

# MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley

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ST. LOUIS  
OCTOBER  
1939  
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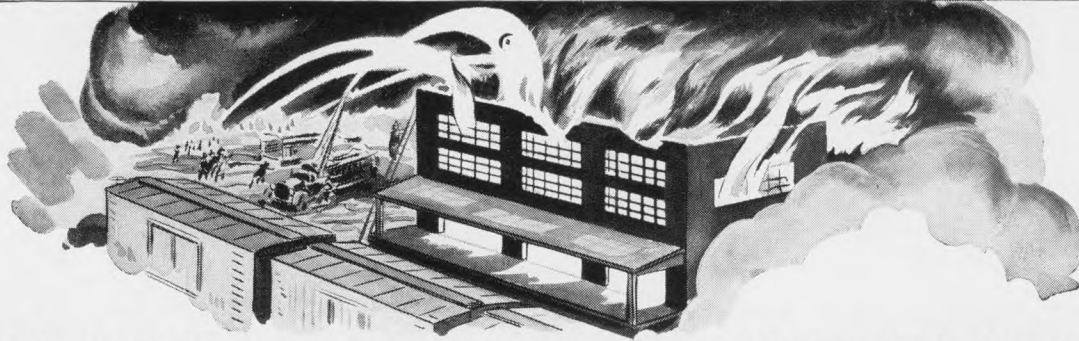
# FIRST NATIONAL BANK IN ST. LOUIS

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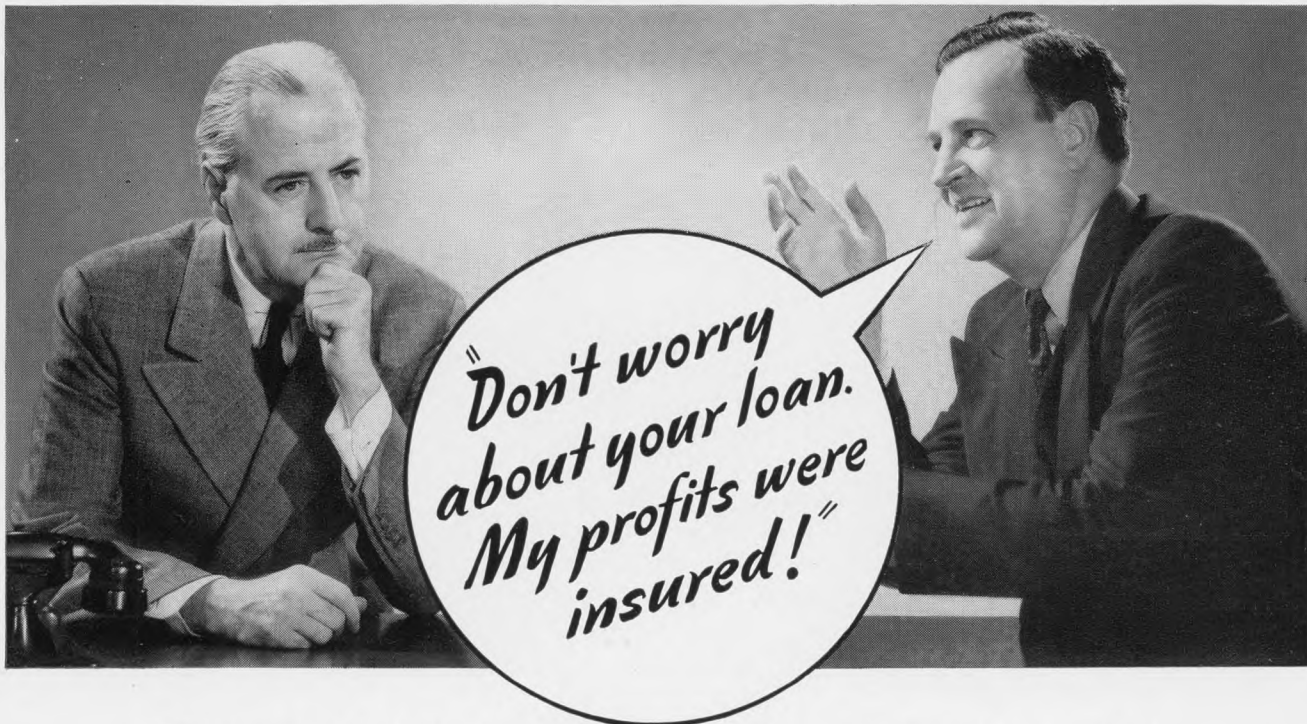
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## Convention Calendar

**Kentucky:** Oct. 17-19, Brown Hotel, Louisville.  
**Nebraska:** October 23-24, Fontenelle Hotel, Omaha.

### General Conventions

**Oct. 9-11:** Morris Plan Bankers Association, Westchester Country Club, Rye, N. Y.  
**Oct. 26-27:** Mid-Continent Trust Conference of the A. B. A., Stevens Hotel, Chicago.  
**Dec. 7-8:** A.B.A. Regional Conference, Richmond, Va.

### 1940 Conventions

**Jan. 17-19:** Missouri Bankers Conference, University of Missouri, Columbia, Mo.  
**Feb. 13-15:** Mid-Winter Trust Conference, New York.  
**March 21-22:** A.B.A. Regional Conference, Denver, Colorado.  
**April 4-6:** Florida, Biltmore Hotel, Palm Beach.  
**May 2-3:** Oklahoma at Tulsa.  
**May 6-8:** Missouri. Meeting place to be selected.  
**May 13-15:** Mississippi. Meeting place to be selected.  
**May 15-16:** South Dakota at Watertown.  
**May 15-16:** Indiana, Claypool Hotel, Indianapolis.  
**May 21-23:** Texas, Buccaneer Hotel, Galveston.  
**May 23-25:** Virginia, Hotel Roanoke, Roanoke.  
**May 28-29:** Illinois, Palmer House, Chicago.  
**June 3-5:** Iowa. Meeting place to be selected.  
**June 3-7:** American Institute of Banking, Boston.  
**June 5-7:** Minnesota at Minneapolis.  
**June 11-12:** Wisconsin. Meeting place to be selected.

## New Book on Bank Credit

**"Practical Bank Credit,"** by Roy A. Foulke and Herbert V. Prochnow; published by Prentice-Hall, Inc., New York; 670 pages; \$7.50.

This book is intended to present the subject of loan-making in commercial banks in its entirety—the operation of a bank credit department; the analysis of all types of financial statements, including the trial balance; the consideration of all factors which enter into the granting of credit; the various types of loans; and a careful examination of a number of loan illustrations taken from the everyday experience of distinguished bankers in various parts of the United States.

