of its operating costs, and should make service charges sufficient to cover these costs. Competitive conditions will, to some extent, govern the amount recoverable from service charges, but no banker can justify these charges without knowing his costs.

Income to cover the balance of operating costs, to *compensate management*, and to pay a fair return on the capital investment, must be provided by the sale of credit. In as much as credit cannot now be sold in volume at satisfactory prices, banks have been forced to turn to the investment market and are faced with an unfamiliar management problem, as they are primarily equipped in personnel, in experience, and in machinery, to make and administer loans, rather than to choose and care for investments. The banker passes intelligently upon local loan applications because he knows what questions to ask and how to check the answers. If he is to pass with

equal intelligence on bonds, he must know, or have someone in his organization who knows, the right questions to ask and how to obtain the answers when the purchase of bonds is being considered. He must know the particular requirements of his institution and he must develop a well-defined policy of investment to meet these requirements.

Any sound investment plan must be based on deposits; it is therefore essential to analyze deposits. Demand de-

Many valuable pointers on the management of a bank's bond account are outlined in this article by Mr. Hinderleider. He has been in the investment business for fifteen years and has observed the progress of many banks with their bond accounts. In an article next month he will outline a "yardstick" for use in measuring bond values.

posits should be analyzed from the standpoint of size, stability and trend of growth. The greater the proportion of large accounts to the total, the greater must be the liquidity maintained. Savings deposits are due on thirty days' notice, and certificates of deposit are due in one year or less; therefore all of these deposits are close to being demand deposits. Careful survey should be made of these funds to determine what portion consists of true deposits and what portion represents investment funds, temporarily held, awaiting a more favorable investment market. Banks paying relatively high rates of interest are likely to find sub-

stantial amounts of these volatile funds in their deposits. It should be borne in mind that deposits in this category are apt to move out very quickly when the investment market offers more attractive opportunities than exist at present. Special consideration must be given Public Funds as considerable market risk is involved, at present, when these funds are converted into long-term bonds and the rate of interest obtainable on short maturities is not sufficient to pay interest on the funds and compensate management. When this analysis is completed, the management will be able to determine the cash and liquidity requirements and the amount of credit available for sale.

The second step in the formation of an investment policy should be an analysis of the local market for credit, and a determination of the *maximum* amount of credit that could be sold to WORTHY local enterprises. The balance of the credit must be sold in the open market; and sale of credit in the open market takes the form of purchase of credit instruments—commercial paper, bankers acceptances, bonds, and other forms of investments.

A well-defined policy should be developed. This policy should be broad in scope, should clearly define the minimum standards of quality and marketability, should be reviewed periodically, and should be thoroughly understood by all concerned with its operation, officers and directors included. This policy should be developed by the board, but the execution may be delegated to an investment committee which will make, or have made, an analysis of the bond account to determine to what extent the account *now* meets requirements, and the steps to be taken to *make* it meet the requirements.

The most frequent cases of laxity in matters of bank policy are to be found in connection with the bond account. Serious difficulties arise from the haphazard purchase of securities on the basis of attractiveness of each issue, without consideration as to the suit-

ability for the particular institution and its existing bond account.

The *size* of the bond account is limited by the amount of funds available. The *composition* of the account will be influenced by several factors—the need for liquidity, the necessity for earnings, and the amount of free capital funds available for protection against market fluctuations. Free capital funds may be defined as the net amount of capital funds after deducting the amounts invested in Federal Reserve Bank Stock, bank building, furniture and fixtures—all of which are necessary to the conduct of the business. The ratio of capital funds to the amount of funds available for investments should control the amount of risk that may be assumed in the account as a whole.

Any bond account will be subject to market fluctuation; therefore, care should be taken to avoid the danger of a decline in the market which may impair the bank's capital. Longer term securities are subject to greater fluctuations in price than short maturities of comparable quality and, therefore, should not be held in amounts larger than the bank is in position to carry to maturity. A change of 1 per cent in yield on a ten-year 3½ per cent bond would involve seven or eight points change in price, and the same change in yield on a twenty-year bond would involve twelve to fourteen points change in price. The ever-present possibility of depreciation in longer maturities, with the possibility of impairing capital funds, should be constantly weighed. Banks are more vulnerable to price changes than formerly, since they are carrying larger amounts of securities. They should have a greater cushion of capital funds to meet these changes.

Since short maturities will show less price fluctuation than long maturities of equivalent quality, they should be held in amounts as large as possible and still consistent with earnings requirements.

Proper spacing of maturities is a difficult problem. With interest rates at their present levels, it is not always possible to work out a wholly satisfactory solution. As an ideal, it might be suggested that at *least* one-third of the investment account should mature within five years, with maturities evenly spaced in this period; that a *minimum* of one-third should mature within five to ten years, with maturities again evenly spread, and that a *maximum* of one-third should mature after ten years, with concentration of maturities in any one year avoided. This regular spacing of maturities tends to give a rate of return which

is a fair average over a period. It is almost impossible to foresee quick changes in business conditions and to foretell their market effect on bonds. It seems advisable that the bank take advantage of the law of averages to stabilize investment income, rather than try to guess as to what future year will be most advantageous for reinvestment.

Diversification is the cardinal principle of investment, and proper diversification of types is essential. Government and government-guaranteed issues are considered the safest and most marketable type of investment and therefore should comprise at *least* 33 1/3 per cent of total market value of the account. Many sound reasons can be advanced for including some of each of the other classes of securities—Municipal, Public Utility, Railroad, and Industrial—but, generally speaking, no single type should comprise more than 25 per cent of total market value.

Minimum standards of quality should be established. The standard for municipals will set minimum population, maximum debt in relation to assessed or actual value of property, minimum ratio of tax collections for a three-year period, maximum ratio of per capita debt to per capita assessment. Standards on corporate issues will set out minimum gross earnings, maximum debt in relation to total capital investment, minimum interest coverage for a three- to five-year period, minimum ratio of current assets to current liabilities. These standards will vary for each type of corporation, so actually there will be three standards, one for each—public utility, railroad, and industrial.

Other factors not mentioned should be taken into consideration, but little reliance should be placed on ratings, as they may be changed overnight, but seldom *are* changed in time to afford protection against market depreciation. Present examination procedure permits investment in corporate bonds of the four top ratings. Many years' study of bonds has produced the conclusion that borderline issues are just as apt to slide off in credit ratings as they are to move up in quality. The conservative policy, therefore, would be to limit holdings of corporate issues to those having an "A" or better rating by the recognized services. This does not mean that purchases should be made solely on the basis of ratings, but that ratings *may* be used, after a thorough study of the issue, to check conclusions.

A credit file should be maintained on each issue in the portfolio, and the file should be kept current so the in-

vestment officer may, at all times, know the pertinent facts regarding these issues. And arrangements should be made with some source to secure the information to keep these records up to date. Statistical services, supplying factual information, are a necessity; but the supervisory service which attempts to substitute for competent management in performing one of the most important banking functions, is dangerous. It tends to give the banker a false sense of security and, instead of assisting him to equip himself for his task, removes him farther and farther from direct contact with his bank's assets. The investment of a bank's funds is the responsibility of the management and this responsibility cannot be passed to an outside agency which has no obligations to the bank, the depositors, or the stockholders. Employment of an investment counselor could be helpful, provided he is capable and is easily accessible so that personal conferences may be held at frequent intervals. However, the number of accounts he handles should be limited, otherwise each account receives only superficial attention. Certainly the investment counselor should not manage the account nor have authority to make final decisions and place the orders.

Each bank should have an expert bond man in the organization, or at its service, to make the analysis of the individual credits. It is not always expedient to employ a man of proper caliber, because of the expense involved, but the size of the portfolio should be considered and the management should keep in mind that from 50 per cent to 75 per cent of the earning assets of the average bank is in bonds, that these assets need continuous supervision to prevent loss, and that a preventable loss might pay an expert's salary for many months. Possibly smaller banks could group together and employ a man, the expense to be shared so that it would not be burdensome on any one bank. Management expense should not be so high that the purchase of high rate bonds is forced, and the portfolio should not contain so many items that the management finds it impossible to have a continuing knowledge of each item.

Income consistent with safety of principal, not profits, is the object of bank investment. Purchase of securities in the expectation of trading profits or active trading in the bond account is *rarely profitable over the long term* and has often resulted in a serious loss. Sound management will not permit this practice. Each new offering should be carefully studied, keeping in

(Continued on page 15)

On the Good Ship Rotterdam

THE thirty-ninth annual convention of the Louisiana Bankers Association is now a thing of the past, but the 250 bankers, wives, delegates and friends of the Association who participated in the convention cruise to Havana, Cuba, on the "S. S. Rotterdam" will retain pleasant memories of the trip for many years to come. Officers of the Association, particularly hard-working W. B. (Billy) Machado, secretary of the Association and assistant vice president of the Hibernia National Bank, New Orleans, are to be congratulated on a splendid convention idea, well conceived and well executed.

Most of those who made the trip assembled in New Orleans on Saturday, March 25, and enjoyed a day and night of hospitality in "America's Most Interesting City" before sailing at noon the following day for Havana. The cares of the business world were left behind as the boat sailed from New Orleans at noon on Sunday, March 26, and the first afternoon and evening aboard ship were given over to relaxation and pleasure. First business session of the convention was held Monday morning, March 27, and the following morning delegates were greeted with the sight of Havana.

From Tuesday morning, March 28, until Wednesday afternoon, March 29, delegates were free to come and go as

they pleased to see the sights of Havana and they made the most of the opportunity. Visits were made to rum distilleries, cigar factories, souvenir shops, night clubs, parks, famous Miramar Beach, equally famous Sloppy Joe's Bar, etc., etc. Delegates were tired but happy when they sailed from Havana for New Orleans on Wednesday afternoon.



Morro Castle, Havana Harbor

The second and concluding session of the convention was held on board ship on Thursday morning, March 30, and the following morning the "S. S. Rotterdam" docked at New Orleans to conclude a most satisfactory convention cruise.

Newly elected president of the Louisiana Bankers Association is Sam M. Richard, vice president of the Lake Charles Bank & Trust Company, Lake Charles; newly elected vice president

of the Association is M. L. Funderburk, president of the Citizens Bank & Trust Company, Houma. W. B. Machado was reelected secretary of the Association, and T. G. Nicholson, president of the First National Bank of Jefferson Parish, Gretna, was reelected treasurer. Three new members of the Association's Executive Council were elected for three-year terms as follows: Hayes J. Whitney, vice president and cashier of the Bank of Terrebonne & Trust Company, Houma, representing the Southeastern Regional Clearing House Association; George W. Owen, Jr., vice president and cashier of the Hibernia National Bank, New Orleans, and William N. Louque, assistant vice president of the American Bank & Trust Company, New Orleans, both representing the New Orleans Regional Clearing House Association.

Officers of the American Bankers Association for Louisiana were elected as follows: member of executive council, E. E. Soulier, Lafayette; state vice president, T. L. Evans, Lafayette; member of nominating committee, James C. Bolton, Alexandria; alternate member of nominating committee, Walter Schroeder, New Orleans; vice president National Bank Division, F. F. Millsaps, Monroe; vice president of Savings Bank Division, H. H. Pye, De Ridder; vice president of State

(Continued on page 31)



Left: M. L. Funderburk, newly elected vice president of the Louisiana Bankers Association, and Sam M. Richard, newly elected president. Center: J. H. Garrett of the National Bank of Commerce, Houston; O. M. McCullough of the Central Hanover Bank & Trust Co., New York; A. O. Graves of the Commercial National Bank, Shreveport. Right: Tom Collins, featured convention speaker, and Mrs. Collins.



Left: New government buildings in the plaza facing the President's Palace, Santiago. Right: A Sunday morning race at Club Hippodrome, Santiago.

CHILE — A Land of Beautiful Scenery

By DONALD H. CLARK

Publisher, Mid-Continent Banker

The publisher of Mid-Continent Banker continues in this issue a discussion of South American countries as he sees them on a ten weeks' trip. This article discusses Chile, where in January one of the worst earthquakes in history wiped out many cities. But the cities not affected by the earthquake are as inviting as ever, while the Chilean people begin the work of reconstruction.

CHILE has been called a "land of magnificent vistas"; it surely is that, and it is also a country of rich mineral resources.

Until one visits Chile, it is hard to realize its unusual geographical shape and its tremendous length. Our first stop was at Arica, a few miles south of the Peruvian border, and an important shipping point for Bolivia as well as northern Chile. Arica is in the tropics, and Chile extends some 2700 miles south almost to the antarctic, with the Pacific Ocean on one side, and the high Andes Mountains on the other.

If Chile were transposed on North America, it would extend from about

Mazatlan, Mexico, to Sitka, Alaska, with all the varieties of climate that such a distance makes possible.

Yet for all its length, Chile is but from 70 to 120 miles in width. The transportation from north to south is chiefly by ocean steamer or airplane, as the few railroads in the north run inward, easterly, from the coast. There is, however, a fine railroad from Santiago, 700 miles south to Puerto Montt, through the fertile agricultural and wine district of Central Chile. But 700 miles is but a short distance in a country nearly 3000 miles long!

Northern Chile is an arid desert, but it is here that one finds the only supply

of naturally produced nitrate in the world, and tremendously rich copper mines. The nitrate industry was hard hit by the World War and the development of artificial nitrate; yet, today, the nitrate fields and the copper mines account for some three-fourths of Chile's exports.

It is not until one approaches Valparaiso that the desert-like appearance of the coast gives way to trees and foliage. But even here, irrigation is necessary. Valparaiso is Chile's chief seaport and one of the finest in the world. The city has a bit the appearance of San Francisco, with a thriving business district along the harbor, and beautiful homes high in the hills immediately behind. "Ascensors" (elevators and cable-cars) carry the people from the business streets to the hills above, at about a penny a ride.

We spent a few days at the suburban city of Vina-del-Mar, which in this season of January and February is a fashionable resort. It has a few small but attractive bathing beaches (the water is rather cold due to the Humboldt current) and a magnificent Municipal

Left: Every good Santiago housewife buys her fresh vegetables at the Public Market and gets plenty of assistance from the boy salesmen and helpers. Right: The heart of the financial and insurance district of Valparaiso, Chile's chief seaport. The author of this article is shown in the right foreground.



Casino. We tried our luck there for two evenings! Roulette is fun in any country, but the "sting" is taken from it here (for a poor man!) as the average bet is from two to ten pesos. And the peso is worth about three cents in our money. (As this is written, in March, the official value of the peso is 19 to the dollar, or about five cents. However, pesos can be purchased at tourist agencies and "money exchanges" at the rate of 30 or 31 to the dollar!) The leading hotel of Vina (the city is called Veen-ya) is the finest on the west coast of South America, and comparable to the best in any country. Yet owing to the favorable rate of exchange, it is, at the moment, an inexpensive hotel for a North American.

From Vina the railway takes one 110 miles inland, and over a mountain range to the capital city of Santiago. The railway, operated by the state, has excellent trains with American-style Pullman parlor and club cars, and uses electric power.

Santiago is not much larger than St. Louis, but it is the Washington, Boston and New York of Chile; it is a prosperous and busy business city with beautiful residential suburbs that remind one of Beverly Hills and Hollywood. Its climate at this time of year (summer—of course—and how it surprises one at first to see the sun in the north!) is most pleasant, with warm bright days and cool nights. The city is experiencing a tremendous building boom; half a dozen government structures are under way including a "skyscraper" hotel, and several apartments and office buildings. Streets are being widened in the business section, and new parks are being developed.

Chile has a population of only about 4,500,000—yet nearly one-fourth of the people live in Santiago, and the city is growing rapidly, as it seems to be the ambition of most Chileans who make a bit of money, to move to the capital city.

Santiago's chief boulevard is called—or was called—"Avenida de las Delicias" (avenue of delights) and it is one of the finest to be found anywhere. It is 325 feet wide, with trees in the center and at each side, and is three miles long! But as the South American seemingly takes great pleasure in changing the names of streets, the official name of the boulevard is now "Avenida Bernardo O'Higgins, named after one of the liberators of Chile. Most Chileans, however, still use the older name.

The great majority of Chileans are of Spanish and European descent; there are still about 80,000 Araucan-

Minimum Schedule of Insurance Proposed for Banks

A PROPOSED schedule of fidelity insurance protection for banks, showing the minimum amounts of coverage for institutions with various volumes of deposits, is set forth in a recent issue of the Protective Bulletin of the American Bankers Association in an article by W. K. Mendenhall, manager of the division of research of the Towner Rating Bureau in New York. This schedule is based on a study of the loss experience of all surety companies during the past few years.

The study of loss experience indicates "a marked deficiency of insurance protection," Mr. Mendenhall states. He points out that "contrary to general belief," the survey indicates, "that a definite relationship existed between the size of the banks sustaining losses and the amounts of losses sustained. It was discovered," he says, "that the largest loss reported for the four-year period for each of the deposit groups was substantially greater than the largest known loss in the next small group."

He therefore suggests a schedule of minimum insurance coverage which banks in the several deposit groups "should be encouraged to carry in order that their protection may be deemed suitable or satisfactory as the initial step in a long range plan of correction."

The schedule contains ten classifications including banks with deposits between \$100,000 and \$5,000,000. These

embrace all but about 1,000 banks in the country. The schedule is shown below:

Mr. Mendenhall observes that, "While this initial step toward achieving a degree of uniformity with respect to minimum amounts of coverage will not provide sufficient coverage to cover abnormally large shortages such as many banks have witnessed, it is expected that a general increase in the minimum amounts now being carried must ultimately work to reduce the cost of blanket bonds to all banks."

"It should be regarded as the first of a series of changes which, over a period of years, should eliminate the penalties of loss through under-insurance and result in a much more satisfactory condition," he states.

"Widespread adoption of a program directed toward suitable or satisfactory amounts of coverage for banks generally should produce gratifying results and reward the efforts of those who are concerned with the problem," he says. "If visualized on the basis that the premiums paid by all of the banks are used to restore the losses of the unfortunate few, the effect of the other fellow's losses on the premium charged each insured bank can be more readily understood."

"An increase in the number of losses which are as large as the amounts of the blanket bonds under which they are insured, has a tendency to force an upward revision of rates."

AMOUNT OF BLANKET BOND COVERAGE

Banks with deposits of	Suggested Amounts	
	Minimum	Fair
\$ 100,000 to \$ 200,000	\$10,000	\$15,000
200,000 to 300,000	15,000	25,000
300,000 to 400,000	20,000	30,000
400,000 to 500,000	25,000	35,000
500,000 to 750,000	30,000	40,000
750,000 to 1,000,000	35,000	50,000
1,000,000 to 1,500,000	45,000	65,000
1,500,000 to 2,000,000	55,000	80,000
2,000,000 to 3,000,000	65,000	95,000
3,000,000 to 5,000,000	80,000	120,000

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Arkansas Groups Complete Annual Meetings

GROUP THREE of the Arkansas Bankers Association meeting at Fayetteville, Arkansas, February 22, held top honors among the four Arkansas groups in attendance. Group One meeting at Helena, March 16, was a close second; Group Four at Pine Bluff, March 15, ranked third in attendance, and Group Two at Hot Springs, March 14, was last in spite of the added attraction of the Sport of Kings. The series of meetings was called the "most successful in recent years."

Officers of Group Three as reported last month are: chairman, Clyde Hiatt, cashier, American State Bank, Charleston; vice chairman, Jasper J. Pyeatt, assistant cashier, McIlroy Bank & Trust Company, Fayetteville; secretary-treasurer, George Westbrook, Merchants National Bank, Fort Smith. Grady Comstock, McIlroy Bank & Trust Company, Fayetteville, was elected junior section councilman. Principal speakers at the meeting, presided over by Chairman Ross Martin, vice president, Bank of Bentonville, Bentonville, were Dr. C. C. Fichtner, University of Arkansas; James H.

Penick, executive vice president, W. B. Worthen Company, Bankers, Little Rock; Grover S. Jernigan, State Banking Commissioner, and W. A. McDonnell, executive vice president, Commercial National Bank, Little Rock. Next meeting of Group Three: February 22, 1940, at Fort Smith.

H. M. Kennerly, vice president and cashier, Citizens Bank & Trust Company, Batesville, was elected the new chairman of Group Two at the Hot Springs meeting, March 14. Although this group had the smallest attendance, it had one of the liveliest meetings of the series and the horse races in the afternoon were an added attraction. G. H. Sexton, vice president, Arkansas Trust Company, Hot Springs, was named vice chairman of Group Two and Sam Adkisson, vice president and cashier, First National Bank, Conway, was chosen secretary-treasurer. Featured speakers at the meeting presided over by Chairman D. O. Sims, president, Arkansas National Bank, Hot Springs, were Bank Commissioner Grover S. Jernigan, William A. McDonnell, Abe Collins and John G. Potts. Harvey C. Couch, Jr., vice pres-

ident, Union National Bank, Little Rock, was named executive councilman to 1941, succeeding Aristo Brizolara, Jr. Next meeting of Group Two will be at Searcy.

At Pine Bluff, March 15, Group Four elected H. A. Daugherty, vice president and cashier, Merchants & Planters Bank & Trust Company, Arkadelphia, chairman; J. Thurston Howell, cashier, Bank of Waldo, Waldo, vice chairman; C. W. Daniel, vice president and cashier, Union Bank & Trust Company, Monticello, secretary-treasurer. Heard Williams, National Bank of Commerce, El Dorado, was chosen junior section councilman. The meeting, presided over by Chairman H. H. Cooper, active vice president, First National Bank, Fordyce, featured Fred B. Brady, vice president, Commerce Trust Company, Kansas City, and T. C. Richardson, associate editor, *Farm & Ranch*, Dallas, as speakers. The next meeting will be at Arkadelphia.