# Mid-Continent Banker

THE FINANCIAL MAGAZINE OF THE MISSISSIPPI VALLEY

Vol. 35 No. 10

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# An Analysis of the Ideal Bond Investment Account for Banks

By EDWARD H. HILLIARD

J. J. B. Hilliard & Son  
Louisville, Kentucky

OF all the problems bankers have to face, none is more difficult than that of investing in bonds. Banks are overwhelmed with idle funds when bonds are high and have none when bonds are at bargain prices. The banker with an excellent bond account may some day face the question, "Should I liquidate some of my bonds at low prices and hurt myself or shall I call in some loans and hurt my town?" That wise banker who has a lot of short term bonds maturing when long term bonds are low not infrequently has other pressing calls for his funds and is thus prevented from profiting by his foresight.

In spite of the difficulties, the problem of bond investment must be faced. Much progress has been made. The study given the subject has tended to develop sound methods of approach and has definitely established certain principles to be followed. Deposits have been analyzed as to type and character and emphasis has been laid on a complete study of the institution and its clients and the relation of these factors to bond investment. Sources of information about bonds have been vastly improved and ratings established. Safety, stability, and income have been discussed and their relative merits carefully weighed. Properly spaced maturities and the advantages of short term issues have been pointed out. Endless pages have been written about the ideal account for any given institution. The method of keeping investment records has been studied and developed and "ideal" accounts have been set up so that a bank can compare its account with this theoretical ideal.

Keeping in mind the results of the various investment studies and investigations that have been made, it might be profitable to seek the answer to the following question: "Assuming that there is an ideal bond account for a given bank, why has that ideal not been more closely approached?"

I believe the first problem which interferes with our study is one which has escaped the attention of many bankers. There is and apparently

always has been a certain feeling that the ownership of bonds by banks is a temporary situation. The note portfolio is something permanent; the bond account will be sold out at the first favorable opportunity and even little changes which can be made which would make for a better account are postponed or are never undertaken. Bond investment on the part of banks is not a new situation and ex-

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One of the major headaches of bankers today—the bond investment portfolio—is given a thorough-going examination. The diagnosis and prescription will appeal to bankers as being essentially correct.

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cept in degree has not changed materially in the last twenty-five years. The figures are as follows:

	COMBINED STATE AND NATIONAL BANKS		
	Securities	Deposits	Total Resources
	(000,000 omitted)		
June 30, 1919	13,545	37,577	46,765
Per Cent	36.1%	29.0%	
December 31, 1938	29,075	61,543	70,733
Per Cent	47.2%	41.2%	

Every banker recognizes that the bond problem is one that we shall always have with us. Nevertheless, assuming that there is an ideal bond account for each of us, if someone asked you why we do not more nearly approach that ideal, you would probably say, "Any account approaching the ideal of safety and stability under present conditions would not yield enough."

Personally, I would differ with this almost unanimous opinion of bankers. I have seen the time when perfect accounts yielded over 6 per cent and yet there were far fewer of them than there are now. My own answer is that the second great factor in contributing to success in the handling of bond accounts is the recognition of the importance of the subject in the daily life of a bank. Today almost 25 per cent of the gross income of the average bank in this territory comes from bonds, and yet how many bond accounts receive 25 per cent of the time of bank officers? No matter how much information there is available on the subject of bonds and bank investment management, it is not a subject which any man can cover in his spare time.

The first big step toward success in handling a bond account is to recognize that it is permanent and important. How many banks have daily or even weekly meetings of their officers to discuss investment policies and results? How many give one quarter of their time to their bonds? What reason has the average banker to think that he can produce 25 per cent of his earnings out of the complicated investment field and not pay the price in the form of 25 per cent of his time and thought?

When we have reached the point where we recognize the *permanence* and *importance* of the bond problem we are "on our way" because we then are ready to discard some popular conceptions and add a few new thoughts. First, we throw out the idea that we are or can be successful speculators in the bond market. We know we are not going to buy a bond account at the bottom and sell a bond account at the top. We know we are going to have a good many bonds when the market is down. Second, we commence to look upon bonds as a part of our institution. We no longer will think of our long term bonds as a secondary reserve. We know that at the time we need a secondary reserve all other banks will be needing theirs also and we know that we will lose a substantial amount of our principal if we call upon some-

one else to take these bonds off our hands in times of stress.

If bond investment is a permanent and important part of an institution, there must be established a sound investment policy to guide us, and this investment policy must be correlated to the whole policy of the bank.

At this point, one fact sticks out like a sore thumb. We cannot have a sound investment policy if interest outgo is to determine interest income. Are we going to buy bonds that enable the bank to pay out a certain rate of interest to depositors, or are we going to pay out such a rate of interest as will enable us to buy sound bonds? Which is the controlling factor—the soundness of interest income or the amount of interest outgo? Again I must repeat the story of the typographical error that occurred in an article I wrote several years ago. My article actually read, "A bond account determined by interest outgo is seldom a prize winner." The printer made it read, "A bond account determined by interest outgo is seldom a price winner." We were both right, but he certainly told in one sentence the result of having outgo determine income.

For some unknown reason, each generation of bankers looks upon interest outgo as a new problem. Only a few months ago I ran across an article written thirty years ago bemoaning the fact that good bonds yielded so little over 4 per cent that the banker could no longer pay 4 per cent on savings. This problem of interest payment has always been a bad one, and it makes no difference whether bonds bear 4½ per cent and banks pay 4 per cent or bonds bear 2½ per cent and banks pay 2 per cent, the tendency has been always to pay out too large a percentage and, therefore, make interest outgo the controlling factor in determining interest income. I am convinced that no sound investment policy can be established unless these factors are reversed.

The investment policy of a given institution must take into consideration the character of the institution, its depositors, the long and short term fluctuation in deposits and other factors. These factors are now being studied more than ever before and it is not my purpose to analyze them in this article. They are primarily bank matters, but knowledge of them is necessary in forming an investment policy. What I am stressing now is the necessity of determining a policy. I suspect most bankers think they have a policy, but I wonder just how definite it is. Is it written down? Is it sufficiently concrete that a "yes" or "no" is obvious to the question, "Does this \$5,000 lot of utility 'A' bonds maturing in 1959,

yielding 3.15 per cent conform to our investment policy?" I want to emphasize the absolute necessity of determining a policy and reducing that policy to written form.

Having recognized the permanence and importance of bond investment and having established a sound investment policy, many bankers still fail in their efforts toward the ideal by having no regular method of procedure in buying and handling bonds.

Is the buying done by one officer? Does a committee approve? Is there a formal investment account meeting each week? Is the list of bond investments read aloud in the weekly meetings? How often are quotations obtained and how accurately? Is the investment officer required to make written reports to the board to be included in the regular minute book? In order to make these reports, do the records analyze the account properly as to type, rating and maturity?

Having read this far you may be ready to protest at what you might call all this rigamarole and say that if you carry it all out you will not have time to think about anything else. Then you are going to ask this question, "What about investment counsel?" Let's separate those two thoughts.

First, a method of procedure in connection with bonds is actually not going to take as much time as you think, but what it takes in time, it will save in worry. You will not be carrying in the back of your head the question, "Did those \$5,000 'A' utility bonds, due in 1959, fit our account and conform to our policy?" You will not have that fear that something in the bond account is going to jump out on you without your knowing it. After once systematizing the procedure of buying and following your investment account, the time required will probably be less than you are using now. The big difference probably will be that weekly you will use a little time on little worries rather than once every few years using a lot of time on a big worry.

As to advice, the truly smart person is one who goes to a man who knows more than he does to help him solve his problem. One of the reasons why bankers fail to reach the ideal in investment practice is their failure to establish the proper relationship with their investment broker. Why horse trade with a horse trader? It is much better to have that horse trader represent you and your interests rather than the interests of someone else. I have often asked bankers what kind of legal advice they would get if they asked the first lawyer who happened to drop in

the bank to advise them. Everyone knows they would get poor advice. The bank chooses a lawyer and employs him as long as he does a good job for that bank. How many banks choose an investment advisor and build up the proper relations? Frankly, I do not throw out of the classification of investment advisor the broker or dealer who may profit by the transaction any more than I would throw out of the classification of medical advisor the experienced surgeon just because he would make a fee for operating. I do want to know that that surgeon has experience behind his judgment and honesty behind his recommendation. There are investment dealers all around the country who seek the proper client relationship with banks and whose judgment and honesty make them worthy. There are dealers who are not of this type. There are excellent investment counsel firms whose experience and judgment are invaluable to clients, and there are investment counsel firms whose claim that they do not profit by transactions in an account is a slender reed to lean on to make up for their lack of experience and judgment. Regardless of who it is, choose an advisor as you would a lawyer; don't expect him to be infallible but test his advice, watch the results and quit him if he does not measure up to the highest standards. The right man can help you but there is just one warning to heed. A lot of people think that employment of an advisor will enable them to skate on thin ice. Don't believe it.

There is one point in the method of procedure which is fundamental in the success of any investment account. Because a given bond goes up is probably a good reason for not selling it but, in a well managed account, occasionally a bond will be sold because it is above its value or a bond will be called and a profit results. This profit should not be included in earnings nor set up in reserves. It should be kept right in the bond investment account. It provides the cushion against which losses are to be charged; and having such a cushion, the banker not infrequently takes his losses quickly. The account thus acquires its greatest safeguard—the ability to sell at a loss a bond which is declining because its safety is adversely affected. An interesting paper could be written on this one point. In the past twelve years, the United States has witnessed the undermining of a great field of investments—the railroads. It is just as if a city, built far above flood line, had been almost swept away by high water. But when the dangerous possibilities were real-

(Continued on page 24)



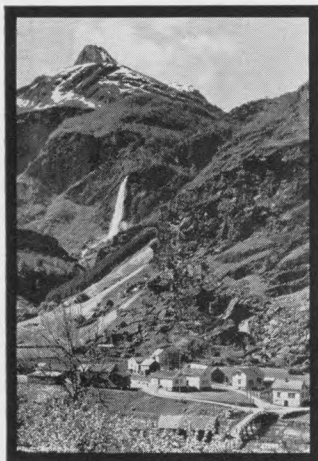


*Cecil Combs, assistant vice president of the Boatmen's National Bank, St. Louis, and his family spent the month of July in Florida. Here we see Cecil and his son, Jim, and daughter, Mary Ann, riding pedal boats at Miami Beach.*

## VACATION PICTURES



*A day's catch of bass by F. W. Niemeyer, general agent, Farm Credit Administration, St. Louis, and his daughter, Ann, who, with Mrs. Niemeyer, spent their vacation at Bobcaygeon, Ontario, on Lakes Pigeon and Sturgeon.*



*Some of Norway's scenery viewed by R. Palmer McElroy, vice president of the First National Bank, St. Louis, on a six-week summer trip through several European countries. Palmer sailed from Europe just a few days before war was declared.*

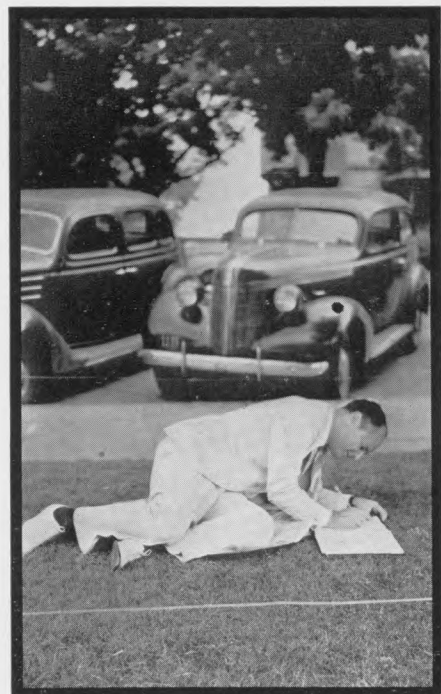


*Norton Thayer, vice president of the First National Bank, Kansas City, took this photograph of "America's First Apartment Houses" at Taos, New Mexico, while on an automobile trip through the West this summer.*

*Walter Hein, vice president of the Mississippi Valley Trust Company, St. Louis, is photographed here with one of the prize strings of fish he caught while on a summer vacation in Canada.*



*H. F. Harrington, vice president of the Boatmen's National Bank, St. Louis, is shown here studying his lessons on the campus at Rutgers University where he attended the 1939 sessions of the Graduate School of Banking*



# The A.B.A. Convention at Seattle

**B**ANKERS of America, gathered last month in Seattle for the sixty-fifth annual convention of the American Bankers Association, adopted resolutions condemning proposals that would extend the scope of the Federal government's operations in the fields of credit and banking. Delegates also went on record as opposing consolidation of existing Federal supervisory and examining agencies.

Two proposals for broadening the lending power of the Federal government were singled out by the Association as being particularly objectionable. The first was the proposal calling for government insurance of loans to small business; the second was the plan to establish a system of capital credit banks.

Resolutions asserted that existing Federal agencies provide all credit facilities that the country can possibly use, and pointed out that the need of the time is the restoration of conditions that will encourage business to borrow—not the creation of more credit agencies.