Group One at Helena, March 16, elected J. B. Fletcher, vice president, Planters Bank & Trust Company, For-

(Continued on next page)

Louisiana Groups Hold Successful Meetings

BEGINNING with the March 6 meeting of the South Central Regional Clearing House of the Louisiana Bankers Association at Franklin, the remaining five Regional Clearing Houses met last month and elected new officers. The Northwestern Louisiana Clearing House, as reported last month, met February 22 at Shreveport.

A. A. LeBourgeois, cashier, Lafourche National Bank, Thibodaux, was reelected chairman of the South Central Regional Clearing House at its meeting and L. M. Toups, reelected secretary. Principal speakers at the meeting were Roland B. Howell, Thibodaux attorney, and C. D. Kemper, vice president of Sterling Sugars, Inc., who spoke on the problems of sugar planters and processors under regulations of the Department of Agriculture. Mr. Howell's topic was "Some Phases of Oil and Gas Law." A general discussion was led by M. L. Funderburk, president, Citizens Bank & Trust Company, Houma.

Morris A. Hirsch, president, St. Landry Bank & Trust Company, Opelou-

sas, is the new chairman of the Southwestern Regional Clearing House Association which met in Lafayette, March 7. He succeeded A. Dennis Landry, cashier, First National Bank, Lafayette. Other officers elected at the meeting were R. L. James, president, Calcasieu-Marine National Bank, Lake Charles, vice chairman; P. Robley Duplex, cashier, Guaranty Bank & Trust Company, Lafayette, secretary-treasurer. About 125 bankers were present at the meeting.

Robert H. Bolton, cashier and trust officer, Rapides Bank & Trust Company, Alexandria, was named chairman of the Central Regional Clearing House Association at its meeting in Alexandria, March 8. J. E. Gremillion, assistant cashier, Union Bank, Marksville, was elected vice chairman; R. Lee Hopkins, assistant cashier, Security Banking Company, Pineville, secretary-treasurer. W. L. Caldwell, president, Avoyelles Trust & Savings Bank, Bunkie, is the retiring chairman of the Association.

Included among the speakers at the Alexandria meeting were: F. F. Mil-

saps, president, Ouachita National Bank, Monroe, and president of the Louisiana Bankers Association; M. L. Funderburk, Houma; W. B. Machado, New Orleans; Walker Schroeder, New Orleans; A. O. Graves, Shreveport; J. P. Sealy, Shreveport; W. N. Louque, New Orleans; C. G. Rives, New Orleans; M. L. Shaw, New Orleans; and S. M. Richards, vice president of the Lake Charles Bank & Trust Company, Lake Charles, and newly elected president of the Louisiana Bankers Association.

Fred Faulkenheiner, cashier, Concordia Bank & Trust Company, Vidalia, was named chairman of the First Regional Clearing House at its meeting in Monroe, March 9. Ben R. Downing, vice president; Ouachita National Bank, Monroe, was the retiring chairman and presided at the meeting. H. Webb Madison, cashier, Bastrop Bank & Trust Company, Bastrop, was elected vice president; W. F. Prickett, cashier, Winnsboro State Bank & Trust Company, Winnsboro, was reelected secretary-treasurer. Harry D. Wilson,

(Continued on next page)

Arkansas Group Meetings

(Continued from page 12)

rest City, chairman of the group. J. E. Allen, cashier, Planters National Bank, Hughes, was named vice chairman; R. C. Mitchell, cashier, New First National Bank, Paragould, secretary-treasurer. Executive councilmen chosen were Albert Horner, vice president and cashier, First National Bank, Wynne, to 1941, succeeding L. L. McDearman; R. E. Townsend, vice president, Mercantile Bank, Jonesboro, to 1942, succeeding B. L. Ross. Francis Thompson, Phillips National Bank, Helena, was elected junior section councilman. Ben L. Ross, chairman, presided over the meeting. The principal address was given by R. E. Short, president, Arkansas Farm Bureau Federation, who told bankers that the outlook for cotton was not good and would not be greatly improved until "we break down the trade barriers which have been erected at the expense of the South." Group One will take advantage of the new legal holiday in Arkansas, and will hold its next meeting in Wynne on January 19, 1940, the birthday of General Robert E. Lee.

Louisiana Group Meetings

(Continued from page 12)

State Commissioner of Agriculture, was among the principal speakers. He urged the cooperation of bankers in the advancement of agriculture in the State.

F. E. Patenotte, vice president, Guaranty Bank & Trust Company, Amite, is the new chairman of the Southeastern Regional Clearing House, elected at the meeting in Covington, March 10. C. E. Schonberg, president, Commercial Bank & Trust Company, Covington, was the retiring chairman who presided at the meeting. Elbert E. Moore, vice president, Louisiana National Bank, Baton Rouge, is secretary of the Association.

As reported last month, J. A. Walden, cashier, Commercial National Bank, Shreveport, was elected chairman of the Northwestern Clearing House Association at its meeting in Shreveport, February 22. E. C. Thompson, assistant cashier, First National Bank, Shreveport, was named vice chairman; J. C. Atkins, cashier, Continental-American Bank & Trust Company, Shreveport, secretary-treasurer. The retiring chairman was J. B. Vandegaer, cashier, Peoples State Bank, Many. More than 400 bankers attended this meeting.

Observes Fiftieth Anniversary With Dallas Bank This Month

TRIBUTE in recognition of fifty years' outstanding service to the bank which he now heads, and to the city and state which he adopted for his home more than half a century ago, will be paid to Nathan Adams, president of the First National Bank in Dallas, with a three-day celebration in April.

Many leading figures in national banking will come to Dallas as special guests for the golden anniversary observance which Dallas and Texas citizens are planning for Mr. Adams.

The First National is the largest banking institution in the Southwest and is listed among the sixty largest

Bank at Pulaski, Tennessee, at a salary of \$8.33 a month. But soon he heard the call of the West, where many ambitious young men were then turning to find new fortunes in untried country.

Three days after Christmas, 1887, he arrived in Dallas, at that time little more than a trading post on the frontier. After two years with the Texas & Pacific Railway, he again found an opening in the banking business, his first interest, and became bookkeeper in the old Exchange National Bank on April 22, 1889. Today this bank, through a series of mergers, has become the First National Bank of Dallas. In the next thirty-five years he rose gradually from bookkeeper to cashier and then to vice president, until in 1924 his opportunity for service to the bank, his city and state found expanded scope in his election to the presidency of the bank.

Nathan Adams, throughout his career, has played an important part in the shaping of public affairs and the encouragement of enterprise to benefit his community, state and nation.

Although a life-long Democrat, his eminence in Southwestern banking was recognized by a Republican president in 1932 when Herbert Hoover called Mr. Adams to Washington to serve as one of the original members of the Federal Home Loan Board. He has served as president of the Texas Bankers Association and on important committees of the American Bankers Association. On behalf of his home city, he worked indefatigably for the location of the Eleventh District Federal Reserve Bank in Dallas.

During the World War, at the request of the United States Treasury Department, he organized hundreds of saving societies. He has been given many public offices of trust and honor, both locally and nationally, and has served as a director of the United States Chamber of Commerce.

The three-day Golden Anniversary celebration will open with a banquet given by bank employes in honor of their chief executive Wednesday, April 19. A second banquet, Thursday, April 20, will be attended by many prominent bank executives of the nation, and on San Jacinto Day, a state holiday, Friday, April 21, the bank will hold open house to which citizens of Dallas and the entire state will be invited.



NATHAN ADAMS

in the United States. For fifteen years Mr. Adams has served as its president, having worked his way up from the position of bookkeeper. In addition to directing the growth of this institution, he has played a major part in the development of Texas and the Southwest into one of the most prosperous regions of the country, and belongs to that pioneer group of sturdy Southwestern business men who foresaw and promoted its industrial blossoming.

A native of Tennessee, Nathan Adams wrested his success from an humble beginning in the chaos of reconstruction days. His father, a Confederate soldier, saw his fortune wiped out in the Civil War, and young Nathan left Giles College to go to work. His first job was in the Peoples National

Land of Beautiful Scenery

(Continued from page 11)

Indians living in the central and southern districts. This race of Indians—their color is almost white—fought the Spaniards for years, and never were conquered. English, Scotch and German names are common in Chile, but they are usually given a Spanish pronunciation.

It was my pleasure to attend luncheons of the Rotary Club both in Valparaiso and Santiago. Some 20 or more nationalities are represented in each club! And as I looked around the dining room during the meeting, it would have been easy to imagine that I was

at a similar luncheon in any cosmopolitan North American city such as New York, Montreal, San Francisco or New Orleans.

The Chileans are a friendly and hospitable people, and whether one talks with bankers, merchants, clerks or newsboys, he finds them anxious to make the visitor feel at home; they all want him to like and appreciate their beautiful capital city.

Horse racing is most popular in Chile, and while during this summer season, the fashionable races are at Vina-del-Mar, every Sunday finds the "peoples" stadium in Santiago—the Hippodrome—crowded with enthusiastic and noisy spectators. The track is very good, and the setting, with

snow-capped peaks on one side, is magnificent. My personal luck wasn't very good—the "favorite horse" never seemed to win—but here again the three-cent peso kept down the losses! Santiago's "swank" track, Club Hipico, which operates in the winter, has an even more attractive setting, and one of the finest clubhouses in the world.

The people of Chile are still saddened by the earthquake of January 24 which killed many thousands, and ruined a score of prosperous cities and villages in central Chile, 200 miles south of Santiago. The quake was felt for 80 seconds in Santiago, but no damage was done. The work of reconstruction has started, but it will be many months before it can be completed. In

Announces Candidacy of H. W. Koeneke for Second Vice Presidency of A. B. A.

HENRY W. KOENEKE, formerly cashier of the Exchange State Bank, Parsons, Kansas, and now president of The Security Bank, Ponca City, Oklahoma, has consented to stand for election to the second vice presidency of the American Bankers Association at its convention in Seattle, Washington, next September, it is announced by Harry A. Bryant, president of the Parsons Commercial Bank, Parsons, Kansas.

Mr. Koeneke is president of the State Bank Division of the American Bankers Association this year and Mr. Bryant is chairman of the Executive Committee of the Division. In making the announcement Mr. Bryant states that he is speaking with the approval of the majority of the Executive Committee.

Mr. Koeneke has long been identified with state banks. From 1910 to 1917 he was cashier of the Herkimer State Bank of Herkimer, Kansas, and from 1917 to 1929 he was cashier of the Exchange State Bank at Parsons, Kansas.

In May, 1929, he was named Bank Commissioner of the State of Kansas, serving six years in that office. In March, 1935, he was elected president of The Security Bank of Ponca City, Oklahoma, the largest state-chartered bank in Oklahoma, and he still occupies that office.

Mr. Koeneke has a long record of service in the Kansas and Oklahoma bankers associations and the American Bankers Association. In addition to serving on important committees of the

A. B. A., he has been successively a member and then chairman of the Executive Committee of the Association's State Bank Division, vice president of the Division, and now president of the Division.

In making his announcement Mr. Bryant said, "There is a widespread sentiment among bankers holding that a banker should be selected for this position who will truly represent the independent unit country banks, and that a capable man should be selected from a medium-sized city, since in the majority of instances the office has been filled by representatives of banks in metropolitan areas.



HENRY W. KOENEKE

"Mr. Koeneke is and always has been a strong independent banker and an advocate of the dual system of banking, and he has always shown a disposition to be fair and to deal justly with all types of banking. He has been a consistent participant in Association affairs, has demonstrated a broad-minded appreciation of the problems of all banks, and may be depended upon to consider banking questions in the light of the interests of all types of banks and the public they serve."

Mr. Bryant states that his announcement has the approval of the following members of the Executive Committee of the State Bank Division: F. G. Addison, Jr., president, Security Savings & Commercial Bank, Washington, D. C.; John B. Byrne, president, Hartford-Connecticut Trust Company, Hartford, Connecticut; William S. Elliott, president, Bank of Canton, Canton, Georgia; T. R. Frenz, cashier, New American Bank, Oshkosh, Wisconsin; Otto Kotouc, president, Home State Bank, Humboldt, Nebraska; Charles H. Laird, Jr., president, Burlington County Trust Company, Moorestown, New Jersey; L. C. Palmer, president, Citizens State Bank, Arlington, Washington; James H. Penick, executive vice president and cashier, W. B. Worthen Company, Bankers, Little Rock, Arkansas; Albert S. Puelicher, president, Marshall & Ilsley Bank, Milwaukee, Wisconsin; Frank C. Welch, president, Peoples Savings Bank, Cedar Rapids, Iowa; A. L. M. Wiggins, president, Bank of Hartsville, Hartsville, South Carolina.

most cities only a few buildings were left standing—the new ones of steel and concrete construction, which alone seem able to withstand an earthquake. As most of these cities were old, the buildings were of heavy stone, with tile roofs which collapsed immediately, or of brick and adobe which can't hold up with even a minor shake.

Central Chile, which extends through the earthquake district to the forests in the far South, is a land of fertile soil, and has abundant rainfall. The Chilean Lake district, in the central South, is called the "Switzerland of South America." In addition to its magnificent scenery, it has numerous hotels and resorts, nearly all of which are operated by Swiss or Germans. Further south is a sheep-raising area, and a mountainous country, with dense forests and heavy rainfall.

Pointers on How to Manage a Bank's Bond Account

(Continued from page 8)

mind quality, a fair price, and market trend. Jumping into each new issue merely hoping to catch a quick profit is *not considered good banking*. From time to time, profits will be taken on bonds, but they should be used to create a reserve, and this reserve should be built until it is sufficiently large to offset any reasonable depreciation in the account. Twenty-five per cent of the market value of all bonds, excluding governments, would be a reasonable reserve.

All securities now held which do not conform to standards, as fixed in the policy, should receive special attention, and steady progress should be made in eliminating these holdings. All holdings should be reviewed at least once a month and the policy should be reviewed at least twice a year. The bond account comprises a large part of the earning assets, and a sufficient amount of the management's time *must* be allotted to it and quality must be maintained if serious losses are to be prevented.

BOOK REVIEW

"Cyclical Market Forecasting Stocks and Grain," by James Mars Langham, P. O. Box 795, Santa Monica, California. 1938. 191 pages.

The forecasting of stock and grain price movements by stars and other planetary bodies in our solar system is treated in this book. The author conducts a market advisory service in which he uses this material.

Bank Credit Life Insurance Plan Announced

**Missouri Insurance Company, St. Louis,
Pioneers Unique Coverage for Banks**

THE Missouri Insurance Company of St. Louis has just released to all banks and trust companies in Missouri, Illinois and Kansas, details of a unique Bank Credit Life Insurance Plan that has aroused widespread interest. Eliminating all details, bookkeeping records and other extra work for the banker, the plan is said to be simplicity itself.

According to Paul L. Temple, agency director of the Missouri Insurance Company in St. Louis, the plan has been tested in scores of banks and found to fulfill a long needed coverage for the borrower as well as for the bank or loaning institution. A Group Master Policy is issued to the individual bank, together with pads of numbered life insurance certificates, which are in triplicate. As soon as the borrower's loan is approved by the bank, the individual life insurance certificates are issued right in the bank, one copy of which is mailed to the home office of the Missouri Insurance Company, one copy delivered to the borrower, and the third copy filed with the note case in the Loan and Discount Department of the bank. No medical examination whatever is required and the coverage is automatic. Any borrower between the ages of eighteen and sixty is eligible for this coverage.

In event of the death of the borrower his note is cancelled and the bank being named primary beneficiary in the Group Master Policy, receives the proceeds of the policy and returns to the family, estate, partnership or corporation, as the case may be, the cancelled note marked paid together with the collateral posted to secure the original loan.

Credit Life Insurance coverage may be obtained in any amount from \$100 to a maximum of \$3,000 and for a term from one month to a maximum of twelve months. Loans renewed from time to time merely require the issuance, by the bank, of renewal credit life insurance certificates.

In view of the low premium rates promulgated by the Missouri Insurance Company it has been found by actual experience that a very large percentage of borrowers desire to secure this added protection. Premium rates, based on a \$100 loan, and for the term stated, are shown in the table below.

The Missouri Insurance Company was established in St. Louis in 1907. It is an Old Line Legal Reserve stock life insurance company with capital, surplus and reserve funds in excess of

(Continued on page 35)

Borrower's Credit Life Insurance — Premium Rates — Unit \$100

Borrower's Age	3 Months or Less	4-6 Mos. Incl.	7-9 Mos. Incl.	10-12 Mos. Incl.
21 to 25	\$.21	\$.43	\$.65	\$.85
26 to 30	.22	.44	.66	.88
31 to 35	.23	.47	.70	.93
36 to 40	.26	.53	.79	1.05
41 to 45	.33	.66	1.00	1.32
46 to 50	.40	.80	1.20	1.60
51	.44	.88	1.32	1.76
52	.48	.96	1.44	1.92
53	.52	1.04	1.56	2.08
54	.56	1.12	1.68	2.24
55	.60	1.20	1.80	2.40
56	.65	1.30	1.95	2.60
57	.70	1.40	2.10	2.80
58	.75	1.50	2.25	3.00
59	.80	1.60	2.40	3.20
60	.85	1.70	2.55	3.40

NOTE: Limit \$3,000 without Medical examination. Use age next birthday in determining premium rate. If original loan is extended beyond one year, new rate at advanced age of Borrower must be used in calculating renewal Credit Life Insurance premium.

EXAMPLE:
 Amount of Loan \$1,000. Term 3 Months
 Age of Borrower 35 Premium \$2.30

Can You Answer These Ten Legal Questions?

By CHARLES H. WAGER

Attorney at Law, St. Louis

1 Smith borrowed five thousand dollars from Jackson who handed him, in return therefor, a negotiable promissory note for that amount duly executed. The note was also endorsed by Nichols. The note was not paid when due. Smith demanded payment from Nichols. Nichols made a deal with Smith whereby Smith accepted four thousand dollars for the note. Thereafter Nichols sued Jackson. How much could he recover from him in the suit?

2 The statutes of limitations in most states provide one period of time in which actions for relief on account of fraud may be brought and another period in which actions for the recovery of real property may be brought. What would be your idea of the period that would control in cases wherein someone not in possession of certain real estate sues to obtain a decree setting aside a deed therefor on account of fraud?

3 Jones borrowed one thousand dollars from an Indiana bank. As evidence of the indebtedness he gave to the bank a negotiable promissory note duly signed by himself and his wife as joint makers. Actually his wife was surety on the instrument. The note came due and was not paid. The bank set off against the note a deposit the wife had with the bank. Was such action proper?

4 A banker had the title to certain property examined. It developed that the party making the examination made a mistake in his work for which he might be liable for damages. Did the statute of limitations commence to run on the banker's claim against him from the time of the delivery of his report to the banker or from the time of the discovery of the mistake by the

banker? No fraud on the part of the examining party was involved in the matter.

5 A Nebraska banker owned an apartment building. The apartments were rented furnished. Each of them had polished hardwood floors on which were placed small rugs. A prospective tenant, while looking at one of the apartments, slipped and fell on one of the rugs and injured himself. Could he recover from the banker on the ground that his injuries were due to negligence on the part of the banker?

6 Brown leased to a banker a house for a five-year period. The lease provided that it could not be assigned without the owner's written consent. The banker obtained a better position in another city with a fertilizer factory before the lease expired. He assigned the lease to his successor at the bank. The landlord said nothing about this and accepted the monthly rent checks for a substantial period of time from the assignee. Could he thereafter declare the lease forfeited because of the assignment without his consent?

7 Suppose that, in the preceding question, the banker-tenant had failed to pay the rent when due and the landlord had declared the lease forfeited which, in the circumstances, he had the right to do. Suppose further that the tenant had thereafter assigned the lease and that the landlord had written the new tenant promptly that he would not consent to or recognize the assignment but that he, the new tenant, might continue to occupy the premises on a month-to-month basis at the same rental previously paid. Was the landlord bound by the assignment under those facts?

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

8 Black, an employe of the Empire Company, caused certain of its checks to be issued to Manford. The checks were never delivered to Manford but were retained by Black. Black forged Manford's name as endorser on the checks, cashed them, and pocketed the funds. The Empire Company discovered this, immediately told the bank on which the checks were drawn about it, and demanded that the bank credit to its account the amount of the checks that had carried the forged indorsements. At the same time the Empire Company was able to arrange a partial restitution of some of the money from Black. This was accepted by it. Did such action on the part of the Empire Company prevent a recovery by it from the bank? The locale of the question is Michigan.

9 In connection with the erection of a building a banker advanced certain sums. As a part of the transaction he required that a bond be furnished to him by the owner for the performance of the building contract. Among other things the bond provided that the surety would guarantee payment of laborers and materialmen. In view of this provision did the laborers and materialmen have good causes of action against the surety in the event their bills were not paid by the building contractor?

10 A New Mexico banker leased a store to Clamp for five years. The lease provided that it should become void in the event of the destruction of the premises by fire to such an extent as to render them untenable. A fire occurred partially destroying the premises and resulting in damages that were repairable within four or five days. A continuance of the business while the repairs were being made was impracticable. Did the lease become void?

✓ **Gladding B. Coit**, recently assistant in charge of business loans of the R.F.C., has joined the executive staff of Commercial Investment Trust Incorporated.

The Cordial Spirit of '47

Lives on
at Boatmen's



Boatmen's in 1847

When its first correspondent bank opened an account at Boatmen's over 90 years ago, Secretary Benjamin B. Chamberlain and Treasurer Robert Simpson set a precedent of friendly co-operation which has prevailed ever since.

WITH THE PASSING OF YEARS BOATMEN'S HAS KEPT PACE WITH THE INCREASING NEED FOR BETTER BANKING FACILITIES, YET THROUGHOUT HAS MAINTAINED THE CORDIAL SPIRIT OF NEARLY A CENTURY AGO.