Other resolutions called for withdrawal of pressure groups on State and Federal governments for expenditure of "huge sums for non-essential projects," and pointed out that "most of the sudden expansion of business activity that has taken place in the past month has come because of the anticipation of war orders rather than as the result of orders that have actually materialized."

In the contest for the office of second vice president of the Association, victory went to Henry W. Koeneke, presi-

dent of the Security Bank, Ponca City, Oklahoma, who is thus placed in line for the presidency of the Association for the 1941-1942 term. Robert M. Hanes, president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina, was advanced from first vice president to president of the Association, and P. D. Houston, board chairman of the American National Bank, Nashville, Tennessee, was advanced from second vice president to first vice president. B. Murray Peyton, president of the Minnesota National Bank, Duluth, Minnesota, was



ROBERT M. HANES

named treasurer, succeeding M. H. Malott, president of the Citizens Bank, Abilene, Kansas.

Philip A. Benson, president of the Dime Savings Bank, Brooklyn, New York, and retiring president of the Association, opened the general sessions of the convention with an address in which he told bankers that the immediate task facing them, now that European war is once again at hand, is to strive constantly to strengthen the condition and management of this country's banks for greater service to the nation's needs. Pointing out that the economic structure of the whole world may be threatened, and that no people, not even Americans who are 3,000 miles away from the conflict, can escape the effect of war, Mr. Benson said that this country must be prepared for whatever shocks may come. He added that "it is to be hoped that in a time of developing crisis there may be an abatement of the conflict between philosophies of business and government."

H. Donald Campbell, president of the Chase National Bank, New York, and one of the featured speakers at the opening general session of the convention, predicted that the recent trend in business "will not only continue to improve of its own momentum, but will also receive a very decided impetus from the new conditions prevailing abroad." He pointed out that broader markets in South America and other parts of the world would be available to the United States because of the inability of large European industrial countries to devote as much attention to them now as in the past.

Referring to current interest rates, Mr. Campbell said, "In my opinion, interest rates cannot remain pegged at their present levels. Existing rates do not represent an equilibrium between savings and the demand for long-term funds. For a time, the true situation has been disguised by government deficits, by the financing of these deficits through the banking system, by the swelling of bank deposits and by the growth in excess reserves. Until the beginning of September this made for an inflation in the bond market comparable to that of the stock market a decade ago. That this could not continue indefinitely has become strikingly evident to us in the past few weeks, and I have no doubt that interest rates in time will rise to less artificial levels."

A plea for the preservation of the American dual system of independent, locally owned banks was made by Wood Netherland, vice president of the Mercantile-Commerce Bank & Trust



HENRY W. KOENEKE



P. D. HOUSTON

Company, St. Louis, in an address before the State Bank Division. Mr. Netherland described the trend toward centralization of government administrative powers over business, labor, banking and industry as contrary to the system of checks and balances among the branches of the government established by the Constitution. In addition, he termed it a step toward eliminating individual initiative and substituting government control comparable to that of totalitarian nations.

Henry W. Koenek, retiring president of the State Bank Division and newly elected second vice president of the Association, denounced current efforts to centralize control of the nation's banking system and to give Washington larger domination of the financial system. Referring to the Wagner Resolution passed by the Senate, he predicted that hearings would be scheduled on the entire banking set-up some time in October and that "a challenge will be made against the dual system of banking, seeking exclusive Federal control." He called upon the State Bank Division to be prepared to present facts on this question to that committee.

Mr. Koenek also expressed regret that, under present circumstances, one segment of the banking business should reopen the branch banking issue through a highly publicized campaign for the extension of branch banking by a group of university economists. "We regard centralized control of banking as opposed to the democratic way of locally owned and managed credit institutions," he declared.

At the meeting of the National Bank Division, H. E. Cook, retiring president of the Division and president of the Second National Bank, Bucyrus, Ohio, stated that careful analysis of bank operating costs and vigorous development of new bank loan sources are the twin keys to higher bank profits. He called particular attention to the profit possibilities of installment and personal loans.

Dr. Howard H. Preston, dean of the School of Economics and Business at the University of Washington, was another featured speaker at the meeting of the National Bank Division. He pointed out that the history of government credit-granting shows the dangers of political influence and stands as a strong deterrent to a complete transfer of the control of credit from private institutions to public hands. "I do not see any strong possibility that this will take place," said Dr. Preston. "Businessmen are generally opposed to government ownership of banks."

Preston Delano, Comptroller of the

Currency, was a third featured speaker at the meeting of the National Bank Division, but confined his remarks mainly to a historical review of the national banking system. He pointed out, however, that never before in history were national banks so collectively strong as they are now.

At the meeting of the Savings Division an appeal for the government to cease excessive spending and regulation of business and to correct and clarify laws restricting private enterprise was made by Dr. Fred I. Kent, a director of the Bankers Trust Company, New York.

"The condition that prevails in the United States today, under which nearly ten millions of persons are unemployed and the Federal budget is running huge deficits from year to year, must be corrected immediately or we will have to face a very real disaster," Dr. Kent said.

"The great war that is going on now says to our government and to our people in no uncertain terms that they must get together and take such action as is necessary to restore industry in the United States or we will be unable to hold our own in the world turmoil. This requires rescinding or correction and clarification of all the laws that prevent the sound functioning of private enterprise that are in existence today."

Dr. Kent pointed out that the war in Europe had its origin in economic causes which produced conflicting ideas of government. This, together with a lack of balance in the economic conditions in countries devoting a large part of their industries and national income to armaments, produced a conflict which will have repercussions the world over and against which this country must prepare, Dr. Kent stated.

Problems of a strict banking character came in for more discussion at this year's convention than they have for many years. The program called for four round-table conferences under the headings: "Control of Internal Operations and Earnings," "Investments and Mortgages," "Additional Bank Services" and "Personnel and Operation Problems." In addition, there was a special session devoted to "Education and Public Relations."

Speaking on the subject "Investment Problems," O. Paul Decker, vice president of the American National Bank, Chicago, said that although mortgages may fluctuate and the trend of bond prices turn downward, if investments of savings departments are concentrated in mortgages and United States Government obligations of not more than medium maturity, earnings

should always be sufficient to pay present rates of interest.

"We can only estimate the possible effect on prices and bankers' psychology of a falling bond market, but the great gold imports of recent years certainly have increased the lending power of the Federal Reserve Banks to a point where they probably can continue as long as it is considered desirable to cushion the government market," declared Mr. Decker.

Other interesting addresses made at the various round table conferences covered such subjects as "Expense Control for Better Earnings," "Basis of Analysis of Municipal Securities for Bank Investment," "Industrial Research as an Aid to Bank Customers," "The Credit Facilities of Banks," "Account Analysis as a Guide to Charges," "Work Simplification and Organization for Efficient Operation," "Selecting and Developing Personnel" and "Assignment of Life Insurance Policies as Collateral Security." Some of these addresses will be briefed in the next issue of MID-CONTINENT BANKER.

In the various divisions of the Association elections resulted as follows:

*State Bank Division:* William S. Elliott, president, Bank of Canton, Canton, Georgia, elected president; Harry A. Bryant, president, Parsons Commercial Bank, Parsons, Kansas, elected vice president; A. L. M. Wiggins, president, Bank of Hartsville, Hartsville, South Carolina, elected chairman of the executive committee.

*National Bank Division:* Melvin Rouff, vice president, Houston National Bank, Houston, Texas, elected president; Andrew Price, president, National Bank of Commerce, Seattle, elected vice president; W. C. Bowman, president, First National Bank, Montgomery, Alabama, elected chairman of the executive committee.

*Savings Division:* George Gilman, president, Malden Savings Bank, Malden, Massachusetts, elected president; Roy R. Marquardt, assistant vice president, First National Bank, Chicago, elected vice president.

*Trust Division:* R. E. Clark, vice president, National Bank of Commerce, Portland, Maine, elected president; C. W. Fenninger, vice president, Provident Trust Company, Philadelphia, elected vice president.

*State Secretaries Section:* C. C. Wattam, secretary of the North Dakota Bankers Association, elected president; L. F. Scarboro, secretary of the Colorado Bankers Association, elected first vice president; A. H. Coate, secretary, New Jersey Bankers Association, elected second vice president.

# Record Attendance at Illinois Groups

**H**IGHLY successful group meetings were conducted by the Illinois Bankers Association last month as new attendance records were established at each of the meetings. With the program not beginning until late in the afternoon, banks found it possible to have their employes, as well as officers, attend the various sessions.

New officers elected by the various groups are as follows:

**Group Two:** President, B. J. Schwoeffermann, Citizens National Bank, Chicago Heights; vice president, Louis E. Beckman, First Trust and Savings Bank, Kankakee; secretary-treasurer, Walter G. Penn, Grundy County National Bank, Morris. **Group Three:** president, Harold J. Bacon, Home State Bank, Crystal Lake; vice president, C. Jay Martin, St. Charles National Bank, St. Charles; secretary-treasurer, Charles L. Gensen, Argo State Bank, Argo. **Group Four:** president, Charles S. Eastman, Peoples National Bank, Kewanee; vice president, Walker W. Kerr, State Bank of Orion, Orion; secretary-treasurer, Charles D. Tedrow, Citizens First

National Bank, Princeton. **Group Five:** president, Earl C. Adams, Jersey State Bank, Jerseyville; vice president, Joseph W. Rizzie, First National Bank, Benld; secretary, William A. Schneeberg, First National Bank, Brighton; treasurer, Carl H. Stoermer, State Street Bank & Trust Co., Quincy. **Group Six:** president, Irving M. Weimer, American National Bank, Pekin; vice president, Frank N. Ireland, Washburn Bank, Washburn; secretary-treasurer, Fred W. Reuling, Morton State Bank, Morton. **Group Seven:** president, Fred Grant, National Bank of Mattoon, Mattoon; vice president, Harry Nooner, First National Bank, Olney; treasurer, Marc C. Norton, First National Bank, Champaign; secretary, George L. Dehn, Effingham State Bank, Effingham. **Group Eight:** president, J. Edward McCann, Farmers State Bank, Buffalo; vice president, Paul T. Betz, First National Bank, Lincoln; secretary-treasurer, Frank C. Brinkerhoff, Illinois National Bank, Springfield. **Group Nine:** president, William C. Gschwend, Alton Banking & Trust

Co., Alton; vice president, Thomas G. Braden, Old National Bank, Centralia; treasurer, Chris A. Heiligenstein, First National Bank, Belleville; secretary, William E. Friend, First National Bank, Okawville; **Group Ten:** president, Kenneth E. Cook, First National Bank, Zeigler; vice president, Harry E. Emerson, First Bank & Trust Co., Cairo; secretary-treasurer, Melvin C. Lockard, First National Bank, Cobden.

Although the general theme of the meetings this year was the bank's public relations program, John J. Anton, vice president, First National Bank, Chicago, and president of the Illinois Bankers Association, prefaced his speech with a short discussion of the war situation.

"This is a time the people of this nation must remain cool and self-possessed. We should mind our own business, retain the ideals of our republic and insist that we be left alone," Mr. Anton said. Reminding the bankers of the Declaration of Policy unanimously adopted at the state convention last spring, Mr. Anton quoted

(Continued on page 28)

# Indiana Regional Meetings This Month

**A**FTER taking time out for the American Bankers Association national convention at Seattle, the Indiana Bankers Association will resume its regional meetings Thursday, October 12, when Regions Seven and Eight meet for a joint session at French Lick Springs Hotel. The following week, Region Four meets at Purdue University, Lafayette, October 18, and Region Six at McCormick's Creek State Park, October 19. The final two meetings will be Wednesday, October 25, and Thursday, October 26, with Regions Nine and Five convening at Indianapolis and Brookville, respectively.

The October meetings will open at noon with a luncheon followed by the business sessions, except in the case of Region Nine which will begin with a dinner at 6:30 p. m. followed by the meeting.

Albert J. Wedeking, cashier, Dale State Bank, and president of the Indiana Bankers Association, will address each of the groups on the subject, "Your Association—Eyes—Ears—Voice." Four of the five meetings to be held this month have scheduled Dr.

M. O. Ross, dean, College of Business, Butler University, Indianapolis, as the other speaker. Region Four has not as yet announced its program.

The annual fall meetings of Regions One, Two, and Three were conducted



ALBERT J. WEDEKING

President, Indiana Bankers Association

last month. More than 150 bankers attended the thirtieth anniversary meeting of Region One, held September 14 at the Potawatomi Inn at Pokagon State Park near Angola, with the De Kalb County Bankers Association as host. Addresses by Mr. Wedeking and "Dusty" Miller, popular humorist and lecturer of Wilmington, Ohio, featured the afternoon session. New officers of the group are Robert R. Knepper, cashier, Etna Bank of Etna Green, president; O. M. Whitmire, cashier, First National Bank, Converse, vice president; and Harold M. Cox, executive vice president, City National Bank, Auburn, secretary-treasurer. Otis S. Fisher, cashier, Knisely National Bank, Butler, was retiring president. Next year's meeting will be held at Elkhart.