Member Federal Deposit Insurance Corporation

Changing Trends in Banking

Management policies must be adjusted to meet the changed trend from lending to investing

By DR. MARCUS NADLER

Professor of Finance, New York University; Research Director,
Institute of International Finance

THE most important change in commercial banking in recent years is the decline in the lending function and the increase in investment operations of the banks. Whereas in the past, the earning assets of a commercial bank consisted to a large extent of commercial loans granted to finance self-liquidating transactions or of security loans resting on the marketability of the collateral, at the present time a considerable portion of the earning assets is made up of investments. An analysis of the earning assets of the banks from 1920 to 1938 shows up this trend quite clearly.

If this change is merely a temporary situation caused by the present abnormal conditions or those which prevailed during the '20's, we need only wait for time to correct it. On the other hand, if the trend should prove to be permanent, it will undoubtedly have a far-reaching effect on the operations and policies of the financial institutions.

It would seem that the decline in commercial loans is not a passing occurrence but rather a permanent tendency. It is, of course, quite likely that during a period of fear of inflation or of actual inflation, a sharp rise in prices accompanied by a material increase in the volume of loans might take place. Such a situation, however, would not be of long duration and would probably result in another crash. And no economic system can survive too many crashes and shocks.

In the past, financing of stock exchange transactions was an important function of the large commercial banks, especially those in New York City. The call money market, with its relatively great absorption capacity, offered an outlet for short-term funds. As a result, however, of the various laws enacted during the past few years, the security market demand for funds is much below the average of the period 1925-1930, and it is certain that in the future the security markets

will not absorb as much bank credit as they did in the past decade.

The place of business loans, the traditionally main earning asset of the commercial banks, has been taken largely by investments and to a small extent by capital loans and personal and consumer loans. Capital loans should be approached from a new angle. Capital loans based on the earning capacity of

"New times require new methods," says Dr. Nadler in this article based upon a recent address. "The sooner the adaptation takes place, the sooner will banks overcome their present difficulties and continue to play their traditional role of an efficient economic servant of the nation."

the borrower and containing a provision for serial repayments, may be regarded primarily as a part of a bank's investments. If the previously made assumption, that the earning assets of a bank will consist chiefly of investments including capital loans, is correct, this will of necessity cause a change in the orientation and the policy of banks and bankers. In the past, the loan officers have been the leading executives in the commercial banks. As a rule, these officers were trained in the credit department and specialized in reading and analyzing financial statements. They based their decisions in making or rejecting loans mainly on the liquidity of the borrower

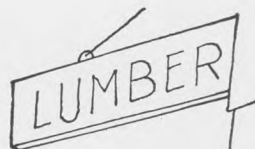
or the self-liquidating nature of the transaction to be financed. They were not so much concerned with the long-range outlook for a given industry, with the ability of the borrower to weather a storm or with the future earning capacity of the enterprise. Investments, as well as capital loans, however, require an entirely different approach. The emphasis in this case is not on the liquidity of the borrower but rather on his ability to earn interest and amortization charges over a long period of years.

Too Few Investment Officers

If the earning assets of the banks continue to consist more and more of investments, it is obvious that more emphasis will have to be laid on the investment department of the bank. The number of investment officers, as well as employees trained in the analysis of securities, will have to be increased. Since banks, as a rule, invest primarily in high-grade bonds or so-called money bonds, the investment department must perform two distinct functions: (1) analytical work to determine which securities should be purchased, and (2) constant study of money market conditions, since money bonds fluctuate with changes in the rates of interest. In the future, therefore, banks will need more people thoroughly trained in the interpretation of money market developments and thus be able to advise their officers as to the trends in interest rates.

The investment department has not as yet received due recognition. In most cases it is still understaffed and its officers do not enjoy the same status as those engaged in making loans. The officer dealing exclusively with money market conditions has not as yet found a recognized place in the banking institution. In some cases where such a man or department exists, it is looked upon as a luxury. The changed trend from lending to investing function will, however, require adaptation of man-

"\$600 worth of lumber, please



I'm building the house myself"

SOME pay more for lumber, some pay less. But we all know the amateur house builder gets an expensive education. The middlemen pay their way in the building field as elsewhere—the architect in planning, the contractor in speed and experience, the building supply dealer in wide stock and prompt service, the skilled workman in craftsmanship that lasts through the years. In fact most home financing is contingent upon good plans, reliable materials and capable supervision.

When the architect, the contractor or the master builder 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 architect, contractor, insurance agent or broker, we refuse to accept business direct because it is not in the interest 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 building field in your city.

The commercial bank, like the architect, contractor, or building supply dealer, is a middleman, specializing in the credit field. Its customers and its directors are chiefly independent businessmen—representative of the American Business System.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

agement policies to the changed conditions.

Although banks are eager to make loans and many banking institutions, in order to stimulate business, are even engaging in transactions formerly considered undesirable, such as consumers' financing and capital loans, the cry is still heard that the banks are refusing to do their share in the drive for recovery. Unjustified as this accusation against banks is, it has nevertheless found credence among many people in the United States. The result is that on the whole there is no opposition to the enlargement of banking facilities by the government.

Banks cannot compete with the government. Banks operate primarily with other people's money, a large portion of which is in the form of demand deposits. They must stand ready to pay out large sums to their depositors at practically a moment's notice. Hence it is natural that banks should adopt a conservative attitude in extending credit and in purchasing securities, for otherwise they would jeopardize the position of their depositors. The government agencies, on the other hand, operate with direct or indirect government credit and therefore are in a position to engage in transactions the risk of which could not be assumed by a private bank. If losses are sustained they are borne ultimately by the taxpayer and the agency is in no danger of forced liquidation because it can always obtain additional funds from the government.

Although the various government lending agencies were intended as an emergency aid during the depression and as such were limited to definite periods of time, yet recent events have shown that whenever the laws which established these agencies come up for renewal, there is no real opposition in Congress against their extension. One may therefore assume that not only are the governmental lending agencies here to stay but that their activities may even be broadened.

Some of the government lending agencies are sound and should be continued. Some of the other agencies would be abolished, however, if the banks were to change their attitude.

Government Competition

Successful competition with the government agencies requires a change in the attitude of banking institutions. Instead of concentrating their efforts on increasing deposits, the emphasis should be placed more on seeking an outlet for deposits, particularly in the form of loans.

If carefully handled there is no reason why the new type of loans should

not prove profitable to the banks and thus open up new and safe outlets for their funds. Any institution engaged in such transactions must realize, however, that the approach to such loans must be entirely different from the procedure followed in financing self-liquidating transactions. The test of this new policy will come when business activity again turns sharply downward and debtors are unable to meet their payments. In the meantime, however, methods of acquiring new types of earning assets are being evolved.

During recent years the government's control over banks has increased tremendously. In fact, one may say that the government through its various agencies, such as the Board of Governors of the Federal Reserve System and the Treasury Department, has complete control over the money market and exercises a greater control over the financial institutions than in any other democratic country. However, this tendency is becoming more and more evident in almost all countries. In some countries, notably in Great Britain, the control is based on tradition and on banking practice. In the United States the broad regulatory and supervisory powers of the various agencies are based entirely on law.

If interbank deposits were to be prohibited by law, however, or if the depository institutions were forced to maintain 100 per cent reserves against their interbank deposits, this would result in a great change in banking practice in the United States.

100 Per Cent Reserves

Proposals in the direction of stricter control often include the institution of the 100 per cent reserve banking system and nationalization of the Federal Reserve Banks. In some circles voices are being raised to nationalize all the credit facilities of the country. Those who advocate this new type of legislation labor under the delusion that the price level can be maintained on an even keel and the swings of the business cycle flattened out through proper monetary measures. These people apparently fail to realize that money and credit is only one element in the complex picture of the national economy and that many other economic, social and political forces are perhaps of even greater significance than the supply of credit or its cost. Whether or not these new laws will be passed is something no one can foretell. This will depend to a large extent on business conditions in the United States and on the measures taken by the banks themselves.

On the whole, banks have not sensed

the importance of public opinion to as great an extent as many other types of business enterprise. Many bankers still shroud their activities in great secrecy and try to convey the impression that banking is a mysterious, complicated art which only few can understand. Personally, I believe that this attitude is wrong. I believe the sooner and the better the public comprehends the true functions of banking and realizes that the banks are merely handmaidens to industry and trade, that even under best of conditions their ability to influence business is limited, the better it will be for the future of the American banking profession.

The rapid changes in the functions of banking and the role of government not only make it necessary for the management, that is, the directors and officers, to adapt themselves to the new conditions, but also impose a greater responsibility on the employes of banking institutions. Banking is becoming a more highly complicated profession and only those who have trained themselves to cope with the changing conditions will be able to get ahead in the field. Banking requires not only the technical knowledge used in daily routine work but also an understanding of underlying economic conditions and of the numerous forces that cause business to fluctuate.

Banking, perhaps more than any other profession, requires continuous study and selective reading in the various fields of economic activity and politics in order to keep abreast of the changes that are constantly occurring. To those who look upon their occupation as a profession and not merely a job, the future is as bright as ever, because the changed trend will require better equipped technicians, better trained diagnosticians and better equipped all-around bankers.

New Methods Needed

In spite of the great changes that have occurred in the field of commercial banking during the past few years, and in spite of the fact that competition and the pressure for earnings are greater today than perhaps ever before, the outlook for banking is as bright as it ever was. Banking is still the hub of the industrial and commercial wheel and will continue to be so. New times require new methods and the sooner the adaptation to changed conditions takes place the sooner will banks overcome their present difficulties and continue to play their traditional role of an efficient economic servant of the nation.

The greatest danger to the banking business arises not from changed con-

(Continued on page 50)

1889

1939

Fifty Years Forward

April 22, 1889 marked the opening of the Oklahoma country to settlement . . . and the founding of Oklahoma City and The First National Bank and Trust Company.

We will hold "open house" Saturday, April 22, in observance of our golden anniversary and cordially invite our friends and customers to be with us then. For those who cannot be here, we will send an interesting historical booklet to those who write for it.

Fifty Years Old! But modern as tomorrow . . . vigorous for constructive growth . . . enthusiastic for the future . . . eager to serve **your** interests in a forward-looking community.

Resources more than 60 million

*Builders of a Bank-
Through the Years*



**FIRST NATIONAL BANK
AND TRUST COMPANY**
OF OKLAHOMA CITY

News of the Banking World

✓ **Last month** bankers of the country were advised that all bank employes should be considered subject to the provisions of the Fair Labor Standards Act. The advice was contained in a letter prepared by Calvert Magruder, general counsel of the Wages and Hours Division.

"On the basis of a preliminary study already made," General Counsel Magruder stated, "it is the opinion of this office that the type of work performed by many employes of banks brings them within the coverage of the Act.

"The Wages and Hours Division, however, is presently engaged in a detailed investigation of the varied activities of employes of banks to determine more precisely the status of bank employes under the Act."



✓ **Lewis E. Pierson** resigned last month as chairman of the board of the Irving Trust Company, New York, after an active banking career of over fifty years. The office of board chairman was abolished and Mr. Pierson was elected to the newly created office of honorary chairman.

As a result of this action, Harry E. Ward, who has been president and administrative officer of the company since 1919, assumes, in addition, those duties which heretofore have been performed by the chairman. Mr. Pierson remains a director of the company, and will continue to maintain his office in the Irving's headquarters building at One Wall Street.

Mr. Pierson has been an outstanding figure in American banking for many years. In 1885, he entered the Hanover National Bank, where he remained until 1898, when he was elected cashier and vice president of the New York National Exchange Bank, the parent institution of the present Irving Trust Company. In 1904, he was elected president of that institution and in 1916 chairman of the board.

Mr. Pierson's activities have extended into many fields. He was president of the New York State Bankers Association from 1903 to 1904; the American Bankers Association, 1909 to 1910; the Merchants Association of New York, 1922 to 1923; the Chamber of Commerce of the United States, 1927 to 1928, and is now a member of its senior council and chairman of the governing board of its publication, *Nation's Business*. He also has been

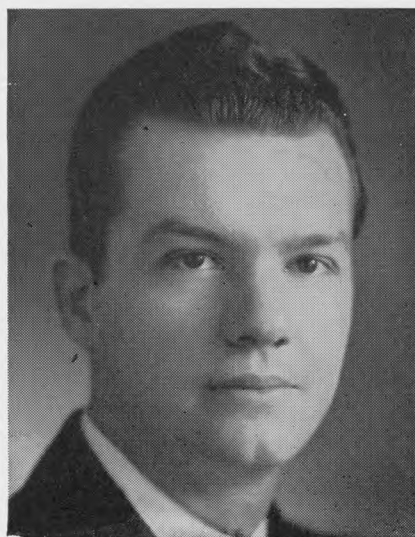
chairman of the board of regents of the American Bankers Association Graduate School of Banking at Rutgers University, since the School was founded.

Mr. Ward, who was born in New Haven, Connecticut, entered the employ of the New York National Exchange Bank in October, 1901, a few months after his graduation from Yale University. Rising successively through the grades of assistant cashier, cashier and vice president, he became president in 1919 of the institution which is now Irving Trust Company. From 1924 to 1926 and from 1930 to 1932, he served as a member of the Clearing House Committee of the New York Clearing House Association, and at present is chairman of that committee.

Among other affiliations, Mr. Ward is a trustee of the Union Dime Savings Bank; a member of the governing board of the National Industrial Conference Board; a member of the Council on Foreign Relations, and Chairman of the Advisory Council, New York Chapter, American Institute of Banking.



✓ **Garnett Carter**, of the Fulton National Bank, Atlanta, Georgia, has the unanimous endorsement of the board of governors of the Atlanta Chapter of the American Institute of Banking for the office of national executive councilman, subject to the election to be held at Grand Rapids, Michigan, next June.



GARNETT CARTER

Mr. Carter is at present associate councilman for Georgia, has served on three national committees, and has attended several of the national conventions of the Institute. He is now serving his second term as chairman of the extension committee and public education committee of the Georgia Bankers Association.

His services with the Atlanta Chapter cover a period of more than ten years. He was president of the chapter in 1935-1936, has served three years as a member of its board of governors, was second vice-president of the chapter in 1933-1934 and vice-president in 1934-1935. He has served as chairman of practically every committee of the Atlanta Chapter, has been a participant in inter-chapter debates, and is the holder of an Institute standard certificate.

Mr. Carter began his banking career with the Fulton National Bank of Atlanta in 1927, and his rise through various positions has been steady. He is at present engaged in new business development.



✓ **Additional names** are being mentioned for the office of second vice president of the American Bankers Association, subject to the annual election to be held at the convention in Seattle this coming September. Last month's issue carried mention of the candidacy of A. L. Lathrop, vice president and a director of the Union Bank & Trust Company, Los Angeles, for this office. He has been endorsed unanimously by independent bankers of the Twelfth Federal Reserve District. Now the names of James R. Leavell, president of the Continental Illinois National Bank & Trust Company, Chicago, and Fred A. Cuscaden, vice president of The Northern Trust Company, Chicago, are also being mentioned for this office. Both Mr. Leavell and Mr. Cuscaden are known to be friendly to the interests of the independent unit bank.



✓ **34,000 individuals** are purchasing United States Savings (Baby) bonds every month, according to recent testimony before the House Appropriations Committee.



✓ **245 bank failures** occurred in the United States from the date the FDIC was established in 1934 through

the first eleven months of last year, according to recent figures made available in the Treasury Department appropriation bill reported to the House. Of this number, 173 banks were insured by the FDIC and 72 were non-insured banks. Of the 173 FDIC banks which failed in this period, 10 were National banks, 3 were state bank members of the Federal Reserve System and 160 were non-member state banks which belong to the FDIC.



✓ **Dr. Benjamin M. Anderson, Jr.**, economist for the Chase National Bank of New York since 1920, has resigned to accept an appointment as professor of economics at the University of California on the Los Angeles campus. His work there will begin next September.



✓ **Cyril B. Upham**, Deputy Comptroller of the Currency, testifying last month at sub-committee hearings on the Treasury Department supply bill, stated that the Comptroller's office would endorse legislative proposals to increase the maximum of insurance protection under the FDIC from \$5,000 to \$10,000. He stated that raising the limit "would not greatly increase the liability of the Corporation." He added, however, that the existing law, which insures 99 per cent of the depositors in 14,000 banks, "takes care of the situation pretty well."



✓ **A survey** of the personal opinions of over 500 investment executives of leading life insurance companies, savings and commercial banks, trust companies and other financial institutions throughout the United States, made recently by Homer & Co., Inc., dealers in institutional bonds, indicates that the present high market for long-term bonds will last another two years.



✓ **Double liability** on stock of state banks will end in Michigan and North Dakota on July 1, next. There are now 23 states, including the District of Columbia, in which double liability never existed or has been repealed; 16 states in which it still exists, but where exemption is available to practically all banks through the performance of certain acts giving notice, or the fulfillment of certain requirements, such as FDIC membership. There are seven states in which double liability still exists: Arizona, Illinois, Minnesota, Oregon, Utah, Vermont and Washington. Removal of double liability is now pending in Indiana.

THE NATIONAL BANK OF COMMERCE

IN NEW ORLEANS

Report to the Comptroller of the Currency (CONDENSED)

As of the Close of Business March 29, 1939

RESOURCES

Cash on Hand and Due from Banks	\$21,631,492.34
U. S. Government Obligations Direct and/or Fully Guaranteed	12,108,785.53
Obligations of U. S. Government Instrumentalities	773,681.38
Stock in Federal Reserve Bank	99,300.00
Municipal Bonds	4,656,267.02
Customers' Liability on Acceptances	60,947.96
Secured Notes under Government Cotton Loan	5,984,874.02
Other Loans and Discounts	12,814,243.78
Furniture and Fixtures	21,937.43
Accrued Interest on Bonds and Loans, and Other Assets	208,146.79
	\$58,359,676.25

LIABILITIES

Common Stock	\$1,500,000.00
Preferred Stock	1,200,000.00
Surplus	610,000.00
Undivided Profits	477,987.11
	\$ 3,787,987.11
Reserve for Undeclared Dividends	48,000.00
Reserves for Preferred Stock Retirement and Contingencies	419,029.48
Other Reserves	46,841.09
Discount Collected but not Earned	201,957.80
Liability on Acceptances	116,264.14
Deposits	53,739,596.63
	\$58,359,676.25

Liability on Letters of Credit issued but not drawn against \$66,483.65

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RICHARD R. FOSTER	C. D. KEMPER	THEODORE M. SIMMONS
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MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS of ILLINOIS BANKS and BANKERS

☐ **M. A. Graettinger**, executive vice president of the Illinois Bankers Association, has tendered his resignation, and the Council of Administration has voted to accept his request, effective at the close of the fiscal year, May 31, 1939. Mr. Graettinger, who has reached the usual retirement age, has been asked to continue in an advisory capacity with the Association for the next two years. Under this arrangement, he would retain the title of executive vice president, after which the office would be abolished. Mr. Graettinger has served the Association since April 1, 1917. Mrs. O. S. Jennings, who has served the Association for more than 30 years, also will retire from her position as secretary at the close of the fiscal year and will assume other duties in the office as senior unofficial employe. Mr. H. C. Hausman will succeed her as secretary with full authority and responsibility of supervision and operation of the Association affairs and activities. Mr. Hausman has been with the Association since 1925.

☐ **First State Bank**, Red Bud, Illinois, has become a member of the Federal Reserve System. The new member has a capital of \$30,000, surplus of \$10,000 and total resources of more than \$588,000. Officers are: Albert Schrieber, president; Henry Schifferdecker, vice president; Adrian F. Rathert, cashier; Henry L. Thielen, assistant cashier. The addition of this bank brings the total membership of the Federal Reserve Bank of St. Louis to 391, of which 317 are national banks and 74 are state banks and trust companies. Deposits in member banks aggregate \$1,476,709,000 and amount to two-thirds of the deposits of all banks in the Eighth Federal Reserve District.

☐ **Benjamin M. Smith**, vice president of the Salem National Bank, Salem, Illinois, and former cashier of the old State Bank of Salem, died last month in Barnes Hospital, St. Louis, Missouri, after an illness of several weeks. Mr. Smith had been active in the affairs of the Illinois Bankers Association for many years and was well-known throughout the state. He was 61 years old.

☐ **G. L. Settlemire** has been elected president of the Litchfield Bank & Trust Company, Litchfield, Illinois, to succeed the late E. B. Appleton. Mr. Settlemire was formerly vice president of the bank and has been succeeded in that office by W. W. M. Davis.

☐ **Ed R. Davis** has been elected vice president of the Montgomery County Loan & Trust Company, Hillsboro, Illinois, succeeding F. L. McDavid, resigned.

☐ **Morse L. Bentley** has been named assistant cashier of the First National Bank, Brighton, Illinois. Warren G. Strohbeck, formerly cashier, resigned recently to become an assistant national bank examiner in the Eighth Federal Reserve District, with headquarters in St. Louis. W. A. Schneckberg, executive vice president, is now vice president and cashier; C. A. Hilliard is president. Mr. Bentley has attended Blackburn College, Washington University and the Burroughs Adding Machine School. He recently has been employed by the Owens-Illinois Glass Company in Alton, Illinois.

☐ **Victor J. Hummert** has been elected president of the State Bank of Breese, Illinois, to succeed H. B. Hummert.

☐ **William G. Greenlee** has been made vice president and a director of the Farmers National Bank, Belvidere, Illinois.

☐ **M. A. Howe** has been named cashier of the Cherry Valley State Bank, Cherry Valley, Illinois, to succeed Helen Larson, formerly cashier.