P. K. Patterson, president, St. Joseph Valley Loan and Trust Company, South Bend, was elected president of Region Two at its meeting September 13 at Dunes State Park Pavilion. Other officers for the coming term include Joseph Walkowiak, vice presi-

(Continued on page 29)

# Missouri Bankers Hold Group Meetings

ALTHOUGH the unusually hot weather cut down attendance somewhat at the eight group meetings of the Missouri Bankers Association, the sessions were considered highly satisfactory. Meetings were held at Canton, Chillicothe, St. Joseph, Lee's Summit, Jefferson City, Arcadia, Springfield, and Neosho.

J. P. Huston, president, Missouri Bankers Association, and cashier, Wood and Huston Bank, Marshall, addressed each of the meetings on the subject, "What Can Banks Do About Earnings?" He pointed out that banks require three things to grow: First, they must have sound assets; second, they must maintain a good secondary reserve; third, they must have sufficient earnings.

Taking the third point as his theme, Mr. Huston said that banks have two means whereby they can increase net earnings: by cutting down on expenses and by increasing revenue.

"While little can be done in most banks to reduce the expense account, still there are several conspicuous places where outstanding savings not only *could*, but *should*, be effected. Unquestionably, some banks are allowing too large a percentage of their gross income to be used to pay interest on savings and certificates of deposit," he said.

"The day may come when banks will want these time deposits, but nevertheless, I question the wisdom of paying, at the present time, the rates of interest some banks are paying to keep them. Not only our personal experience, but the experience of others, has shown that the rate of interest on these deposits can be reduced with a consequent loss of only a small percentage of these accounts."

However, Mr. Huston cautioned banks against trying to save in salaries. "This is one place where savings cannot be made without ultimate loss to the bank. If banks do not raise their scale of wages, it will not be long until it will be difficult for them to secure the right type of young man or woman to enter the banking business."

In looking for additional revenues, the Association president advised banks that "the first place to look for these revenues is, it seems to me, the most obvious—that is, in placing a larger percentage of earning assets in loans, rather than in depending, to so great a degree, upon interest from bonds."

Two important sources for new

loans, said Mr. Huston, are farmers and wage-earners. He recommended that banks make efforts to secure more loans from farmers and also from salaried persons through the installation of personal loan departments. In line with this program the president declared that the "public should be made to realize that the bank is not only willing, but eager, to lend money. But, the banker should not seek the business of another bank's customer

## Bank Conference Dates Announced

*Missouri Bankers Association, in conjunction with the University of Missouri and State Department of Finance, will hold its first conference on subjects pertinent to Bank Management. The sessions will be held for three days, January 17, 18, and 19, 1940, and will be at the University in Columbia.*

*In announcing the plans, J. Percy Huston, president of the Association, and Wood Netherland, chairman, Conference Committee, and vice president, Mercantile-Commerce Bank and Trust Company, St. Louis, have stated the "sessions will consist, not merely of addresses, but ample opportunity will be given for open forum discussion, and a liberal use of charts."*

*According to present plans, each delegate will make his own hotel arrangements, either directly with the hotel or through the Hotel Committee, of which R. B. Price, Boone County National Bank, Columbia, is chairman.*

by holding out the inducement of lower interest rates."

In discussing the important topic of service charges, Mr. Huston opined that "we have only begun to attack the problem, not of service charges, but of adequate service charges, and in the next few years you will hear even more on this topic. It is one of the fundamentals upon which we must build our modern banking structures, not only that they may be profitable, but that they may survive!"

Stating that the entire problem of proper bank management requires constant study, Mr. Huston announced that the Missouri Bankers Association, in cooperation with the University of Missouri and the Commissioner of Finance, is sponsoring a three-day conference to be held at Columbia, Missouri, January 17, 18, and 19, 1940.

Another speaker at all of the ses-

sions was F. Guy Hitt, first vice president, St. Louis Federal Reserve Bank. Mr. Hitt first briefly explained the provisions of the Wage-Hour Law as affecting banks and then conducted a question-and-answer forum on the law. His discussion provoked considerable thought and cleared up many technical points that had been misunderstood frequently by the bankers.

The third featured speaker at the meetings was James W. Burch, director, Agricultural Extension Service, University of Missouri, Columbia. Speaking on the topic, "Putting First Things First in Farming," Mr. Burch varied his address at each meeting. He based his remarks on the type of agriculture and the needs as he saw them then from the agricultural standpoint of each area.

Other speakers at the various sessions included R. W. Tener, probate judge, Neosho; W. L. Vandeventer, attorney, Springfield; Arthur M. Curtis, attorney, Springfield; J. C. Welman, president, Bank of Kennett, Kennett; W. R. J. Hughes, prosecuting attorney of Iron County, Ironton; Hugh Stephens, chairman of board, Exchange National Bank, Jefferson City; W. B. Ewald, St. Louis Union Trust Company, St. Louis; J. B. Gage, attorney, Kansas City; L. B. Reed, chief of police, Kansas City; Francis Smith, state senator, St. Joseph; G. H. Damsel, manager, Armour & Company, St. Joseph; Carl E. Bolte, Slater; and W. H. McDonald, president, Culver-Stockton College, Canton.

As usual, the Association sponsored a special Pullman which made the round with Association officials, bankers and investment men from St. Louis, Kansas City, and Chicago. Walter, the regular porter for the group car, was again on duty to take care of the boys.

New group officers to take office following the annual convention of the Association next May, and meeting places for the groups next year were selected as follows:

**Group One:** chairman, W. A. Hawkins, president, Canton State Bank, Canton; secretary, A. L. Glidewell, cashier, Peoples Bank, Wyaconda. Place of next year's meeting: Moberly.

**Group Two:** chairman, J. J. McKinney, cashier, Chariton County Exchange Bank, Brunswick; secretary, Herbert Tharp, cashier, Bank of Meadville. Place of next year's meeting: Chillicothe.

(Continued on page 17)

# Can You Answer These Ten Legal Questions?

By CHARLES H. WAGER, Attorney at Law, St. Louis

**1** Brown died in Missouri, leaving a substantial estate and survived by two children. Brown had no creditors and there was no one interested in the estate except the two children. They arranged between themselves for the division of the estate and agreed there would be no administration. Was such proper?

**2** Maxwell purchased an automobile from Chrysler, a banker, executing a conditional sale contract, which was recorded, for a balance of the purchase price that was to be paid in installments. The contract contained an after acquired property clause providing that Chrysler's lien should cover any equipment or replacements thereafter placed on the car. Later Maxwell purchased tires from a local tire dealer, giving him a chattel mortgage on the tires to secure the purchase price. This was also recorded. Maxwell defaulted. Chrysler repossessed the car and the tire dealer sought to repossess the tires. Could he do so?