☐ **A proposal** to change from a state bank to a national bank is being considered by the Monroe County Savings Bank and Trust Company, Columbia, Illinois. Permission has been obtained from the Comptroller of the Currency for the conversion.

☐ **Cary State Bank**, Cary, Illinois, is celebrating its twenty-fifth anniversary this month. At the time plans for the silver jubilee were announced, the bank reported a gain in deposits of about \$40,000 over the previous year. A. H. Collins, cashier, is now a director, succeeding the late William Wascher.

☐ **A new bank** is now being organized for the Hyde Park district of Chicago. The bank will be located at 53rd and Lake Park and is expected to be ready for business before May 1. Henry E. Hallenbeck, former receiver of the Hyde Park-Kenwood National Bank, will be its president. The building which the bank will occupy has been operated for the past two years by the Hyde Park-Lake Park Stock Trust. The capital stock of the bank is expected to be \$200,000 and surplus \$50,000.

☐ **Elmhurst National Bank** is the new name of the Elmhurst State Bank, converted to a national bank, effective March 1. The bank has operated continuously since 1894 and has operated as a state bank since 1904.

☐ **Directors** of the Fairbury State Bank, Fairbury, Illinois, are considering a proposal to convert the bank into a national bank.

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☐ **Effingham, Illinois, banks**, since March 1, are paying 1 per cent on savings deposits and on certificates of deposit having a maturity of six months. Interest at the rate of 1½ per cent is being paid on certificates of deposit made for one year.

☐ **Miss Priscilla Jones**, president of the Citizens State Bank, Milford, Illinois, died last month at the age of 79.

☐ **C. A. Mangelsdorf**, trust officer of the Rock Island Bank & Trust Company, Rock Island, Illinois, was a featured speaker at the Tri-City Greeters Club at a recent meeting held in Rock Island. He discussed checks and forgeries, basing his talk on interesting incidents in his experience.

☐ **John Whitson**, one of the organizers of the Texico State Bank, Texico, Illinois, died last month at the age of 79. He had been an officer of the bank since its organization.

☐ **Mount Carroll National Bank**, Mount Carroll, Illinois, reports that loans have increased about \$100,000 during the past year.

☐ **M. R. Brown**, formerly cashier, has been named president of the Bond County State Bank, Pocahontas, Illinois, to succeed the late J. Elmer Grob. Earl Karracher is the new cashier.

☐ **At Peoria, Illinois**, three new assistant cashiers of the Central National Bank & Trust Company are Martin T. Butler, Louis A. Hessing and Francis K. Maddox. Mrs. Clara K. Meyer is a new vice president of the bank.

☐ **Fred W. Allen**, president of the Moline State Trust & Savings Bank, Moline, Illinois, was elected president of the Quad-City Clearing House Association last month at the annual meeting. Mr. Allen succeeded G. Herbert Pemberton, former president of the Rock Island Bank & Trust Company, Rock Island. Vice president of the organization elected at the meeting was R. O. Byerrum, executive vice president, First Trust & Savings Bank, Davenport, Iowa; and secretary and treasurer, Frank Johnson, cashier and trust officer, First Trust & Savings Bank, Davenport. The clearing house committee elected was Ray W. Osterman, vice president and cashier, Rock Island Bank & Trust Company, Rock Island; Herman Staak, cashier, Davenport Bank & Trust Company, Davenport; and B. H. Ryan, executive vice president, State Bank of East Moline, Illinois.

☐ **O. N. Harter**, cashier of the First State Bank, Wenona, Illinois, expects

to remain in Florida for a short time yet before returning to his duties at the bank. He has been in ill health for the past year and went to Florida in September for a rest.

☐ **A. E. Muir** has been appointed assistant cashier and assistant trust officer of the Montgomery County Loan & Trust Company, Hillsboro, Illinois.

☐ **George C. Bolinger**, vice president, Shelby County State Bank, Shelbyville, died recently following a paralytic stroke. At the time of the death, he also was vice president and a director of the First Federal Savings and Loan Association of Shelbyville.

☐ **Joe P. Benson** has been named executive vice president of the Crawford County State Bank, Robinson, Illinois.

☐ **Edwin Gieseke** is now cashier of the Roselle State Bank, Roselle, Illinois. He has been with the bank for 15 years and has been assistant cashier for the past 3 years.

☐ **First National Bank**, Greenville, Illinois, last month sold \$50,000 in preferred stock to the R.F.C.

☐ **Orland State Bank**, Orland Park, Illinois, has remodeled the interior of its quarters and rearranged the business counter to provide more space for cashiers' cages. The lobby also has been enlarged.

☐ **At Columbia, Illinois**, the Monroe County Savings Bank & Trust Company has voted to change to a national bank. The name after the conversion will be the Monroe National Bank of Columbia.



A HALF CENTURY OF EXPERIENCE in banking

Since it was founded, fifty years ago, The Northern Trust Company has built up a fund of experience, upon which out-of-town correspondents are invited to draw at any time. A connection with this Chicago institution offers the benefits of broad fact-finding facilities and sources of business information.

1889 Fiftieth Anniversary 1939

THE NORTHERN TRUST COMPANY

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NEWS of INDIANA BANKS and BANKERS

¶ **The double liability** on shares of Indiana State banks has progressed another step toward termination with the passage of House Bill 160. The termination of double liability must now be approved by the electorate at the next general election in 1940. If it is then approved, shares issued after December 1, 1940, shall be exempt from double liability, and all other shares may gain immunity if the bank gives five months' notice, by publication, of such termination.

¶ **A new perpetual charter** has been granted the State Bank of Amboy, Indiana, re-chartering articles of incorporation which expired March 19. Capital stock and paid-in capital of the bank are \$25,000.

¶ **In a recent search** for information concerning Mishawaka, Indiana, for the city's fortieth anniversary, the first statement of condition of the First National Bank, Mishawaka, was found. This report, dated February 4, 1899, showed loans and discounts of \$6,504 and demand certificates of deposits of

\$31,879. The population of the city at that time totaled about 5,000. Today the First National Bank has more than 16,500 depositors and its deposits total more than \$6,000,000. It is considered the largest national bank in the north-western section of the state.

¶ **Banks in Anderson, Indiana**, since March 1, are paying interest at the rate of 1½ per cent per annum on savings accounts in excess of \$1,000. The former rate of 2 per cent is paid on savings accounts up to and including \$1,000.

¶ **Carlton Chase**, formerly assistant cashier of the Steuben County State Bank, Angola, Indiana, has been chosen cashier to succeed Frank G. Gilbert who has resigned to devote his time to private interests. Mr. Chase has been associated with the bank since 1926 and has been assistant cashier for some time.

¶ **Charles V. Spencer**, president, Clarksburg State Bank, Clarksburg, Indiana, died at the age of 69 recently.

He was also secretary-treasurer of the Producers Commission Association, Indianapolis.

¶ **Louis L. Kindermann**, vice president, Peoples Trust & Savings Bank, Boonville, Indiana, died recently at the age of 74 in St. Petersburg, Florida.

¶ **The two banks in Goshen, Indiana**, the Salem Bank & Trust Company and the First National Bank, have donated the new bullet-resistant glass for the city's new police fortress in the heart of the business district. The fortress has been completed and is now in operation. It is located on the corner of the court house lawn near the sidewalk with a sweeping view of the business district and the principal national and state highways going through the city.

¶ **Lucian Harris**, president of the Rising Sun State Bank, Rising Sun, Indiana, has retired from his position at the bank to re-enter actively the practice of law. He has formerly been engaged in the practice of law in Marion, Switzerland and Ohio Counties. Mr.



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Harris, who is also president of the Patriot State Bank, Patriot, Indiana, has been closely connected with the law profession during the last few years.

¶ **Richard M. Steele** has been named cashier of the First National Bank, Knightstown, Indiana, to succeed the late Arthur L. Stage. Mr. Steele has been connected with the bank for about 8 years, recently as assistant cashier and manager of the insurance department.

¶ **George Huber**, cashier, has been elected president of the State Bank of Lizton, to succeed the late Marion Bailey. Marion Ginn has been chosen cashier of the bank.

¶ **Monroe Howes**, a director of the Newburgh State Bank, Newburgh, Indiana, has been elected president of the bank to succeed the late Charles W. Brizius.

¶ **Louis Mayer**, vice president, Mayer State Bank, South Whitley, Indiana, died recently at the age of 63. With his brother, Moses Mayer, he has been associated with the banking business since 1893. At the present time, Moses Mayer is president of the Mayer State Bank.

¶ **Harold E. Laufer**, president of the St. Joseph Valley Bank, Elkhart, Indiana, and his wife, were expected to return to Elkhart on April 3 from a trip to New York, through the Panama Canal, to San Francisco and back. The trip was the first time Mr. Laufer had been away from his duties at the bank for more than two or three days since he became president of the organization about four years ago.

¶ **Assets** of the National Brookville Bank were sold and its deposits transferred to the Franklin County National Bank, March 14. John Goodwin, president of the National Brookville Bank, and G. E. Dennett, cashier, will retire from active business. The bank was established as a private bank about 65 years ago and became a national bank in 1905. The Franklin County Bank, established in 1901, will have resources of more than a million and a half dollars following the transaction.

¶ **About 55 members** of the Fort Wayne, Indiana, chapter of the A.I.B. and their guests met last month to hear Thomas J. Nugent, vice president, First National Bank, Chicago, who spoke on the subject of "Credits." James L. Buchanan, also a vice president of the First National Bank, Chicago, attended the meeting with Mr. Nugent and spoke briefly.

¶ **William J. Gude**, who was at one

time president of the First Merchants National Bank, Lafayette, Indiana, died last month at the age of 70. He had also been president of the Lafayette Brewery Corporation.

¶ **Dr. Victor H. Marchand**, president, Haubstadt State Bank, Haubstadt, Indiana, died last month at the age of 76, as a result of injuries suffered in an automobile crash.

¶ **Wade C. Harrison** is the new president of the Central National Bank & Trust Company, Attica, Indiana. He succeeds A. R. Herron, resigned. Mr. Harrison is treasurer of the Harrison

Steel Castings Company. C. E. Brown, formerly cashier, is now vice president, and Paul Brown, formerly assistant cashier, is the new cashier.

¶ **Raymond Knapp** has been named assistant cashier of the American National Bank, Noblesville, Indiana, to succeed Frank M. Wild who resigned to accept a position with the State Board of Accounts.

¶ **Eli B. Phillips**, who has long been associated with the First National Bank, New Castle, Indiana, died last month at the age of 96. He was the oldest citizen of the city.

*Continental Illinois
prides itself
on the promptness
of its collection service,
made possible
by a nation-wide network
of correspondent banks*

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

Member Federal Deposit Insurance Corporation

NEWS of KENTUCKY BANKS and BANKERS

☐ **Hugh H. Ellis**, formerly vice president, Bank of Buechel, Kentucky, has been elected president to succeed W. J. Hoffman, who resigned. Deposits of the Bank of Buechel are \$219,000 and loans are \$70,000.

☐ **First National Bank**, Buffalo, Kentucky, reports deposits at \$424,781, with loans and discounts at \$188,526.

☐ **Peoples Deposit Bank**, Burlington, Kentucky, is believed to be the largest small-town bank anywhere. Burlington is a town of less than 600 population (198 as shown by the last census) but the bank has resources at the present time of more than \$1,200,000. Loans and mortgages are \$465,052; undivided profits are \$14,249, and deposits are \$950,508. Officials of the bank are interested in knowing if any other banks in towns of comparable size have resources of more than a million.

☐ **Ernest Lewellyn**, formerly assistant cashier, has been elected vice president and a director of the First National Bank, Carrollton, Kentucky.

The bank is now housed in its newly remodeled building.

☐ **M. B. Damron**, trust officer, Covington Trust and Banking Company, Covington, Kentucky, has resigned his position at the bank. His place has not yet been filled.

☐ **Citizens National Bank**, Covington, Kentucky, reports consistent progress under its new president, J. A. Schramm, who was formerly vice president. William H. Hoppenjans is vice president of the bank.

☐ **Edmonton State Bank**, Edmonton, Kentucky, now has deposits of \$536,000 and loans and discounts of \$363,000. C. A. Bell is president; Dr. P. W. Bushong is vice president, and John Thompson, cashier.

☐ **Community Bank**, Erlanger, Kentucky, has increased capital stock from \$15,000 to \$25,000.

☐ **Peoples Bank**, Greensburg, Kentucky, reports deposits of \$285,400 and loans and discounts of \$113,100. L. M.

Henderson is president of the institution; William H. Hagan, executive vice president and cashier; G. T. Neagle, vice president, and Earl Henderson, assistant cashier.

☐ **C. H. Williams**, vice president and a director of the First-City Bank & Trust Company, Hopkinsville, Kentucky, has resigned.

☐ **Dividend checks** of a few hundred National Bank of Kentucky depositors who are also Banco-Kentucky stockholders are being held up on orders from the Comptroller of the Currency in order to take care of obligations they might incur if the stockholders' case now in the courts is decided against them. Only the amount being sued for is being withheld. The bank is paying a 10 per cent dividend of \$2,218,000, authorized by the Comptroller. There are 18,473 claimants to the entire dividend.

☐ **Ralph C. Gifford**, president of the First National Bank, Louisville, Kentucky, and its affiliate, the Kentucky

ILL. KY. TENNESSEE MISS. ALA. GA.

And Preference by Bankers of 68%

A Key Bank in the Central South

BANKERS KNOW BANKS . . .

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

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

THE AMERICAN NATIONAL BANK
NASHVILLE

Member Federal Deposit Insurance Corporation

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"The Oldest National Bank in the South"

First National Bank OF LOUISVILLE

Charter No. 109

We are glad to answer your business queries covering the expanding Louisville trading area, which is the territory we have been serving for the past 75 years.

Member Federal Deposit Insurance Corporation

Title Trust Company, has been elected a director of the Chesapeake & Ohio Railway.

☐ **Joseph H. Waterfill**, formerly vice president of the Citizens Union National Bank, Louisville, Kentucky, died last month at the age of 61 years. Until his retirement about a year ago he was in charge of the bank's Fourth Street branch.

☐ **First National Bank**, Pikeville, Kentucky, is celebrating its fiftieth anniversary. The bank has made particularly large gains during the past five years. Loans and discounts were \$757,256 in 1934, and are \$959,007 as of March 6, 1939; deposits were \$1,302,002 five years ago, and have now increased to \$2,041,243. Aside from the business ability of the bank it is unique in that it opens each business day with the singing of hymns; grows its own flowers and keeps the bank building brightly decorated with them; owns an electric-tone organ and a custom-built radio phonograph for the pleasure of its customers, and serves soft drinks. The bank is noted for its famous Christmas party given each year. G. W. Greer is president and John M. Yost, vice president and cashier.

☐ **First National Bank**, Mayfield, Kentucky, opened for business last month in its new \$100,000 building.

☐ **William A. Hinton**, formerly vice president and cashier, has been named president of the Farmers Deposit Bank, Sadieville, Kentucky, to succeed the late Robert H. McCabe. Charles P. Fields has been promoted from assistant cashier to cashier; Miss Vera L. Hinton and William T. Warring appointed assistant cashiers.

☐ **The three banks** at Somerset, Kentucky, Citizens National Bank, Farmers National Bank and the First National Bank have announced new banking hours of from nine to two daily. The hours were effective March 1, and were inaugurated to comply with the Wage and Hour Act.

☐ **Sparta-Sanders State Bank**, Sparta, Kentucky, reports deposits of \$146,000 and loans and discounts of \$85,000 as per recent statement.

☐ **Deposits** of the Deposit Bank of Monroe County, Tompkinsville, Kentucky, are now \$574,359. Loans and discounts are \$231,128.

☐ **Farmers Bank**, Vine Grove, Kentucky, reports recent deposits at \$400,000 and loans and bonds at \$375,000.

☐ **West Point Bank**, West Point, Kentucky, now has new banking hours of

from eight to three o'clock every day excepting Saturday when its closes at one o'clock.

☐ **Fred G. Stilz**, cashier, Bank of Commerce, Lexington, Kentucky, is the new president of the Lexington Clearing House Association.

☐ **At a meeting** of the Progressive Bankers Association of Western Kentucky in Hopkinsville last month, Roy G. Cooksey, vice president, Bowling Green Trust Company, Bowling Green, was elected president. Ed L. Weathers, president, First-City Bank & Trust Company, Hopkinsville, was chosen

vice president of the group, and William Briggs, note teller of the Citizens National Bank, Bowling Green, secretary. The principal speaker at the meeting was Dr. S. C. Garrison, president of Peabody College at Nashville.

☐ **About 200 Louisville investors** have purchased controlling stock in the Security Bank, Louisville, according to an announcement made by Frank I. Duggan, president of the bank. The investors bought 2,708 shares of the bank's stock from the Chemical Bank & Trust Company of New York City for \$365,800. The price of the stock was \$135 per share.

CITIZENS UNION NATIONAL BANK LOUISVILLE

CONDENSED STATEMENT

Issued upon call of the United States Comptroller of Currency

At the close of business March 29, 1939

RESOURCES

Cash and Due from Banks	\$33,241,386.38
U. S. Government Securities (carried at less than par)	17,451,031.67
Loans and Discounts	16,106,152.56
Federal Reserve Bank Stock	105,000.00
Federal Intermediate Credit Bank Debentures	763,668.09
Other Investment Securities (at less than market)	228,622.07
Interest Earned but not Collected	86,716.32
Real Estate	1.00
Banking House (rented)	0
Furniture and Fixtures (three offices)	1.00
TOTAL	\$67,982,579.09

LIABILITIES

Capital Stock	\$ 1,000,000.00
Surplus	2,500,000.00
Undivided Profits	689,912.33
Interest Collected but not Earned	\$ 79,370.75
Reserve for Interest and Taxes	135,468.23
	214,838.98

DEPOSITS:

Demand	\$59,279,730.86
Time	4,096,534.93
U. S. Government	201,561.99
	63,577,827.78

TOTAL

JOHN R. DOWNING, *President*

Department of Banks

WM. F. MILLER, *Vice President*

A. N. SUTHERLAND, *Asst. Cashier*

R. M. ROBERTSON, *Asst. Cashier*

Member Federal Deposit Insurance Corporation

NEWS of MISSISSIPPI BANKS and BANKERS

¶ **P. Tudury**, assistant cashier, Hancock Bank, Gulfport, Mississippi, died recently. Miss Ruth Cozeneuv and A. A. Scafide were made assistant cashiers.

¶ **W. M. Mounger**, vice president of the Deposit Guaranty Bank & Trust Company, Jackson, Mississippi, and Mrs. Mounger, were among the group of Mississippi bankers who made the convention trip with Louisiana bankers from New Orleans to Havana and return on the "S. S. Rotterdam." Other Mississippi bankers who made the trip included: W. B. Herring, president of the Pascagoula National Bank, Moss Point, Mississippi; Frank R. McGeoy, president of the Bank of Greenwood, Greenwood, Mississippi; V. B. Montgomery, president of the Citizens Bank and Trust Company, Belzoni, Mississippi; S. E. Moreton, president of the Citizens Bank and Trust Com-

pany, Brookhaven, Mississippi; Fred B. Smith, president of the Peoples Bank, Ripley, Mississippi, who addressed the Louisiana convention on the subject "The Banker's Responsibilities to His Community"; and Paul Townsend, vice president of the Citizens Bank & Trust Company, Belzoni, Mississippi.

¶ **Capital National Bank**, Jackson, Mississippi, shows total deposits of more than \$9,565,000 and total resources of more than \$10,541,000 in its March 29, 1939, statement of condition. The bank has capital of \$400,000 and surplus and profits of more than \$565,000. Loans and discounts are approximately \$1,350,000 and cash and Government bonds exceed \$6,640,000.

¶ **Edward S. Butts** has been promoted from assistant cashier to cashier of the First National Bank, Vicksburg, Mis-

issippi. Harry G. Carpenter of Rolling Fork and Alex J. Brunini of Vicksburg have been elected directors of the bank.

¶ **Hotel Buena Vista**, Biloxi, Mississippi, headquarters for the annual convention of the Mississippi Bankers Association, to be held May 9 and 10, is one of the outstanding resort hotels of the country. Overlooking the waters of the Gulf of Mexico, this beautiful hotel of Spanish architecture has 250 outside rooms with baths. Golfing, boating, fishing and bathing are among the diversions offered to visitors.

¶ **Commercial Bank & Trust Company**, Jackson, Mississippi, reports deposits of more than \$850,000 and total resources of approximately \$950,000. The bank has capital of \$50,000 and surplus of more than \$11,500.

NEWS of LOUISIANA BANKS and BANKERS

¶ **At Bunkie**, Louisiana, the Avoyelles Trust & Savings Bank has promoted Miss Lucille Stokes and W. C. Earnest, Jr., to assistant cashiers.

¶ **A. J. Seiler** has been named assistant cashier of the Commercial Bank & Trust Company, Covington, Louisiana.

¶ **Plans** and specifications are being prepared for a new building to house the Concordia Bank & Trust Company, Vidalia, Louisiana. Contracts will be awarded shortly and it is expected that work will begin this spring.

¶ **L. W. Steele**, assistant cashier, Olla State Bank, Olla, Louisiana, will be away from work for an indefinite period because of a prolonged illness.

¶ **Willis G. Wilmot**, vice president, Hibernia National Bank, New Orleans, Louisiana, and James E. Roddy, vice president, Scharff & Jones, Inc., were injured in an automobile accident recently between Baton Rouge and New Orleans. Their car overturned when they attempted to avoid a cow on the highway.

¶ **A booklet** issued by the American Bank & Trust Company, New Orleans,

Louisiana, is entitled "The 27th Birthday of an American Banker." It is the story of the 27th business anniversary of John Legier, president. His anniversary this year was in evidence throughout the state by many congratulatory messages and sincere editorials in the press. John Legier's achievements in banking have been part of the city's progress and pride. The booklet itself contains his picture on the inside front cover and a short history of the bank, including a report of the celebration in honor of his anniversary held recently, and a complimentary editorial from the *New Orleans Item*. Says the *Item*, "Because John Legier has been a kindly and friendly man, his institution has been advertised as 'That Friendly Bank.'" Mr. Legier became president of the American Bank & Trust Company in 1924. At that time the bank had resources of \$1,500,000 and occupied small quarters at St. Charles and Union streets. It now occupies the 24-story building which was completed in 1929 and its resources have multiplied almost 30 times to \$42,565,220, as of December 31, 1938. Its earnings for the past four years have averaged \$500,000 a year before dividends; in nine years

has charged off about \$1,000,000 of the cost of its \$3,800,000 air-conditioned bank and office building; has retired \$500,000 of its preferred stock and added a like amount to its surplus, bringing it to \$1,000,000, and has undivided profits and reserves of \$443,000.

¶ **Commercial National Bank**, Shreveport, Louisiana, will begin construction soon on a new 13-story air conditioned office building to cost more than \$1,000,000. The bank expects to occupy the main floor and the basement of the new building which will be situated on the southeast corner of Texas and Edwards Streets. A three-story brick building now on the site which was purchased by the bank about a year ago is being razed to make way for the new structure. A Shreveport company is being organized to own and construct the building and the bank will participate in the company in proportion to the space it will occupy. For 27 years the Commercial National Bank occupied the building at the corner of Texas and Market Streets, but during the last year or so has occupied its present temporary quarters, pending the completion of plans for the new building.

Good Ship Rotterdam

(Continued from page 9)

Bank Division, W. L. Ward, Jr., Baton Rouge; vice president of Trust Division, F. P. Stubbs, Jr., Shreveport.

Resolutions adopted at the convention expressed appreciation for the services of J. S. Brock, State Bank Commissioner, and amended the by-laws of the Association in such a way that the dates of annual meetings for the various Regional Clearing House divisions of the Association may be fixed by the Association's Executive Council at any meeting, rather than at the January meeting as was formerly the case.

On his completion of fifty years of service with the Whitney National Bank, New Orleans, last month, N. E. Bertel was elected a vice president of the bank. He began his work at the bank as a runner and since then has held almost every job leading to the



N. E. BERTEL

position of assistant vice president from which he was advanced to vice president. Associates honored Mr. Bertel, presenting him with a scroll on behalf of the bank and its employees. Keehn W. Berry, president of the bank, also presented Mr. Bertel with a gift from his associates. Mr. Bertel is a native of New Orleans.

Roland J. Champagne is a new assistant cashier of the Citizens Bank & Trust Company, Houma, Louisiana.

W. J. Carpenter, formerly vice president, has been elected president of the Peoples Bank, Chatham, Louisiana. He succeeds C. N. Womack, resigned. F. C. Ewing, a director of the bank, has taken the position of vice president and cashier.

INTERDEPENDENCE is the striking characteristic of our independent American banking system.

The sound, well-managed banks for which and through which this Bank does business are its best guarantee of strength and service.

Upon the success of others, our own success must depend. No stream can rise higher than its source.

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PHILADELPHIA NATIONAL BANK

Organized 1803

PHILADELPHIA, PA.

Capital, Surplus and Undivided Profits
\$40,000,000

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NEWS of TENNESSEE BANKS and BANKERS

¶ **F. B. Young, Jr.**, has been elected vice president and Herbert G. Aldred an assistant vice president of the Nashville Trust Company, Nashville, Tennessee. Mr. Young, who was formerly assistant vice president, began his banking career 22 years ago with the Fourth & First National Bank and subsequently was with both the American National Bank and the American Trust Company. In 1930 he was made assist-

ant treasurer of the American Trust Company; in 1932 assistant secretary of the Nashville Trust Company, and in 1934 assistant vice president. He is the hunting and fishing expert of the bank and is a wood-working hobbyist. Mr. Aldred started with the American National Bank in 1920; later served with the American Trust Company, and joined the Nashville Trust Company in 1931 as discount teller.

¶ **Bells Banking Company**, Bells, Tennessee, reports that deposits have increased about 30 per cent during the past year. J. W. Evans has replaced J. J. Bridges as a director.

¶ **W. F. Smith**, vice president and cashier, First National Bank, Bristol, Tennessee, died recently while en route with Mrs. Smith from Florida. Mr. Smith had been with the First National Bank for about 40 years; was treasurer of the Sinking Fund Commission of Bristol and a member of the Sullivan County Sinking Fund Commission. He was 60 years of age at the time of his death. Irvin Aaron, assistant cashier, was promoted to cashier to fill the vacancy. L. E. Lilley and I. S. Mainous, formerly tellers, were appointed assistant cashiers.

¶ **Improvements** costing about \$10,000 have been completed by the Brownsville Bank, Brownsville, Tennessee. Additional floor space, air conditioning, indirect lighting and a new vault were features of the remodeling. The bank will celebrate its seventieth anniversary this year.

¶ **R. B. Davenport, Jr.**, has been elected a director of the Commercial National Bank, Chattanooga, Tennessee.

¶ **Union-Peoples Bank**, Clinton, Tennessee, has increased its common capital from \$50,000 to \$75,000.

¶ **A new neon sign** has been installed on the front of the Middle Tennessee Bank, Columbia, Tennessee.

¶ **D. L. Goddard** has replaced L. M. Jeter as assistant cashier of the Tipton County Farmers Union Bank, Covington, Tennessee. The bank paid an 8 per cent annual dividend this year. Loans and discounts are \$1,837,170; undivided profits, \$124,742 and deposits, \$1,737,894.

¶ **First Citizens National Bank**, Dyersburg, Tennessee, is celebrating its fiftieth anniversary this year. J. F. Biggs, president of the bank, has been associated with the institution for the past 40 years and R. S. Watkins, vice president and cashier, has been with the bank for 35 years.

¶ **K. S. Howlett** is the new president of the Williamson County Banking & Trust Company, Franklin, Tennessee. He replaced D. Wilke who died last No-



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long experience and
an extensive correspondent network
enables U.P. National
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Correspondent Service to banks and
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**UNION PLANTERS
NATIONAL
BANK & TRUST CO.**
MEMPHIS, TENN.

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vember. The bank will celebrate its fiftieth anniversary in June.

☐ **Jackson County Bank**, Gainesboro, Tennessee, has added Paul Birdwell, Frank Fox, and A. H. Willoughby to the directorate. The bank, which now has total resources of \$850,000, recently paid a 10 per cent dividend and has added to the surplus fund.

☐ **D. C. Warren**, cashier of the Bank of Halls, Halls, Tennessee, since 1904, has been ill in a Memphis hospital for some time. The Bank of Halls is paying a 10 per cent dividend this year.

☐ **Park National Bank**, Knoxville, Tennessee, is installing an air conditioning system in its bookkeeping department in the basement of the bank.

☐ **First National Bank**, Lewisburg, Tennessee, has elected W. C. Garrett a director.

☐ **City State Bank**, Martin, Tennessee, has retired \$4,000 preferred and added a like amount to common. Capitalization is now \$10,000 preferred and \$25,000 common stock. New service charges were inaugurated March 1.

☐ **H. L. Jones** is the new cashier of the Munford Union Bank, Munford, Tennessee. S. H. Bass is assistant cashier.

☐ **R. T. Bell, Jr.**, president of the Murfreesboro Bank & Trust Company, Murfreesboro, Tennessee, reports that deposits of the bank have increased \$100,000 over last year. The bank paid a 4 per cent dividend in January. Says Mr. Bell, "Farming in this section is well diversified and dairying adds the necessary balance. Murfreesboro is one of the big dairy centers located in the South, and the largest cooperative creamery in the U. S. is located here."

☐ **C. O. Hampton**, prominent business and civic leader of Paris, Tennessee, and a director of the First Trust & Savings Bank, Paris, died recently at the age of 36.

☐ **Union Bank**, Pulaski, Tennessee, celebrated its thirty-fifth anniversary in February. Thurman Smith, president, has been with the bank since it was established in 1904. G. G. Davis, cashier, has been with the bank for 15 years.

☐ **Deposits** of the Citizens Bank, Savannah, Tennessee, have increased \$50,000 since January 1, and are highest in the bank's history.

☐ **Bank of Cowan**, Cowan, Tennessee, will move to Winchester, Tennessee, but a branch bank will be maintained at Cowan. The transfer has FDIC approval.

☐ **Miss Una Green** is the new assistant cashier of the Bank of Sewanee, Sewanee, Tennessee. Her brother, H. W. Green, is cashier.

☐ **Oliver Benton**, president, National Bank of Commerce, Jackson, Tennessee, is president of the Jackson Chamber of Commerce.

☐ **C. R. Prather** has been promoted to assistant cashier of the Commerce Union Bank, Springfield, Tennessee, succeeding Erskine Empson, resigned.

☐ **At McMinnville**, Tennessee, City Bank & Trust Company recently declared a 6 per cent dividend and added

\$7,000 to undivided profits. Martin Gribble and Ernest Smallman are new directors.

☐ **First National Bank**, Memphis, Tennessee, celebrated its seventy-fifth anniversary last month. Since the bank was organized in 1864, it has had only 5 presidents. The bank was opened with a capital of \$100,000, which has now been increased to \$1,000,000. The First National's charter number is 336, and only 118 banks now have charters which are older. The bank has 139 employes and has an official staff of 19 persons. S. E. Ragland is now president.

BUILDING BETTER BANKS

WE DON'T know about beaten pathways and mouse traps, but we do know that American bankers have beaten a figurative path to our door. So, we *must* build better banks.

More than a thousand bank jobs in twenty-five years. These figures speak for themselves. An average of forty a year...or a new one every nine days. These jobs included everything from a new building to a new front door. Every kind of modernizing and equipping problem was included. Draw your own conclusions... and write us to have our representative call and explain our plan of operation to you.

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NEWS of ARKANSAS BANKS and BANKERS

☐ **George W. James**, founder and president of the Exchange Bank & Trust Company, El Dorado, Arkansas, died last month at the age of 67. Mr. James was a native of Shawnee, Oklahoma, but had spent the most of his life in Arkansas and Louisiana. He founded the Exchange Bank & Trust Company after coming to El Dorado in

1923 and later established the Hotel Randolph Company, which owns and operates a number of hotels in Arkansas and Louisiana, and the Exchange Building Company, which erected the office building occupied by the bank.

☐ **A. F. Burbridge** has been named an assistant cashier of the Union National Bank, Little Rock, Arkansas. He has

been with the bank and its predecessor, the old Union Trust Company, since 1923. Mr. Burbridge will be in charge of the bank's Insurance Premium Finance Department.

☐ **The newly organized** Bank of Mansfield, Mansfield, Arkansas, was granted a charter by the State Bank Department and opened for business March 6. The new bank purchased the assets and assumed the liabilities of the National Bank of Mansfield. C. C. Graves is president of the bank and G. R. Holbrook is cashier. The bank is capitalized at \$30,000 and has a surplus of \$6,000.

☐ **C. T. Harris**, a director and a former vice president of the Union Bank and Trust Company, Monticello, Arkansas, died last month at the age of 75. He was a native of Drew County and had been a leader in his community for many years. He helped establish the Fourth District A. & M. College; the Monticello cotton mills, Allen Hotel and the Monticello Bank & Trust Company, later succeeded by the Union Bank & Trust Company.

☐ **R. J. Lipsey** has been elected cashier of the Bank of Ola, Arkansas, to succeed O. P. Cook.

☐ **January 19**, the birthday of General Robert E. Lee, has been made a legal holiday in Arkansas and all banks will close on that date.

☐ **W. E. Adams** has succeeded B. J. St. Claire, resigned, as field representative of the First National Bank of DeQueen, Arkansas, according to an announcement made by Abe Collins, president. Mr. Adams is a former DeQueen farmer and will be active in dairy, livestock and poultry development being sponsored by the First National.

☐ **Trust men** of Arkansas held a series of interviews, luncheons and dinners last month at a two-day meeting in Texarkana and a three-day meeting in Little Rock. Local chapters of the American Institute of Banking, members of the Graduate School of Banking and trust men throughout the state cooperated in the series of meetings. Gilbert T. Stephenson, head of the trust faculty of the Graduate School of Banking, was a featured speaker. A committee was appointed to seek cooperation of the Arkansas Bar Association in preparing a revised draft of

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For World's Fair Visitors

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Central Hanover Bank and Trust Company extends a cordial invitation to bankers, customers and other friends to call at 70 Broadway while in New York City during the World's Fair.

**CENTRAL HANOVER
BANK AND TRUST COMPANY**
NEW YORK



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

probate statutes for submission to the next Arkansas Legislature. Chairmen of various cooperating committees included: James Bryant, trust officer of the State National Bank, Texarkana; J. H. Bowen, vice president and trust officer of the Union National Bank, Little Rock; Charles A. Gordon, cashier and trust officer of the Simmons National Bank, Pine Bluff; Lucien B. King, Texarkana National Bank; Harry M. Crowe, W. B. Worthen Co., Bankers, Little Rock. Mr. King is president of the Texarkana chapter of the A.I.B., and Mr. Crowe is president of the Little Rock chapter of the A.I.B.

¶ **J. F. See**, vice president, Bank of Cabot, Cabot, Arkansas, died suddenly March 26.

¶ **J. W. White**, president, Peoples Exchange Bank, Russellville, Arkansas, was killed in an automobile accident last month.

¶ **W. C. Blewster, Jr.**, assistant cashier of the Citizens Bank, Magnolia, Arkansas, has become active vice president of the institution.

¶ **Merchants and Farmers Bank**, Atkins, Arkansas, is being liquidated under the state law which requires the State Bank Commissioner to take charge of any state bank upon notice of termination of its insurance by the FDIC. All deposits are said to be protected.

¶ **Nominating Committee** for the 1939 State Convention, following the recent group elections, is as follows: Group 1, Col. Elgan C. Robertson, chairman, Marianna, and Roy Jacobs, Monette; Group 2, John G. Potts, Little Rock, and E. C. Bradley, Russellville; Group 3, Ross Martin, Bentonville, and McLoud Sicard, Fort Smith; Group 4, Harvey Hogg, Pine Bluff, and Sam E. Babb, El Dorado.

¶ **During 1938**, the National Bank of Eastern Arkansas, Forrest City, Arkansas, distributed \$6,000 in cash dividends and increased its undivided profits from \$73,976 to \$100,056, while its capital and surplus remained at \$100,000 each, according to W. W. Campbell, president. It was one of the bank's best years from an earnings standpoint. The bank was organized in September, 1886, as a State bank and had the name of Bank of Eastern Arkansas. It was converted to a national bank in 1932 and assumed its present name. Year-end totals showed deposits of \$1,977,912 and total resources of \$2,277,967, including \$737,762 in "government cotton loans."

Announces Bank Credit Life Insurance Plan

(Continued from page 15)

\$900,000, according to its thirty-second annual statement filed with the State Insurance Departments of Missouri, Illinois and Kansas as of December 31, 1938. Owen J. Sullivan, president, National Stock Yards National Bank, National Stock Yards, Illinois; E. A. Schmid, vice president, Mutual Bank and Trust Company, St. Louis; and H. G. Zelle, a director of the latter bank, are directors and officers, as well as the principal stockholders of the

Missouri Insurance Company. James C. West is president. Total insurance in force exceeds \$12,000,000, and its investment portfolio consists exclusively, aside from its modern home office building in St. Louis, of United States Government, State and Municipal bonds and insured F. H. A. first-mortgage loans.

¶ **At El Dorado**, Arkansas, R. N. Garrett, Jr., has been added to the directorate of the First National Bank, and Randolph Murphy has been named to the board of the National Bank of Commerce.

Visiting Bankers Are Amazed

when they see our Night Transit System. Next time you are in Kansas City we want just 15 minutes of your evening to show you an operation, the like of which you cannot find anywhere else.

Commerce Trust Company

Capital, Surplus and Undivided Profits Exceed Ten Millions

THE PIONEER 24-HOUR TRANSIT BANK
Established 1865

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

NEWS of OKLAHOMA BANKERS

☐ **Two new assistant cashiers** appointed at Oklahoma State Bank, Ada, Oklahoma, are C. H. Huddleston and Thomas Maines.

☐ **M. A. Painter** has been elected vice president, Farmers State Bank, Afton, Oklahoma.

☐ **J. M. Gordon**, president for the last 30 years of the First National Bank, Blanchard, Oklahoma, died unexpectedly of a heart attack at the age of 82. He had been in active charge of management of the bank until three years ago.

☐ **Marland State Bank**, Marland, Oklahoma, is being moved to Covington, Oklahoma, and the name changed to First Bank of Covington. The change was approved March 15 by the State Banking Board. George A. Tucker, Tonkawa, will be president of the new institution, and J. C. Beaty will be cashier.

☐ **E. G. Long** has been chosen assistant cashier of the Durant National Bank, Durant, Oklahoma, to succeed A. E. Vickers who recently became cashier. Mr. Long has been an employe of the bank for the past 10 years.

☐ **Peoples National Bank**, Kingfisher, Oklahoma, has named Bill Rogers and Virgil Francis, cashiers.

☐ **A. A. Slosson**, president of the old Farmers State Bank, Newkirk, Oklahoma, died last month at the age of 68. Death was attributed to heart disease. He came to Newkirk in 1899 and helped establish the Farmers State Bank, which was merged with the Eastman National Bank several years ago.

☐ **A new request** for the establishment of a bank in Oklahoma City, to be located in the vicinity of Northwest Twenty-third Street and Walker Avenue, has been filed with the State Department of Banking. The application for the charter was made by Albert C. Hunt, attorney, on behalf of a group that includes H. B. Carson, formerly with the old American National Bank, and Milton G. Young, formerly of Muskogee. The institution would have a capital of \$50,000 and a surplus of \$12,500. Commissioner Linwood O. Neal said the application would be studied by the Department and by the FDIC. A suit against a former bank commissioner relative to the charter

application has been withdrawn and the new request filed.

☐ **W. R. Payne**, assistant cashier, First National Bank & Trust Company, Oklahoma City, Oklahoma, has been elected treasurer of the Oklahoma City Community Fund.

☐ **A merger** of the Stock Exchange Bank, Fargo, Oklahoma, and the Sharon State Bank, Sharon, has been approved by the Oklahoma State Banking Board. Both banks are FDIC members and the successor bank will operate as the Stock Exchange Bank of Woodward, capitalized at \$25,000. A. M. Benbrook, president of the Stock Exchange Bank will be president of the continuing institution.

☐ **A bill** which would make it unlawful for an officer or employe of any State or National bank to serve as an independent school district treasurer has been recommended for passage by the House Banking Committee.

Heads Executive Committee



A. E. BRADSHAW

Mr. Bradshaw, who is president of the National Bank of Tulsa, has been named chairman of the executive committee of the Oklahoma Bankers Association to succeed Elmo Thompson who resigned last month as vice president of the First National Bank and Trust Company, Tulsa. This places Mr. Bradshaw in line for the presidency of the Association in 1940 if the customary line of promotion in the State Association is followed.

☐ **B. L. Scott**, cashier, Liberty National Bank, Oklahoma City, Oklahoma, served on the Chamber of Commerce sales committee of the Junior Livestock Show held in Oklahoma City last month.

☐ **Hugh Harrell**, vice president, First National Bank & Trust Company, Oklahoma City, and Miss Marie Homberg of the Liberty National Bank, Oklahoma City, have been appointed to the Publicity Committee of the Community Fund.

☐ **Application** for a state bank charter for a bank at Ralston, Oklahoma, has been refused by the State Banking Department. H. N. Cook and his daughter, Mrs. J. E. Cook Postle, were the principal applicants. The bank, which would have been known as the Ralston Exchange Bank, would have had a proposed capitalization of \$10,000.

☐ **J. B. Charles**, president, State National Bank, Stroud, Oklahoma, died last month in an Oklahoma City hospital, following a short illness. He was 85 years old.

☐ **First National Bank**, Texhoma, Oklahoma, rounded out a third of a century of service last month. The bank, which was founded in 1906 by J. R. P. Sewell, is now headed by his son, Frank A. Sewell. E. Lee Nichols, who has been with the bank for the past 27 years, is cashier and active manager of the institution.

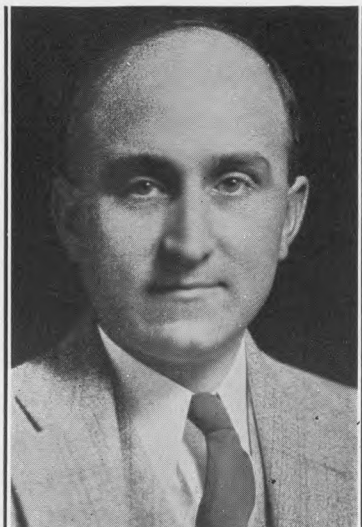
☐ **On April 22**, the first National Bank & Trust Company, Oklahoma City, Oklahoma, will celebrate its fiftieth anniversary with an open house in the main lobby of the bank. The hours set for the open house are from 2 to 5 p. m. and from 7 to 10 p. m., Saturday afternoon and evening. The First National of Oklahoma City was founded the same day as Oklahoma City, April 22, 1889. As part of the celebration of the First National's and Oklahoma City's fiftieth birthday, the bank has arranged with the Oklahoma Historical Society to display an interesting historical exhibit in the bank lobby.

☐ **J. B. Charles**, president, State National Bank, Stroud, Oklahoma, died recently at the age of 86. He had been president of the bank since its founding.