**3** Johnston owed a Milwaukee, Wisconsin, bank \$5,000. As security he pledged with it stock worth \$7,000. Johnston entered into an agreement with Kinkaide that he, Johnston, would pay him \$2,000 within a certain time and that, if this were not done, the bank should sell the collateral, satisfy its indebtedness, and remit the remaining \$2,000 to Kinkaide. Johnston did not pay Kinkaide within the time set and the loan from the bank fell due and was not paid. Johnston died. The bank sold the collateral for \$7,000, satisfied the \$5,000 indebtedness to it, and remitted the remaining \$2,000 to Kinkaide. Was this proper?

**4** Coyne, a single woman, lived in Texas and owned a tract of land there that she operated as a ranch. She gave to her father, a banker, a

power of attorney authorizing him to sell the land. Subsequently she married. Thereafter her father sold the land and gave the purchaser a deed duly signed by him as attorney in fact for his daughter. Was the deed valid?

**5** Sorvisto owned five shares of building and loan company stock in Missouri. He pledged this with Foyul to secure a two hundred dollar note. Foyul did not notify the company of the pledge. A bank obtained a judgment on another matter against Sorvisto and had the stock levied on and sold to satisfy the judgment. The purchaser bought for a valuable consideration and without notice of the pledge. As a matter of fact, he inquired of the loan company regarding whether anyone had any interest in the stock except Sorvisto and the loan company informed him that Sorvisto was the sole owner. Foyul knew of the judicial sale but stood by and made no attempt to notify the purchaser regarding his interest in the stock. Did the purchaser obtain title to the stock free and clear of any claim by Foyul?

**6** The operator of a window cleaning company contracted with a bank to furnish janitor service to its bank building premises. His workman was instructed to do any general work reasonably related to janitor work which the bank might request of him but the bank had no right to direct and control him. An insurance company insured the bank against robbery and the policy required the presence of a custodian and at least one other employe at the time of any robbery for the insurance to be payable. A robbery occurred when only the cashier and the janitor were in the bank. Was the janitor an employe within the meaning of the insurance policy so that the insurance could be collected?

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

**7** Dickerson, a Minnesota banker, was defrauded of certain property by a corporation in that state. The corporation promptly conveyed the property for a valuable consideration to another corporation that had an interlocking and common management with it. Did the second corporation receive the property free and clear of any claim by the banker on some theory to the effect that it was an innocent purchaser for value without notice of any defects in its grantor's title?

**8** Champ assigned to a Wisconsin bank his expectancy in his mother's estate to secure a \$1,000 loan. Later his mother died. One of Champ's other creditors sought to garnish the property coming to Champ while it was in the hands of the administrator of the estate. The bank intervened in the garnishment proceedings and claimed a prior right to the property by reason of the assignment. Should its claim be allowed?

**9** Graham, a Tennessee banker, was injured seriously in an automobile accident. He thought he was about to die and, as a matter of making some distribution of his personal effects, gave his favorite nephew, who had rushed to his bedside, his very valuable watch. Contrary to expectations, the banker did not die. Actually, he recovered in about six weeks and was able to return to work at his bank at that time. In such circumstances, could he require the return of the watch?

**10** Weiser, the local agent of an oil company, took certain money to his bank in Missouri to obtain a draft to send to the home office of the oil company. He handed the money to the cashier and, while the cashier was counting it, two masked men came into and robbed the bank, taking the money left by Weiser and all other money they could get their hands on. The robbery occurred during regular banking hours and before the cashier started to make out the draft. Was the bank liable to the oil company for the money brought in by Weiser?

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Checks are photographed,

Out-of-town items are forwarded by air or rail,

... at BOATMEN'S,

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# News of the Banking World

✓ **New "Wage-Hour" standards** go into effect the 24th of this month. Maximum hours permitted under the Fair Labor Standards Act of 1938 will be reduced from 44 hours per week to 42 hours per week, and minimum hourly pay increased from 25 cents to 30 cents, effective October 24. Bankers must study the provisions of this

Act carefully. It is impossible to place too much importance upon the necessity of keeping adequate records. A maximum fine of \$10,000 may be imposed for failure to observe the provisions of the Act, including the payment of one and one-half times the regular hourly rate of pay for hours worked in excess of the maximum.

✓ **Laws affecting banks** enacted by the first session of the 76th Congress and important bills which had not reached final enactment but will be considered when Congress reconvenes are summarized in a booklet just published by the Committee on Federal Legislation of the American Bankers Association. The committee is headed by A. L. M. Wiggins, president of the Bank of Hartsville, Hartsville, South Carolina.

The most important measure enacted during the last session, the A.B.A.'s study states, is the Wagner Resolution for a monetary and banking study to be conducted by the Senate Banking and Currency Committee. This bill opens the way for hearings on many of the banking measures left pending when Congress adjourned.

Under an initial appropriation of \$25,000, this committee will conduct a general inquiry into the nation's monetary and banking structure.

With reference to the pending legislation and the agenda of the Banking and Currency Committee's study under the Wagner resolution, the A.B.A.'s booklet states:

"These are of the greatest importance to all bankers, as they affect the fundamental base of the banking structure of the country and the dual system of banking. It behooves every banker to be giving serious thought to these proposals."



✓ **A symposium** on trust investments will feature the Tenth Mid-Continent Trust Conference of the American Bankers Association, to be held at the Stevens Hotel in Chicago, on October 26 and 27. The role of government bonds, municipal bonds, corporate first mortgage bonds, debenture bonds, real estate mortgages, preferred stocks, and common stocks in trust-investment portfolios will be covered by experienced trust-department investment officers participating in the symposium.

The program has been developed to provide discussions of practical interest to the executives of the smaller and average sized trust institutions throughout the territory.

A banquet will be held on the evening of Thursday, October 26, and will be addressed by Ernest E. Norris,

## NATIONAL BANK OF TULSA TULSA, OKLAHOMA



### Statement of Condition, October 2, 1939

#### RESOURCES

Cash and Due from Banks .....	\$33,619,233.17	
U. S. Government Securities .....	14,650,295.26	
Other Bonds and Warrants .....	6,040,669.38	\$54,310,197.81
Loans and Discounts .....		16,645,348.40
Overdrafts .....		1,432.96
Income Receivable Accrued .....		151,554.75
Stock in Federal Reserve Bank .....		180,000.00
Bank Premises .....		3,104,166.66
Customers' Liability under Acceptances .....		2,704.50
<b>TOTAL</b> .....		<u>\$74,395,405.08</u>

#### LIABILITIES

Deposits .....	\$67,570,890.54	
Acceptances Executed .....	2,704.50	
Income Collected not Earned .....	52,892.00	
Reserve for Interest, Taxes, etc. ....	49,969.58	
Reserve for Preferred Dividends .....	7,666.66	
Capital—Preferred .....	\$1,000,000.00	
Capital—Common .....	2,500,000.00	
Surplus .....	2,500,000.00	
Undivided Profits and Reserves .....	711,281.80	6,711,281.80
<b>TOTAL</b> .....		<u>\$74,395,405.08</u>

*The Oil Bank of America*

Member Federal Deposit Insurance Corporation



president of the Southern Railway System, of Washington, D. C.



✓ **Stephen H. Fifield**, Barnett National Bank, Jacksonville, Florida, was elected president of the Financial Advertisers Association of America at the twenty-fourth annual convention of that organization held last month in Toronto, Canada. More than 250 delegates who gathered at the convention to discuss various bank advertising and public relations problems had a ground floor opportunity to observe the effects of war on commodity prices. A tax of ten cents a pound was placed on tea and coffee while the convention was being held, and liquor prices advanced almost thirty per cent. In addition to Mr. Fifield, other officers of the F.A.A. elected at Toronto included: Robert J. Izant, Central National Bank, Cleveland, first vice president; Victor Cullin, Mississippi Valley Trust Company, St. Louis, second vice president; L. E. Townsend, Bank of America, San Francisco, third vice president. Fred W. Mathison, National Security Bank, Chicago, was reelected treasurer, and Preston E. Reed, Chicago, was reelected executive vice president.



✓ "Publicity can be made a valuable factor in any bank's public relations program," said William M. Sherrill, advertising and publicity manager of the First National Bank, St. Louis, in an address at the twenty-fourth annual convention of the Financial Advertisers Association of America held last month at Toronto, Canada. "It can be created by knowing what to look for along the line of routine news, and by being ever alert for the unusual. It is important to gain, and keep, the full confidence of media through which publicity items are released. This can be accomplished by fair dealing at all times, and by never attempting to force the use of material which is of questionable news value. As to what to look for in a bank that may have news value, elections or promotions of officers, changes in banking quarters, installation of new equipment, inauguration of new policies, addresses of officers, and other events of this nature provide suitable material. Not many items will come to you—it is usually necessary to dig them up. The ability to distinguish between what is of interest to the banking fraternity and the general public is essential. Failure to classify properly publicity items often is the cause of an unnecessarily high mortality rate. Patience, persistence and common sense are as necessary in such work as in any other."

## Missouri Group Meetings

(Continued from page 13)

**Group Three:** chairman, W. Gates Wells, cashier, Wells Bank of Platte City; secretary, H. F. McGill, cashier, Farmers National Bank, Ridgeway. Place of next year's meeting: St. Joseph.

**Group Four:** chairman, R. L. Dominick, vice president, Traders-Gate City National Bank, Kansas City; secretary, J. T. Duncan, president, Citizens Bank, Smithville. Place of next year's meeting: Slater.

**Group Five:** chairman, W. A. Shaw, president, Mexico Savings Bank, Mexico; secretary, J. F. Lilly, executive vice president, Clayton National Bank, Clayton. Place of next year's meeting: St. Charles.

**Group Six:** chairman, O. J. O'Bryant, vice president and cashier, Bank of Chaffee, Chaffee; secretary, Irvin Waller, cashier, Malden State Bank, Malden. Place of next year's meeting: Sikeston.

**Group Seven:** chairman, W. H. Nelson, cashier, O'Bannon Banking Company, Buffalo; secretary, C. H. Burchard, cashier, State Bank of Willow Springs, Willow Springs. Place of next year's meeting: Springfield.

**Group Eight:** chairman, Virgil H. Board, vice president, First National Bank of Joplin, Joplin; secretary, A. J. Forsythe, cashier, First National Bank of Pierce City, Pierce City. Place of next year's meeting: Joplin.

☐ **A. L. Bond**, 46, cashier and secretary, Bank of Bismarck, Bismarck, Missouri, died recently in a hospital in Ironton, Missouri.

✓ **Six Federal Reserve Banks** last month announced a reduction in the discount rate to 1 per cent for Government bonds. The six banks were: Boston, Atlanta, Kansas City, Dallas, Chicago and St. Louis. New York has a 1 per cent rate.

## We can save you money on Arkansas items!

Worthen Service saves you time and money on handling checks and collections on Arkansas banks. Immediate attention to any request. Resources over \$19,000,000.00.

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# Kentucky Convention at Louisville

*"Night Before Party" on October 17*  
*Convention Sessions Start Next Day*

*Program*  
*Forty-Seventh Annual Convention*  
*Kentucky Bankers Association*  
*Brown Hotel*  
*Louisville, Kentucky*  
*October 17-19, 1939*

## **REGISTRATION**

**Tuesday, October 17**

Registration Headquarters will again be established in the lobby of the Brown Hotel and will be opened Tuesday afternoon, October 17, at 2:00 o'clock. Please register as soon as possible after arrival.

A registration fee of \$5.00 will be charged for non-members of the Association.

## **NIGHT BEFORE PARTY**

The annual "Night Before Party" will be held in the Crystal Ballroom of the Brown Hotel and will again be under the auspices of the Louisville



CHARLES A. RANDOLPH  
*President, Kentucky Bankers Association*

Chapter, American Institute of Banking. The fun will start at 10:00 p. m., Tuesday, October 17, and continue through the wee small hours of the morning. If you really want to enjoy yourself, don't miss this gala occasion.

## *Your Hosts*

*Louisville Clearing House Association*  
*Member Banks*

*Citizens Union National Bank*

*First National Bank*

*Liberty National Bank & Trust Company*

*Lincoln Bank & Trust Company*

*Louisville Trust Company*

*Fidelity & Columbia Trust Company*

*Kentucky Title Trust Company*

*United States Trust Company*

*Security Bank*

*Stock Yards Bank*

## *The Best Part of a Convention*

# IS MEETING OUR FRIENDS

We look forward with pleasure to welcoming customers and friends to Louisville for the forty-seventh annual convention of the Kentucky Bankers Association, October 17-19.

On your arrival we hope you will drop in to see us.

If there is anything we can do to make your convention visit more pleasant and profitable we shall be happy to serve you.

## **CITIZENS UNION NATIONAL BANK**

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**WILLIAM F. MILLER**  
Vice President, Citizens Union National Bank,  
Louisville

You  
Will See Them  
at the  
Kentucky  
Convention



**JOHN W. NICHOLS**  
Second Vice President, Continental Illinois  
National Bank and Trust Company, Chicago