Thompson Joins Sunray Oil Company

Elmo Thompson, associated in an official capacity with Tulsa banking interests for many years, has resigned his position as vice president of the First National Bank and Trust Company, effective March 15, to join the Sunray Oil organization as executive vice president of both the Sunray Oil Corporation and its subsidiary, the Sunray Oil Company.

In authorizing the announcement, C. H. Wright, president of both companies, stated that Mr. Thompson also had been nominated to be elected a di-



ELMO THOMPSON

rector of the Sunray Oil Corporation at the annual meeting of the stockholders to be held April 10 in Wilmington, Delaware.

"We are happy to add Mr. Thompson to the list of Sunray officials, as his years of experience in checking oil properties and making oil loans, as well as his years of legal training, qualify him to be of invaluable assistance in Sunray companies' future program," said Mr. Wright.

Mr. Thompson is well known in banking circles of the nation, and especially in the southwestern states. He is former president of the Tulsa Chamber of Commerce, and is now serving as a director of the United States Chamber of Commerce. He is at this time chairman of the executive committee of the Oklahoma bankers association and by precedent would become president of the association in one year. He is also president of the Oklahoma Business Council.

R. Otis McClintock, president of the First National Bank and Trust Company, stated that it was with regret that the directors accepted Mr. Thompson's resignation as vice president and loaning officer of the institution.

Bankers and Oil Men

Bank on us!

PETROLEUM made Tulsa "the Oil Capital of the World" soon after statehood. Having served Oklahoma during Territorial Days, This Bank naturally "took to oil"

IT LEARNED to be of assistance in a business destined to become a great industry (not a speculation) that would soon bring Oklahoma and the Southwest abreast of the rest of these United States.

TODAY This Bank is America's oldest bank specializing in oil industry finance. Its experience and direct connections with all oil centers in the Southwest point to greater service to banks interested in oil!

WE BANK ON OIL!

The FIRST NATIONAL BANK and Trust Company of Tulsa

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NEWS of KANSAS BANKS and BANKERS

☐ **W. R. Cronk**, cashier, Exchange State Bank, Douglass, Kansas, is the new president of the Butler County Bankers Association. He was elected at a meeting in Augusta last month attended by about 80 persons. John W. McClure, president, Citizens State Bank, Eldorado, was named vice president of the Association.

☐ **Ellis State Bank**, Ellis, Kansas, has built an enclosed conference room in the front section of its building.

☐ **Gordon L. Huggerth** has been named cashier of the First National Bank, Concordia, Kansas, to succeed the late Edward B. Whipp.

☐ **S. H. Wiley**, president, State Bank of Fredonia, Fredonia, Kansas, who has been ill for some time, expects to be back at his office again soon.

☐ **J. T. Leonard**, president, First National Bank, Girard, Kansas, is considered one of the oldest active bankers in Kansas. He has served as cashier and president of the bank for 59 years.

☐ **W. O. Waymire**, cashier and vice president of the First National Bank, Madison, Kansas, died last month at the age of 75. He had been a banker in Madison for more than 50 years and was well known throughout the state. W. E. McGilvray has been named vice president and Warren Waymire, cashier, to succeed him.

☐ **Frank J. Morgan**, president, Ottawa County Bank, Minneapolis, Kansas, died last month at the age of 65. Mr. Morgan also was president of the Livestock Commission Company, Kansas City, Missouri, and was active in the livestock industry prominent in the Ottawa County area.

☐ **A new Burroughs** note posting machine has been installed by the First National Bank, Neodesha, Kansas.

☐ **State Bank of Ottawa**, Kansas, has remodeled its fixtures into the new lower type, plate glass tellers' windows. New enclosed booths for safe deposit box users have also been constructed.

☐ **Miss Virginia Paul** has been named an assistant cashier of the Exchange State Bank, Parsons, Kansas.

☐ **State Bank of Plevna**, Kansas, has finished alterations on its business counters. The high cages have been removed and the new low type modern ones installed.

☐ **First National Bank**, Quinter, Kansas, is being redecorated on the interior.

☐ **National Bank of Seneca**, Kansas, has accepted the resignations of Miss Gertrude Ronnebaum and Mrs. Bernice Alexander. Miss Ronnebaum has been assistant cashier for the past 8 years and Mrs. Alexander has been bookkeeper for the past 9 years.

☐ **George H. Osgood**, formerly cashier of the First State Bank, White Cloud, Kansas, has been named president to succeed J. H. McGauhey, who died recently at the age of 78. H. H. Taylor has been advanced from assistant cashier to cashier.

☐ **A modern** marble counter has been installed by the First National Bank, Harper, Kansas; walls redecorated to resemble stone blocks, and venetian blinds added.

☐ **The Cloud-Republic** County Bankers Association met in Belleville, Kansas, last month with about 40 in attendance. Bank women were entirely in charge of the meeting. Mrs. Ernest Goernandt, State Bank of Ames, Kansas, led the discussion.

☐ **The 499 State** banks of Kansas increased loans by \$3,498,060 to \$79,657,499 during 1938, according to Commissioner Elwood M. Brooks. Deposits decreased by \$5,316,976 to \$158,587,932. Kansas banks increased their surplus by \$468,142, added \$324,223 to undivided profits, and reduced bank building, furniture and fixtures by \$278,473.

☐ **At a meeting** of the Pottawatomie County Bankers Association in Wamego, Kansas, recently, D. K. Snyder, assistant vice president of the Interstate National Bank, Kansas City, Missouri, was the principal speaker. "Frost on the Windshield!" was his subject.

☐ **In Hugoton**, Kansas, the Southwest Kansas Counties Bankers Association held its fourth customer relations

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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, VAUX-HALL, OPEL, BLITZ—

foreign made automotive vehicles.

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

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

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EXECUTIVE OFFICE NEW YORK • BRANCHES IN PRINCIPAL CITIES

meeting, with all but one bank in attendance. William P. Elliott, cashier, Plains State Bank, Plains, Kansas, led the meeting. The group announced a special meeting in the near future at Sublette, to which bankers from adjoining counties will be invited.

¶ **Lewis Boys, Jr.**, has taken a position at the Independence State Bank, Independence, Kansas. He is the son of L. C. Boys, president and represents the third generation of the family to be associated with the bank.

¶ **Charles E. Young**, cashier, State Bank of Westphalia, Kansas, has resigned his position from the State Board of Administration.

¶ **Members** of the Dickinson County Bankers Association were hosts to members of the Saline County Association at a dinner meeting in Abilene recently. More than 85 attended the meeting at which M. C. Gugler, vice president, Farmers National Bank, Abilene, Kansas, was in charge of the public relations discussion.

Bankers I Have Known » »

By
BILL REED



W. H. REED

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

DURING the years I served as a National Bank Examiner there was assigned to me as an assistant examiner a young man by the name of Henry C. Bergman. He traveled with me for several months and our companionship was delightful. We have kept in close touch with each other since then and our friendship and high regard for each other is still strong and appears to be lasting.

When Henry first came to me he was inclined to be slow and backward, but he soon began to find himself and became one of the best assistants I ever had. He was endowed with the quality most essential to success—common sense—and all that he needed was self-confidence which he gained rapidly. He was recommended for promotion and became an examiner. Today he is vice president of the Citizens National Bank of Independence, Kansas, a bank with assets of around \$3,000,000.

The official staff of this bank has

changed very little in the past few years. Good old Al Schulthis has passed on and my good friend Hoyt Cates has retired, but Ernest Sewell is still there, and what a grand character he is! John Landon was a director of this bank up to the time of his death. He was the father of Alf M. Landon who was the Republican candidate for president in 1936. Tom Booth, who built the Booth Hotel in Independence, is also a director in this bank.

It was always a pleasure for me to visit this bank because I had so many good friends there. Oil activity made

Independence a lively place and it was my habit to refer to it as "the biggest little town on earth." The hotels and the office building for the Prairie Oil Company would do credit to Kansas City or St. Louis.

Looking back through the years my most pleasant memories are those pertaining to the young men I was able to help in finding the proper place in life. I like to think of Henry Bergman as one of my boys. He is a grand person and deserves all of the success that has come to him. It is a pleasure to say these words of commendation concerning him.

NATIONAL BANK OF TULSA
TULSA, OKLAHOMA



Statement of Condition, March 29, 1939

RESOURCES

Cash and Due from Banks	\$29,824,424.75	
U. S. Government Securities	13,953,194.28	
Other Bonds and Warrants	5,999,325.08	\$49,776,944.11
Loans and Discounts	16,539,173.36	
Overdrafts	475.61	
Income Receivable Accrued	141,242.78	
Stock in Federal Reserve Bank	180,000.00	
Investment in Bank Premises	2,885,476.52	
Customers' Liability Under Acceptances	7,569.00	
TOTAL		\$69,530,881.38

LIABILITIES

Deposits	\$62,619,066.14	
Acceptances Executed	7,569.00	
Income Collected Not Earned	62,113.94	
Reserve for Interest, Taxes, Etc.	114,126.21	
Reserve for Preferred Dividends	8,343.75	
Capital—Preferred	\$1,125,000.00	
Capital—Common	2,500,000.00	
Surplus	2,375,000.00	
Undivided Profits and Reserves	719,662.34	6,719,662.34
TOTAL		\$69,530,881.38

The Oil Bank of America

Member Federal Deposit Insurance Corporation

NEWS of MISSOURI BANKS and BANKERS

☐ **Frank C. Hunt**, vice president of the First National Bank, St. Louis, and Mrs. Hunt last month announced the marriage of their daughter, Miss Mardell, to Casper B. Le Fort, Jr., of Webster Groves, Missouri. The young couple eloped and were married on January 25 at Union, Missouri, where the marriage ceremony was performed by the Reverend Leon Morgan, pastor of the First Christian Church of Union.

☐ **John Meyer**, president of the Northwestern National Bank, St. Louis, was elected a member of the board of directors of the Missouri Athletic Association, St. Louis, at the annual meeting held last month.

☐ **J. D. McClure** has been elected vice president of the Citizens Bank, Ava, Missouri. He was at one time an assistant cashier of the First National Bank, Lebanon, Missouri.

☐ **Charles L. Johnson** has succeeded B. C. Gordon as cashier of the Bank of Aldrich, Missouri. Mr. Gordon, who had been with the bank a number of years, resigned recently.

☐ **Citizens Savings Bank**, Browning, Missouri, has taken over the Farmers Exchange Bank, Humphreys. Dr. M. L. Haning, who was president of both banks, will remain as president and has announced there will be no change in capital structure or personnel of officers in the Citizens Savings Bank. M. W. Bagley, who was cashier of the Farmers Exchange Bank, has accepted a position as district agent of the Kansas City Life in Sterling, Colorado. Deposit liabilities of the Humphreys bank were reported at \$48,000.

☐ **Bank of Cairo**, Missouri, has increased capital stock from \$10,000 to \$20,000 by means of a 100 per cent stock dividend.

☐ **Charles B. Mudd**, former president of the Missouri Bankers Association, now connected with the Metropolitan St. Louis Company, St. Louis investment firm, is justly proud of an honor which has been won by his son Robert, who is connected with the investment department of the St. Louis Union Trust Company. Son Bob, who has been attending the School of Commerce and Finance at St. Louis University for the past three years at night classes, has been appointed to Alpha Sigma Nu, national honor fraternity. Each year one student of the University is appointed to this honor fraternity. The appointment is based on scholastic standing, loyalty and service to the University.

☐ **W. O. Bowman**, vice president, First National Bank, Cape Girardeau, Missouri, has resigned his position at the bank to become general manager of Bowman Brothers Realty Company. He had been with the bank for more than 35 years.

☐ **C. B. Bowling**, president, Exchange National Bank, Columbia, Missouri, returned last month from a winter vacation in southern Texas.

☐ **Commercial Trust Company**, Fayette, Missouri, is remodeling and enlarging the lobby, installing officers' rooms in the back and remodeling its business counter.

☐ **Floyd H. Craven**, assistant cashier, Joplin National Bank & Trust Company, Joplin, Missouri, died recently. Glenn Sponable has been appointed his successor.

☐ **Harold K. Bradley**, assistant cashier, City National Bank & Trust Company, Kansas City, Missouri, was promoted to assistant vice president in charge of the small loan department.

He has been associated with the bank since 1920, has worked in all the departments of the institution and has been assistant cashier since 1934. John C. House, collateral teller, has been advanced to the position of assistant cashier. Mr. House, who will work with Mr. Bradley in the small loan department, has been with the bank since 1925 and also has served in all departments.

☐ **Kearney Trust Company**, Kearney, Missouri, has acquired one hundred new accounts in the past six months.

☐ **John E. Harrington**, formerly assistant cashier, Lathrop Bank, Lathrop, Missouri, has been named cashier to succeed his father, the late Robert M. Harrington, who had been associated with the bank since 1913.

☐ **Charles A. Rose**, formerly cashier, Gillioz Bank & Trust Company, Monett, Missouri, has been promoted to vice president of the institution. V. A. Willey, who has been with the State Department of Finance for 9 years has been named cashier.

☐ **Miss Lena Ervens** has been named an assistant cashier of the Exchange Bank, New Franklin, Missouri.

☐ **G. H. Blackmore** was elected cashier of the Bank of Portland, Missouri, recently. He succeeds Dr. D. C. Gilman who retired because of poor health.

☐ **E. J. Stauffer**, president, Paris National Bank, Paris, Missouri, reports that his bank has recently retired \$3,000 of class A preferred stock, reducing that item from \$20,000 to \$17,000. The surplus account has been increased from \$15,000 to \$18,000. Common stock is \$70,000; undivided profits, \$8,117; deposits \$536,742; cash exchange, \$149,-

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

Known as a "Banker's Bank"

National Stock Yards National Bank is known as a "banker's bank" because 3 out of every 5 banks in the Eighth Federal Reserve District in Missouri and Illinois carry an account here. We serve more than 600 banks as St. Louis correspondent because our location, just 5 minutes from the St. Louis Federal Reserve Bank, enables us to give fast service on all St. Louis items, PLUS the additional advantages we offer as the only bank at the National Stock Yards.

The National Stock Yards National Bank

OF NATIONAL CITY

"Just Across the River from St. Louis"

National Stock Yards, Illinois

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

251; loans and discounts, \$279,847, and bonds and securities, \$187,150, as of March 9, 1939.

☐ **B. W. Dunn** of the Exchange Bank, Richmond, Missouri, died suddenly last month. He had been cashier of the bank for the past 6 years.

☐ **Pleasant Hill Bank**, Pleasant Hill, Missouri, has installed a modern 4-ton safe.

☐ **E. A. Schmid**, executive vice president, and H. G. Zelle, member of the board of the Mutual Bank & Trust Company, St. Louis, Missouri, are principal owners of the syndicate which, February 21, purchased control of the Missouri Insurance Company, which has \$12,000,000 of life insurance in force and admitted assets of \$1,015,879. The syndicate was said to have paid \$525,000 for control of the company.

☐ **Claude A. Eaton**, president, Delmar Bank, St. Louis, Missouri, and president of the St. Louis County Bankers Association, addressed the classes in banking at the Ward Junior High School in University City recently.

☐ **The St. Louis chapter** of the AIB defeated the Memphis chapter in debate recently by the unanimous decision of three judges. The St. Louis team upheld the negative of the subject, "Resolved: That the United States Should Form an Alliance with Great Britain."

☐ **Jefferson-Gravois Bank**, St. Louis, Missouri, appointed S. D. Harlan and C. W. Wahlbrink assistant cashiers, recently. Mr. Harlan had been manager of the real estate department.

County Association Meetings

☐ **The Christian-Stone-Taney** Inter-County Bankers Association met at Billings, Missouri, last month and elected Arch Mayden, assistant cashier, Security Bank, Branson, Missouri, president of the group. D. F. Hedgpeth, cashier, Ozark Bank, Ozark, Missouri, was named vice president and Howard Allen, cashier, Peoples Bank, Clever, Missouri, was named secretary. Arthur Curtis, Springfield attorney, spoke on "Sound Banking Principles." The next meeting of the group will be held in Springfield.

☐ **The Monroe-Shelby-Knox** Tri-County Bankers Association met March 16 in Monroe City, Missouri. Roy Merriweather of Monroe City was the principal speaker. The new officers elected at the meeting were E. J. Stauffer, president of the Paris National Bank, Paris, Missouri, president of the group; J. M. Buckman, president of

the Shelbina Bank, Shelbina, Missouri, vice president, and Raymond Noel, cashier of the Monroe City Bank, Monroe City, secretary-treasurer. Next meeting: June 15.

☐ **Benton-Pettis Bi-County** Bankers Association met in Sedalia, Missouri, last month. The principal speaker for the meeting was Fred B. Brady, vice president, Commerce Trust Company, Kansas City, who spoke on the subject, "Charting Our Course." An informal discussion took place, following his address. A number of Saline County bankers who had been invited were at the meeting, along with several Kansas City bankers.

☐ **Association of Banks and Trust Companies** of Eastern Jackson County met at Independence, Missouri, March 9. Fred B. Brady, vice president, Commerce Trust Company, Kansas City, made the principal address. Next meeting: June 8.

☐ **Gentry-Harrison-Worth** Inter-County Bankers Association met at Bethany, Missouri, March 22. The new president elected at meeting was J. R. Barker, c/o Citizens Bank, Grant City, Missouri; vice president was G. H. Adair, secretary, Bethany Trust Company, Bethany, and the secretary-treasurer elected was G. R. Frederick, assistant cashier, First State Bank, King City, Missouri. Principal speakers at the meeting were William T. Kemper, Jr., president, Missouri Bankers Association, Kansas City, who spoke on the subject, "Inward and Outward Appearance of Banks"; Frank Smith, American National Bank, St. Joseph, on the subject, "Missouri Tellers' Practices," and Robert G. Maxwell, vice president, Empire Trust Company, St. Joseph, on the subject, "Safe Deposits." Next meeting: June 2.

☐ **Next meeting** of the Associate Bankers of St. Louis is scheduled for May 18.

☐ **La Fayette-Ray County** Bankers Association will meet in Richmond, Missouri, some time in June. A dinner will be served in the evening.

☐ **Carroll County** bankers at their recent meeting in Norborne, Missouri, elected J. E. McNabb, cashier, Citizens Bank, Norborne, president of the organization. E. D. Ashbrook, assistant cashier, Carroll County Trust Company, Carrollton, was named first vice president; L. B. Willis, cashier, First National Bank, Bosworth, second vice president, and A. C. Leuders, assistant cashier, First National Bank, Carrollton, was named secretary-treasurer.

St. Louis Mutual Life Elects New President

At a meeting of the board of directors of the St. Louis Mutual Life Insurance Company held March 2, Thomas E. Sly, secretary and assistant to the president, was elected president to succeed Frederick N. Kreismann.

Mr. Kreismann, former mayor of St. Louis, who had been president of the company since 1918, retired because of failing health which rendered him unable to continue active duty with the company.

Mr. Sly, who succeeds Mr. Kreismann, began his career in the life insurance business at the close of the World War and has had wide experience in the life insurance business in



THOMAS E. SLY

both the production and executive departments. He became associated with the company as superintendent of agencies and was later elected to the board of directors and secretary. More recently he has been assistant to the president.

Mr. Sly is the seventh president of the company since its organization in 1857. It is the oldest life insurance company in the state of Missouri and west of the Mississippi River, having been continuously engaged in the life insurance business in St. Louis for 82 years. It secured its original charter from the State Legislature in 1857 as the German Mutual Life Insurance Company and continued to operate under that name until 1919 when its name was changed to the St. Louis Mutual Life Insurance Company.

NEWS of TEXAS BANKS and BANKERS

☐ **B. A. McKinney**, president of the Federal Reserve Bank of Dallas, died recently at the age of 67 after a brief illness.

☐ **Fred Kiechle**, active vice president, Farmers & Merchants State Bank, Balinger, Texas, died recently at the age of 47. A spinal infection was the cause of his death.

☐ **D. A. Campbell**, formerly cashier, was elected president of the First National Bank, Bridgeport, Texas, recently. He succeeded Frank Turner, resigned. Roger Ray was promoted from assistant cashier to cashier and D. H. Thomason was named assistant cashier.

☐ **Allen D. Schrodt** has been appointed assistant cashier of the Grand Avenue State Bank, Dallas, Texas, to succeed Robert Gibson, who has joined the Oak Cliff Bank & Trust Company, Dallas.

☐ **O. G. Bell** is the new vice president of the Republic National Bank, Dallas, Texas.

☐ **L. R. Buchanan** has been elected vice president and cashier of the First State Bank, Megargel, Texas, to succeed E. W. Tripp.

☐ **Robert C. Barnwell**, chairman of the board of the Farmers & Merchants National Bank, Gilmer, Texas, died recently of a heart attack at the age of 61. He was president of the Gilmer Building & Loan Association.

☐ **G. W. Bingham** is now president of the Grand Prairie State Bank, Grand Prairie, Texas, having succeeded W. B. Gilbert. Albert N. Smith and Hugh M. Lucas are vice presidents.

☐ **First State Bank**, Granger, Texas, which recently was converted from a national to a state bank, has been admitted to membership in the Federal Reserve System, effective March 1.

☐ **San Jacinto National Bank**, Houston, Texas, has established an automobile finance department.

☐ **John Hirschi** has been elected president of the State National Bank, Iowa Park, Texas, to succeed Carroll Duke, who resigned recently to open an insurance office in Iowa Park. Mr. Hirschi is chairman of the board of the Wichita National Bank, Wichita Falls, Texas.

☐ **Dr. F. M. Gilbert** has been chosen president of the Irving State Bank, Irving, Texas, to succeed W. B. Gilbert, resigned. A. H. Walker has been appointed assistant cashier.

☐ **Fred Schwebel** is now vice president of the First National Bank, La Feria, Texas.

☐ **At Laredo National Bank**, Laredo, Texas, President L. G. Alexander has become chairman of the board; Payne Briscoe, vice president, has succeeded him as president; Prinz W. Buttron, assistant vice president, has become cashier, and R. J. Benavides has advanced from assistant cashier to assistant vice president.

☐ **During 1938**, the Union National Bank, Laredo, Texas, paid off its entire preferred stock of 180 shares; increased its surplus from \$82,000 to \$100,000, and paid a 6 per cent dividend. The bank, which was organized in 1928, has added \$50,000 to its surplus during the 10 years, according to P. H. Stanford, vice president.

☐ **George W. Todd**, cashier, Farmers & Merchants National Bank, Mart, Texas, died recently. He was 38 years old.

☐ **Pease River Valley Bankers Association**, recently organized, elected G. C. Morris executive vice president, Herring National Bank, Vernon, Texas, president of the group at its first meeting in Chillicothe. About 50 bankers were present. A. P. Pierce, president, Security National Bank, Quanah, Texas, was elected vice president, and Harold H. Simmons, cashier, First National Bank, Chillicothe, Texas, secretary-treasurer. Next meeting: May 10 in Quanah.

☐ **Nick Alley**, formerly vice president, has succeeded his brother, Robert F. Alley, as president of the First National Bank, Hale Center, Texas. R. A. Jefferies has been named vice president.

☐ **The two banks** in Timpson, Texas, the Cotton Belt State Bank and the Guaranty Bond State Bank, have consolidated under the name of the Cotton Belt State Bank. Capital stock of the new institution is \$50,000; surplus is \$10,000. J. E. Blankenship is president of the new organization; H. L. Rogers is executive vice president and

cashier; B. J. Hawthorne, John F. Cooke and E. H. Herbert, vice presidents.

☐ **Plans** for the \$30,000 remodeling of the four-story Victoria National Bank building, Victoria, Texas, have been completed by Houston architects.

☐ **W. L. Pier**, vice president, Fort Worth National Bank, has been elected president of the Fort Worth Chamber of Commerce. He has been chairman of the Chamber's agricultural committee for several years and has a wide acquaintance among farmers and ranchmen.

☐ **At Houston**, Texas, W. S. Cochran, vice president, First National Bank, has been appointed chairman of the agricultural committee of the Houston Chamber of Commerce and A. D. Simpson, president, National Bank of Commerce, has been appointed chairman of the convention committee.

☐ **C. A. Barrett** was promoted from teller to assistant cashier of the National Bank of Commerce, Houston, Texas, recently. He was one-time cashier of the Guarantee National Bank and was an assistant cashier of the Public National Bank when it merged with the National Bank of Commerce.

☐ **A new assistant cashier** at the City National Bank, Houston, Texas, is Burney Parker, for eight years a member of the staff.

☐ **First National Bank**, Midland, Texas, has opened its new eight-story office building, adjacent to its present quarters. The bank will use only the basement of the new building and will continue with its headquarters in the older building. The new building is air-conditioned throughout and was built at a cost of approximately \$250,000.

☐ **Inman H. Wheless** was named president of the Jefferson County Bankers Association at a meeting in Port Arthur, Texas, recently. He is assistant cashier, Merchants National Bank, Port Arthur, Texas, succeeds A. L. Brooks, president, First National Bank, Port Neches. O. N. Kolter, assistant cashier, American National Bank, Beaumont, was elected secretary-treasurer.

BOOK REVIEWS

"Inflation's Timing," by Ferguson and Lester. 1938. Published by American Institute for Economic Research, Cambridge, Mass. 60 pages. \$1.00.

An interesting, inexpensive, paper-bound book on inflation. The various aspects of previous inflationary periods are reviewed and compared with present conditions.

★

"The Call Feature in Municipal Bonds," by the Committee on Municipal Debt Administration. Published by Municipal Finance Officers' Association, Chicago. 1938. 1 vol. 118 pages.

This is an analysis of the use of "callable" bonds in municipal finance. Such bonds have been used to a considerable extent in private financing to effect substantial savings. The text, although small, is well written and contains much valuable data.

★

"Commercial Banking Reform in the United States," by Leonard L. Watkins. Published by the University of Michigan, Ann Arbor. 1938. 133 pages. \$1.00.

This book is in two parts: first, a consideration in detail of the various programs of reform indicated for commercial banking, and second, government regulation of deposit interest rates. The matters discussed should be of interest to all bankers.

★

"How to Avoid Financial Tangles," by Kenneth C. Masteller. 159 pages. 1938. American Institute for Economic Research, Cambridge, Mass. \$1.00.

This paper-backed, inexpensive text treats a very broad subject. Naturally the treatment is not particularly detailed. However, it is in layman's language and contains considerable information that will be of value to many in avoiding financial difficulties.

★

"Yields of Bonds and Stocks," by David C. Johnson, Caleb Stone, Milton C. Cross and Dr. Edward A. Kircher. Published by Prentice-Hall, Inc., 70 Fifth Avenue, New York; two editions (large type—\$8.00; vest pocket size—\$5.00).

Investors will be interested to learn that they will be able to determine the

yields of bonds and stocks with coupon rates as low as 3 per cent and determine them correctly within .0005 of one per cent with the aid of the new book, **YIELDS OF BONDS AND STOCKS**, just published by Prentice-Hall, Inc. In the new and enlarged edition of this popular manual, tables are given for 3 per cent, 3¼ per cent, and 3¾ per cent, which means that the book now covers virtually all issues other than United States Government bonds, which are ordinarily bought and sold at dollar prices (as distinguished from yield bases).

In 1923 the authors published the

first comprehensive series of tables showing precisely the yields afforded by bonds at various prices, maturities, and coupon rates. The scope of the original book was such that it covered practically every bond then in existence. Some two years later, they added a table covering a 4¼ per cent coupon rate. Thus supplemented the book continued for a number of years to meet all requirements for determining "yields of bonds at selling prices."

As an accurate time-saver, **YIELDS OF BONDS AND STOCKS**, should be on the desk of every broker and investor.

FIRST NATIONAL BANK

in DALLAS



Statement of Condition

At the Close of Business, March 29, 1939

ASSETS

Cash on Hand and Due from Banks	\$ 58,693,825.12
United States Securities Owned	24,129,029.65
Stock in Federal Reserve Bank	321,000.00
Other Stocks and Bonds	2,726,649.45
Loans and Discounts	40,983,790.38
Furniture and Fixtures	293,966.90
Banking House	2,345,000.00
Other Real Estate	1,211,584.80
	\$130,704,846.30

LIABILITIES

Capital Stock	\$ 8,000,000.00
Surplus Fund	2,700,000.00
Undivided Profits, Net	3,479,367.55
Reserved for Taxes, Etc.	195,580.99
Reserved for Dividends	320,000.00
Deposits:	
Individual	\$75,081,816.57
Banks and Bankers	33,721,465.87
U. S. Government	7,206,615.32
	116,009,897.76
	\$130,704,846.30

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MUNICIPAL BOND

Kentucky Municipals

By THOMAS GRAHAM

The Bankers Bond Co., Louisville

THERE have been few new issues of Kentucky municipals during the month of March. The Commonwealth of Kentucky sold \$325,000 Kentucky Bridge Revenue $2\frac{3}{4}$ per cent Bridge No. 16 bonds due in 1959 to construct, with the addition of Federal funds, a bridge over the Green River at Livermore. These bonds were offered at 102 $\frac{1}{4}$ and were sold the first day. The only other new issue during the month was the sale by the City of Lawrenceburg of \$40,000 Sewer 3 per cent limited tax bonds at a price of 101.69.

The State of Kentucky issued \$1,300,000 Institutional $1\frac{1}{2}$ per cent Warrants and called \$1,500,000 3 per cent Warrants. These new Warrants were issued from March 1 and the old Warrants were called on March 15. On March 15 another \$1,300,000 of State Institutional Warrants were issued bearing interest at $1\frac{1}{2}$ per cent and \$1,500,000 of the 3 per cent Warrants were called for payment April 15. This makes the State debt consist of approximately \$3,000,000 of $1\frac{1}{2}$ per cent Warrants and \$3,500,000 of 3 per cent Warrants. This state financing has had a tendency to strengthen the whole Kentucky municipal bond market.

The Municipal Situation in Tennessee

By E. S. GARDNER

Equitable Securities Corporation
Nashville, Tennessee

Continuing the rising trend which has been in evidence since last September, higher grade Tennessee municipals last month were in demand from institutional sources, but trading was somewhat light because of the scarcity of offerings.

Of particular interest in the Tennessee market recently has been the proposed sell-out of the Tennessee Electric Power Company to the TVA and various municipalities. When the deal is finally consummated, a large volume of revenue financing is expected as the cities and power districts sell bonds to pay for their distribution systems.

Knoxville set the ball rolling last August by purchasing the distribution facilities there to become the first large city in the TVA area and the eighth

largest in the country to operate a municipal electric plant. Since August, some eight or ten smaller cities in Tennessee have acquired their systems from various power companies, and the bonds for financing these plants have enjoyed a ready market.

Another important item affecting Tennessee municipals was the amendment passed by the Legislature on March 10 changing the method of handling county bonds subject to reimbursement by the State. The main feature of the amendment was the change from the former declining interest rate to be paid on the State's reimbursement to the counties to an equal interest rate each year after 1939. The security behind the county bonds was not lessened by the amendment.

The Municipal Situation in Louisiana

By J. W. KINGSBURY

Scharff & Jones, Inc., New Orleans

At the time of the writing of these paragraphs (March 21, 1939) municipal markets, as a whole, are upset on account of the European situation. There are more than the usual amount of Louisiana bonds being shown for bids, but relatively few are being offered at lower prices than those which prevailed prior to the seizure of Czechoslovakia by Germany.

During the past month there has been an extreme scarcity of the better known names in Louisiana, such issues as Shreveport, Baton Rouge, Alexandria, Monroe and New Orleans being in good demand and selling at all time new high prices. City of New Orleans Bonds traded freely on a 3.00 per cent basis for 1955-62 maturities, 3.05 per cent basis for 1963-66 maturities, and a 3.10 per cent basis for longer bonds. Long term Shreveport 5 per cent Bonds were in demand on a 3.05 per cent basis while the $4\frac{1}{2}$ per cent bonds were sought on a 3.00 per cent basis. Louisiana Highway Bonds reached an all time new high with maturities of 1950-53 on a 2.90 per cent basis, 1954-55 on a 2.95 per cent basis and longer bonds on a 3.00 per cent and 3.05 per cent basis. These prices exceed the peak of 1936 by some four or five points. The buying has been coming from institutions, there being very little local demand for high premium bonds, invest-

NEWS SECTION

tors in this market turning more to the so-called second-grade bonds selling at from 103 to 108.

During the month there were only three small new issues offered for sale. They included \$92,000 Lafayette, Louisiana, Sewer & Water Plant Certificates of Indebtedness purchased by a bank in the town as 5 per cent Bonds. \$50,000 Sulphur, Louisiana, Sewer Bonds, for which no bid was received, and \$75,000 St. Landry Parish, Port Barre School District Bonds which sold as 4½ per cent and 4¼ per cent. Sales advertised at this time consist only of \$17,000 Town of Abita Springs, Sewer and \$92,000 St. Mary Parish, 3rd Ward School District. Very few elections for the purpose of voting on bonds are scheduled to be held in the near future, and it would appear that new issues will be very few and far between during the coming months.

The trend in the market is hard to define at this time. It depends to a great extent upon the course followed by Institutions, as it appears that the local resistance against high premiums will not be broken for several months. The local market is also faced with the fact that this is the period of the year when banks in the rural sections are financing the production of crops and are usually out of the bond market. The recommendation has been given to local investors that all Louisiana bonds selling at 120 or above be disposed of at this time, and it is felt that this would be a wise plan for individuals and smaller banks out of the territory to follow.

The Municipal Situation in Oklahoma

By G. H. C. GREEN

Vice President, R. J. Edwards, Inc.
Oklahoma City

With the total absence of new offerings of any consequence among the counties, cities, and school districts of Oklahoma, the interest of local municipal dealers is directed to the forthcoming issue of \$18,000,000 Oklahoma State Funding Bonds which will replace an equal amount of notes now outstanding and which mature May 1, 1939.

The bill providing for this state funding issue specifies an interest rate not to exceed 2½ per cent and maturities ranging from 1940 to 1954, inclusive (15 annual installments). These in-

stallments are to be of equal amounts except the last which may be any amount less than double the amount of the equal preceding installments.

These bonds will be issued and sold by the State Board of Equalization. In lieu of selling the bonds or any series of them, the State Board of Equalization may, if it deems it advisable, exchange said bonds, or any series thereof, for outstanding state notes maturing May 1, 1939. The full faith, credit, and resources of the State of Oklahoma are pledged for the payment of both principal and interest.

BOOK REVIEWS

"Full Recovery or Stagnation,"

by Alvin H. Hansen, Professor of Political Economy, Harvard University. 1938. Published by W. W. Norton & Co., New York. \$3.50.

This treatise on the theories involved in the business recovery problem should be interesting to those who have made an intense academic study of the matter rather than to those who have not made such a study. The author doubts that there will be any serious inflation, points out that the stagnation of recent months should be alleviated, and suggests methods of doing this.

★

"Bank Accounting and Audit Control," by James E. Potts, auditor, First National Bank of Boston. Cambridge, Mass. Bankers Publishing Company. 202 pages. \$4.00.

This book is a study of accounting and audit control as applied to banking. It starts with a typical statement of a large bank. This is broken down into a more detailed list of accounts and each account is then traced back to the transactions which gave rise to it. In so doing the accounting procedure involved is studied and also the audit control factors which may be applicable in each case.

The book is profusely illustrated with various forms for audit control. It should be of value not only to the student of bank accounting but to comptrollers, auditors and bank executives in general as well as to public accountants and bank examiners.

The author is auditor of The First National Bank of Boston.

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- NEBRASKA**
- HOTEL PAXTON.....Omaha
- NEW MEXICO**
- HOTEL CLOVIS.....Clovis
- OKLAHOMA**
- OKLAHOMA-BILTMORE.....Oklahoma City
- HOTEL HUBER.....Muskogee
- HOTEL BELMONT.....Okmulgee
- HOTEL SAPULPA.....Sapulpa
- HOTEL ALDRIDGE.....Wewoka
- TEXAS**
- HOTEL ALICE.....Alice
- STEPHEN F. AUSTIN.....Austin
- HOTEL SETTLES.....Big Spring
- HOTEL BROWNWOOD.....Brownwood
- HOTEL SOUTHERN.....Brownwood
- HOTEL LAGUNA.....Cisco
- HOTEL DONNA.....Donna
- HOTEL CORTEZ.....El Paso
- HOTEL TEXAS.....Fort Worth
- HOTEL BUCCANEER.....Galveston
- HOTEL JEAN LAFITTE.....Galveston
- CORONADO COURTS.....Galveston
- MIRAMAR COURT.....Galveston
- HOTEL CAVALIER.....Galveston
- HOTEL LUBBOCK.....Lubbock
- HOTEL FALLS.....Marlin
- HOTEL GHOLSON.....Ranger
- HOTEL CACTUS.....San Angelo
- ANGELES COURT.....San Antonio
- VIRGINIA**
- HOTEL MOUNTAIN LAKE.....Mt. Lake



C-9-253-54

CURRENT QUOTATIONS

FURNISHED BY EDWARD D. JONES & COMPANY, ST. LOUIS, MISSOURI
On 100 Unlisted Bonds as of March 29, 1939

	Bid	Asked		Bid	Asked
Abitibi Power & Paper, 5s, 1952	54½	56	Governor Clinton Inc., 2s, 1952	30½	32½
Affiliated Fund, 5s, 1948	100¾	101¾	Granite City Generating, 5s, 1963	73	75
Alabama Water Service, 5s, 1957	98½	100	Granite City Iron, 5s, 1943	40	44
American Furniture Mart, 3s, 1955	80	82	Greenwich Water & Gas "A," 5s, 1952	100	102
American LaFrance, 6½s, 1956	33½	35½	Gulf Power, 5s, 1968	103	104½
American Utilities Service, 6s, 1964	77	79	Haytian Corp, 8s, 1938	12½	14½
Arkansas Missouri Power, 5s, 1957	98½	100½	Houston Electric, 6s, 1950	99	100
Arnold Print Works, 5s, 1952	62	64	Indianapolis Waterworks, 5s, 1958	96½	98½
Associated Electric, 5s, 1961	59	61	Inland Power & Light, 6s, 1941	17	19
Associated Gas & Electric, 3½s, 1978	29½	31½	Inland Telephone, 6s, 1948	88	91
Bankers Bldg. (Chicago), 5½s, L. T. C.	65	67½	Joplin Waterworks, 5s, 1957	105½	107½
Belen College (Havana, Cuba), 5¼s, 1934	20	24	Kansas City Public Service, 4s, 1957	25	26
Binks Mfg., 5s, 1951	85	90	Lexington Telephone, 6s, 1944	100½	102½
Bloomington, Decatur & Champagne, 5s, 1940	97½	99	Lexington Water Power, 5s, 1968	78½	80½
Brown Hotel 1st, 5s, 1949	101	102½	Loew's Theatre & Realty, 6s, 1947	92	95
Brush Moore Newspaper, 5s, 1945	101½	103	Lukens Steel, 5s, 1955	71	73
Cairo Bridge, 6½s, 1958	60F	65F	Manhattan Refrigerating, 5½s, 1941	83½	85½
Caribbean Sugar, 7s, 1941	4½	5½	McKesson Robbins, 5½s, 1950	62	64
Carlisle Lumber, 6s, 1945	77F	81F	Miami Bridge, 6s, 1952	65	70
Central Arkansas Pub. Service, 5s, 1948	94½	96½	Minn. & Ontario Paper, 6s Long	26½	28½
Central Gas & Electric, 5½s, 1946	73	75	Missouri Edison Co., 5½s, 1947	94½	96½
Central Indiana Power, 6s, 1947	98	99½	Mountain States Power, 6s, 1938	98	100
Central Properties (St. Louis) Income, 5s, 1949	30F	32F	Munson Steamship, 6s, 1936	36	37½
Chicago City Railway 1st, 5s, 1927	45½	47½	Missouri Edison, 5½s, 1947	94½	96½
Chicago Herald & Examiner, 6½s, 1950	60	63	National Lock, 6s, 1944	90	100
Chicago Railway "A," 5s, 1927 C/Ds	8	9	New Orleans Pontchartrain Bridge 1st, 7s, 1946	15F	18F
Consolidated Electric & Gas "A," 6s, 1962	47	49	Northern Illinois Coal, 5s, 1945	99	102
Consumers Company, 5s, 1956	70	75	Northwest Cities Gas, 6s, 1949	17	18½
Continental Telephone, 5s, 1952	95	98	Oklahoma Railway, 5s, 1941	29	31
Credit Service, 6s, 1948	47	50	Old Ben Coal, 6s, 1948	24	26
Dallas Railway & Terminal, 6s, 1951	69	71	Old Dominion Power, 5s, 1951	66½	68½
Deep Rock Oil, 7s, 1937	71½	73½	Peabody Coal, 5s, 1953	86	88
Delaware Valley Utilities, 6s, 1952	56	59	Penn York Properties, 6s, 1940	65	69
Detroit City & Fuel, 4s, 1948	80	83	Pickering Lumber, 4s, 1952	22½	24½
Detroit International Bridge, 6½s, 1952	5F	7F	Plaza Olive Bldg., 6s Serial	29	31
Distribution Terminal Warehouse 1st, 5s, 1956	35	40	Portland Electric Power, 6s, 1950	17½	18½
Dominion Gas & Electric, 6½s, 1945	89	91	Public Gas & Coke, 5s, 1952	38	40
Eastern Minn. Power, 5½s, 1951	69	71	Roman Catholic Archbishop Manila, 3s, 1946	52	54
Equitable Office Bldg., 5s, 1952	39½	41½	Roman Catholic Bishop Monterey Fresno, 3s, 1953	53	56
Falstaff Brewing Deb., 5s, 1947	96	99	St. Clair, Madison & St. Louis Belt, 4s, 1951	82	85
Federated Utilities, 5½s, 1957	69½	71½	St. Louis Amusement, 6s, 1945	94	96½
Florida Power & Light, 5s, 1954	97½	99	Schultz Baking, 6s, 1945	89	91
Flour Mills of America, 6½s, 1946	27F	30F	Sisters Notre Dame Cleveland, 4s, 1951	98½	100½
First Nat. Co. St. Louis Participating, 5s	15F	17F	Society of Mary Univ. of Dayton, 3¼s, 1956	71	73
Freuhauf Trailer, 4½s, 1947	97	99	Southern Cities Utilities, 5s, 1958	44½	46
General Public Utility, 5½s, 1955	84½	86	Telephone Bond & Share, 5s, 1958	66½	68½
			United Public Utility, 5½s, 1960	83	85
			U. S. Radiator, 5s, 1946	57	59
			Vicksburg Bridge, 4s, 1968	69	72
			Western Light & Telephone, 5s, 1954	103	104

American Business Shares INC.



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Olive Street Notes



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W. C. Persons

By JAMES J. WENGERT

✓ **Henry F. Langenberg**, who has been associated with Reinholdt & Gardner for several years, is said to be slated to become a partner in the firm.



✓ **Kelton E. White** of G. H. Walker & Co. has been reelected president of the St. Louis Municipal Dealers' group for the seventh successive term. Harry Theis of Albert Theis & Sons is the new vice president of the group, succeeding Roy A. Dickie of Whitaker & Co.; Ernest D. Willer of Boatmen's National Bank succeeds Charles Deibel of the Mississippi Valley Trust Company as secretary; Sam C. Davis, Jr. succeeds L. W. Knickmeyer as treasurer.



✓ **Executive officers** of the Investment Bankers Association of America were in St. Louis last month for a series of forums with St. Louis dealers on municipal finance, current affairs, public relations and the Maloney amendments to the Securities Act. Among the visitors were: Francis F. Patton of A. G. Becker & Co., Chicago, member of the Investment Bankers Drafting Committee on the so-called over-the-counter regulation; John S. Clark of Mitchell, Herrick & Co., Cleveland, chairman of the I. B. A. Municipal Securities Committee; Dudley S. Smith of Chicago, municipal secretary of the association; Alden H. Little

of Chicago, executive secretary and treasurer; Arthur G. Davis of Chicago, field secretary, and David Dillman, Chicago, public relations director.

Among St. Louisians who had an active part in the day's program were: Russell E. Gardner, Jr., of Reinholdt & Gardner; H. Fred Hageman, Jr., of Boatmen's National Bank; I. A. Long of Mercantile-Commerce Bank & Trust Company, and Harry Theis of Albert Theis & Sons.



✓ **Richard L. Levis** has become connected with the St. Louis office of Murdock, Dearth & White, Inc. Mr. Levis, who was formerly with A. G. Edwards & Sons, is a graduate of Harvard where he majored in commerce and finance.



✓ **Charles H. Stix, Henry L. Ruppert** and **Oscar Wibbing** have been named as members of the district committee of the Investment Bankers' Conference, Inc. The area represented in the district includes most of Missouri, Arkansas and Western Kentucky. John R. Longmire, former member of this committee, is now a member of the national governing board. Three others on the original committee of four for the Seventh District, namely, J. R. Vinson of Little Rock, W. H. Burg and Louis J. Nicolaus of St. Louis, will serve with the three new appointees as a committee of six.

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St. Louis, Mo.

Northwestern National Bank, St. Louis, Completes Remodeling Program

PICTURED below is part of the interior of the Northwestern National Bank, St. Louis. This institution, which formerly was known as the Northwestern Trust Company, became a national bank early this year. In anticipation of the change to a national bank, and the expansion of business, the bank began work late last year on a remodeling job which completely transformed its interior. Work of remodeling was handled by the St. Louis Bank Building and Equipment Company, a firm which has built and remodeled hundreds of banks throughout the Mid-Continent territory and by William Wedemeyer and Son, architects.

New style teller windows, larger quarters for the officers, a new air-conditioning system, new day-bright illumination, and a bright, cheerful color scheme were included in the remodeling operations. The result of the work makes the Northwestern National Bank one of the most modern banks in appearance to be found in the St. Louis territory.

According to John P. Meyer, president, the response from customers to the change in the bank's appearance has been most favorable. This, coupled with the nationalization of the institution, is expected to have a very gratifying effect on deposits.

The Northwestern National Bank, though new in name, is one of the oldest banks in St. Louis. It commenced business sixty-six years ago as the Northwestern Savings Bank, with an authorized capital of \$50,000 of which \$40,000 was paid in. In 1920 the name was changed to the Northwestern Trust Company. Petition to become a national bank under the name of Northwestern National Bank was granted by the Comptroller of Currency, February 1. Today the institution has capital of \$720,000, consisting of \$220,000 preferred and \$500,000 common, and surplus and undivided profits of more than \$340,000. Its deposits as of March 29 were \$7,132,226. All of the increase in common stock since the original payment of \$40,000 has been from earnings.

John P. Meyer came to the bank as president about five years ago. Under his guidance the bank has experienced a remarkable growth. Mr. Meyer is now chairman of Group Five, Missouri Bankers Association, state vice president for Missouri of the American Bankers Association and, as announced elsewhere in this issue, was elected to the Board of Governors of the Missouri Athletic Association in St. Louis last month.



Interior view of the recently remodeled quarters of the Northwestern National Bank, St. Louis. Remodeling was done by St. Louis Bank Building and Equipment Company.

BOOK REVIEWS

"Tested Public Speaking," by Elmer Wheeler. 1939. 173 pages. Published by Prentice-Hall, Inc., New York. \$2.00.

A new book on speech-making, by the author of "Tested Sentences That Sell," in which he tells how to make speeches that "sizzle" and "click." Good.

"Consumer Credit and Its Uses," by the Advisory Committee of the Consumer Credit Institute of America, Inc. Published by Prentice-Hall, Inc., New York. 1 vol. 264 pages. 1938. \$2.75.

The institutions dealing in consumer credit matters, the services and costs thereof, and the social aspects of such credit are outlined in this book. It includes a discussion of personal loan departments in banks as a part of the general treatment of the subject.

"American Public Finance," by Wm. J. Shultz, LL.B., Ph.D., School of Business and Civic Administration, College of the City of New York. Second revised edition, 1938, 807 pages. \$5.00. Published by Prentice-Hall, Inc., 70 Fifth Avenue, New York.

This is an excellent scholarly treatise on public finance in this country. It is concerned with governmental expenditures, taxation principles, existing taxes, revenues other than taxes, government borrowing, and fiscal inter-relationships between federal, state and local branches of the government. The author uses a historical approach which is helpful to a better understanding of the subject.

"Corporation Finance," by Kenneth Field, Ph.D., J.D. Published by The Ronald Press, New York. 1938. 1 vol. 529 pages. \$4.00.

The author of this book is head of the Department of Economics of the Carnegie Institute of Technology. In it he has presented an interesting treatise on the intricacies of corporate finance. There is a wealth of material therein but the approach appears to be a trifle theoretical and the details are not as complete as the text indicates. For example, he bases certain of his statements in one division of a chapter on an example that actual developments proved without merit and he omitted Maine from his list of states granting appraisal rights to stockholders dissenting from the disposal of corporate assets.

"The Dust Bin," by Nathan Boone Williams. 1938. 304 pages. Published by W. F. Roberts Company, Washington, D. C.

The major phases of our political, economic and social activities are discussed in a general way in this book. The author utilizes historical incidents and philosophies previously expounded to a considerable degree in making his points.

"The Soilless Growth of Plants," by Carleton Ellis and Miller W. Swaney. 1938. 155 pages. Published by Reinhold Publishing Company, New York. \$2.75.

The matter of growing plants without soil has attracted considerable interest recently. This book discusses the subject in an excellent fashion, tells of results obtained and gives formulae that may be used.

"Profits Out of Wall Street," by H. Wilder Osborne. 1939. 51 pages. Published by Alfred A. Knopf, Inc., New York. \$1.29.

It is the contention of the author of this text that money is to be made in the stock market by following the trends in prices. Although you may not agree with him entirely, his ideas are worth reading.

"Bank Accounting and Audit Control," by James E. Potts. 1938. 202 pages. Published by Bankers Publishing Company, Boston, Mass.

A typical published financial statement of a bank is analyzed, broken down, and discussed in this text on bank accounting and auditing. It is written in simple and easily understood language.

Program Announced for Meeting of Bank Auditors and Comptrollers

THE mid-winter regional conference of the National Association of Bank Auditors and Comptrollers will be held at Dallas, Texas, April 28 and 29, according to J. W. Massie, auditor of the Republic National Bank, Dallas, and first vice president of the Association. The program for the meeting follows:

FRIDAY, April 28, 1939

9:30 A. M.

Call to Order:

M. F. Richardson, General Chairman, Conference Committee, Vice President, Hillcrest State Bank, Dallas, Texas.

Address of Welcome:

Ernest R. Tennant, President, Dallas Clearing House Association, President, Dallas National Bank, Dallas, Texas.

9:45 A. M.

Conference

Led by:

Paul L. Hamilton, Auditor, First National Bank, Fort Worth, Texas.

Subject: Audit Policies and Procedure.

Speaker: D. R. Cochard, Assistant Auditor, Cleveland Trust Company, Cleveland, Ohio.

Subject: Bank Auditors and Comptrollers as Scientific Executives.

Speaker: B. P. Allen, Executive Vice President, First National Bank, Wabash, Indiana.

1:30 P. M.

Conference

Led by:

Charles A. Stoll, Auditor, Manufacturers National Bank, Detroit, Michigan.

Subject: The Wage-Hour and Social Security Acts.

Speaker: C. Edgar Johnson, Assistant Cashier, First National Bank, Chicago, Illinois.

Subject: Control or Audit of Collateral Department.

Speaker: F. J. Hollocher, Assistant Auditor, First National Bank, St. Louis, Missouri.

Subject: Value of Accrual Accounting.

Speaker: John C. Shea, Auditor, Whitney National Bank, New Orleans, Louisiana.

6:30 P. M.

Dinner

Chairman: E. G. Armstrong, President, National Association of Bank Auditors and Comptrollers, Comptroller, Commerce Trust Company, Kansas City, Missouri.

Speaker: Nathan Adams, President, First National Bank in Dallas, Dallas, Texas.

Subject: "Your Attitude."

SATURDAY, April 29, 1939

9:30 A. M.

Conference

Subject: State and Federal Taxation.

Speaker: B. N. Jenkins, Auditor, First National Bank & Trust Company, Oklahoma City, Oklahoma.

Subject: Operations That Combine Internal Audit With Operating Efficiency.

Speaker: E. F. Lyle, Comptroller, City National Bank and Trust Company, Kansas City, Missouri.

Subject: "Administrative Law, Affecting Banking."

Speaker: C. J. Crampton, Executive Secretary, Dallas Chamber of Commerce, Dallas, Texas.

Answers to Legal Questions on Page Sixteen

1 Four thousand dollars. Where a surety or guarantor discharges the obligation on which he is liable by the payment of an amount less than its face value, or by the transfer of property of a lesser value, the general rule is that the principal has the right to the benefit of his bargain and that the surety or guarantor can recover from the principal no more than the amount paid by him or the value of the property transferred.

2 The period of limitation prescribed for actions for relief on account of fraud controls according to the decisions in a majority of the jurisdictions in which the question has arisen. Colorado, Kansas, Kentucky, Minnesota, Ohio, Oklahoma, Texas and Utah so hold. The view that the period in which actions to recover real estate may be brought controls is taken in a few jurisdictions, Indiana, Iowa, and Missouri being among them.

3 No, according to a recent Supreme Court of Indiana case. The holding there ran to the effect that a bank has no right to apply to or set off against a debt due it from two or more parties, a deposit to the credit of one of them. In Illinois and Arkansas it would probably be held that such action on the part of a bank there would be proper.

4 The statute of limitations commenced to run from the time of the delivery of the report on the title to the banker. In the absence of fraud the rule is that where one employed to examine the title to realty or personalty makes a false or erroneous report or furnishes a defective abstract of title, the statute of limitations begins to run from the time the report is made or the abstract is delivered and not on the day the error is discovered or the damages result or are finally determined.

5 No. In a recent Nebraska Supreme Court decision it was held as a matter of law that the maintenance of polished hardwood floors in an apartment house and the placing thereon of small rugs were not in themselves acts of negligence, and that in the absence of other facts or circumstances tending to show failure to use

ordinary or reasonable care, the owner of such a house, so fitted, was not responsible for injury sustained by a prospective tenant in slipping on one of the rugs.

6 No, according to a number of cases in different states. Such cases sustain the proposition that a landlord who, with knowledge of the lessee's assignment of the lease in contravention of its terms, accepts from the assignee rent accruing after such assignment, thereby waives the right to forfeit the lease because of the assignment.

7 No. The waiver that occurred in the situation outlined in the previous question did not occur here. The new tenant's occupancy of the premises was on an entirely different basis than that of his predecessor under the lease for a term of years. The new occupancy was on a month-to-month basis because the landlord acted within his rights in promptly declaring the lease forfeited and wiping it out.

8 No. According to a recent Michigan Supreme Court case the drawer of checks, by accepting partial restitution from one who obtained money on them by forging the payee's indorsement, is not to be deemed to have elected to look for reimbursement to the forger rather than to the bank on which the checks were drawn, where immediately upon the discovery of the forgeries demand was made on the bank that the drawer's account be credited with the amount of the checks.

9 Yes. The overwhelming weight of authority supports the doctrine that third persons may enforce a contract entered into between others of their benefit. The bond in this case was, of course, not procured by the laborers and materialmen; however, that point is immaterial. The bond was actually procured and it provided that they would be protected in the event of a default. The provision was valid.

10 No. It is well settled by the authorities that, under leases containing provisions for a forfeiture thereof in the event of fire or inability

to occupy the premises on that account, a partial destruction of the premises will not terminate the lease though it renders the premises temporarily untenable for the purposes of the lease.

Changing Banking Trends

(Continued from page 20)

conditions but rather from the defeatist attitude adopted by many leaders in the profession. Many of them are saying: "What's the use? Sooner or later we will be nationalized and there is no point therefore in continuing to fight a losing battle." This attitude, in my opinion, is wrong.

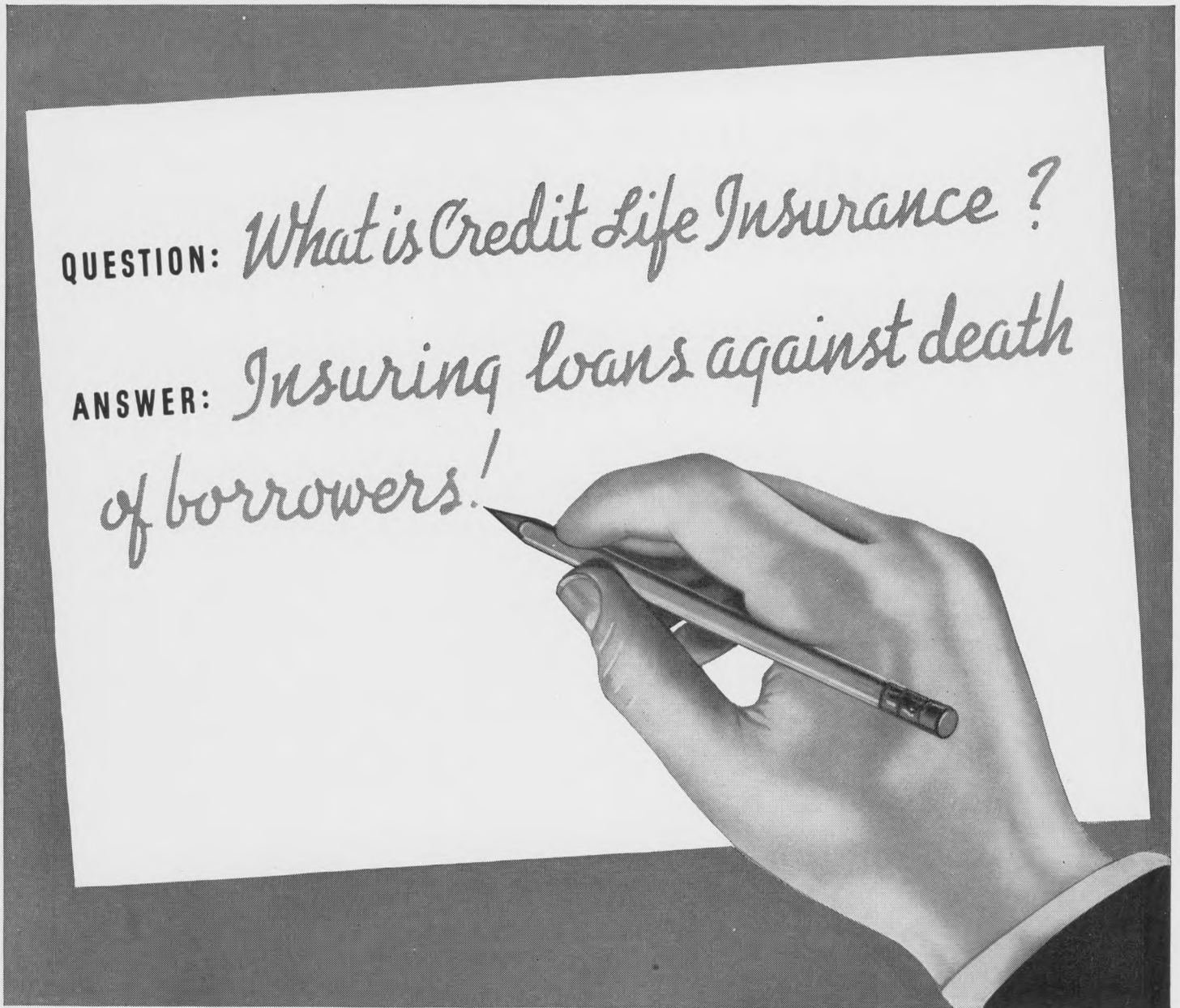
No one in the United States who fully understands the functions performed by a bank really advocates the nationalization of the banking system. The best way to combat this demand, heard in certain circles, is to educate the public as to what a bank is, what it can do, and what its role in the economic system can and should be.

Banks have played an important part in building up the country. To a large extent, the activities were dominated by the economic development of the country. In periods of rapid growth, in periods of great speculative activity, it was to be expected that the bankers would have the same attitude as the leaders of industry and trade.

The Outlook for the Future

In spite of the severe depression that has occurred and in spite of the fact that the country as a whole seems to be in a period of stagnation, it is still far from having reached the peak of its economic development. New industries will spring up, new demands for funds will arise, and even though interest rates may remain low for a prolonged period of time, the well managed bank will be in a position to earn a fair return on its capital investments.

The world at large is in a turmoil. Different economic and political philosophies are contending with one another. In this turmoil the problem of the banker is the same as that confronting the average American citizen, namely, the problem of protecting American institutions and preserving the democratic form of government. In spite of the shouting from the extreme Right and the extreme Left, the will to maintain the American form of government is greater than ever before. If we preserve the American form of government and strengthen and fortify the democratic system, the other problems confronting the nation are bound to find a solution.



WHAT institutions are the largest users of Credit Life Insurance?

Banks and Trust Companies, Industrial Loan, Automobile Finance, Building & Loan Associations, Co-Maker and Personal Loan Companies.

What type of risks require Insured Loans? Any borrower, whether loan is secured or unsecured; any installment sale involving automobiles, Furniture, Household Appliances, Washing Machines, Refrigerators, Oil Burners, Coal Stokers, Radios, Auto Tires and Accessories, Jewelry, F. H. A. Loans . . . to mention only a few.

What are the premium rates and age limits? The premium charge on installment, personal loans, is 1% of the initial amount of the loan for one year, regardless of age of borrower. This is equivalent to eight and one-third cents per month per \$100 loan, for one year. The age limit is twenty-one to sixty. No medical examination is required. The premium charge on insured Com-

mercial Loans vary with age of borrower. For example, at age thirty-five, the premium is only twenty-three cents per \$100 for three months or less.

How and when are claims paid? A check for the unpaid balance of your loan is mailed immediately upon receipt of due proof of death of borrower.

What type of company is the Missouri Insurance Co? An Old Line, Legal Reserve Stock Life Insurance Company, established 1907. Capital and Surplus funds exceed \$300,000. Total Admitted Assets exceed one million dollars. Insurance in force totals twelve million dollars.

Why is Credit Life Insurance necessary where loan is secured? The security at time of death of borrower may be obsolete, greatly depreciated, unsalable, or beyond satisfactory repair without additional expense. With Credit Life Insurance, no salvage operation or expense is necessary. Your unpaid balance is paid in full—immediately!

This is number one in a series of interesting releases, designed to give a clearer understanding of how Credit Life Insurance operates.

**MISSOURI
INSURANCE
COMPANY**



HOME OFFICE - SAINT LOUIS

Established 1907

James C. West, President

H. G. Zelle, Vice President

Write today for complete details of this intensely interesting CREDIT LIFE INSURANCE PLAN.

STATEMENT OF CONDITION

Mercantile-Commerce

Bank and Trust Company

Locust-Eighth-St. Charles
St. Louis, Mo.

MARCH 29, 1939

THE RESOURCES

Cash and Due from Banks	\$55,681,252.10		
U. S. Government Obligations, direct and guaranteed—			
(Pledged)	\$13,569,479.34		
(Unpledged)	57,428,914.16	70,998,393.50	\$126,679,645.60
Other Bonds and Securities—			
(Pledged)	None		
(Unpledged)	\$25,442,983.14	\$25,442,983.14	
Demand Loans		7,229,730.17	
Real Estate Loans		6,511,177.01	
Time Loans		11,219,821.27	50,403,711.59
Stock in Mercantile-Commerce Company			6,600,000.00
<i>(As authorized by the Banking Act of 1933, the Mercantile-Commerce Company is a wholly owned subsidiary of this Bank, with no Liabilities. Its Assets consist entirely of U. S. Government Obligations, carried at Par)</i>			
Stock in Federal Reserve Bank in St. Louis			390,000.00
Real Estate (Company's Building)			2,350,000.00
Safe Deposit Vaults			500,000.00
Other Real Estate (Former Bank of Commerce Bldgs.)			1,500,000.00
Overdrafts			19,131.51
Customers' Liability on Acceptances and Letters of Credit			264,092.44
Other Resources			74.00
			\$188,706,655.14

THE LIABILITIES

Capital Stock	\$	10,000,000.00	
Surplus			3,000,000.00
Undivided Profits	\$	3,259,153.31	
Reserve for Dividend Declared		150,000.00	3,409,153.31
Reserve for Contingencies			862,568.21
Reserve for Interest, Taxes, etc.			248,559.23
Unpaid Dividends			2,452.50
Bank's Liability Account Acceptances and Letters of Credit			264,092.44
Deposits, Secured: Public Funds	\$	12,034,622.48	
Other Deposits, Demand		125,923,246.17	
Other Deposits, Time		32,961,960.80	170,919,829.45
			\$188,706,655.14

All Securities pledged are to the U. S. Government or its Agents, State of Missouri and the City of St. Louis, to secure deposit and fiduciary obligations.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION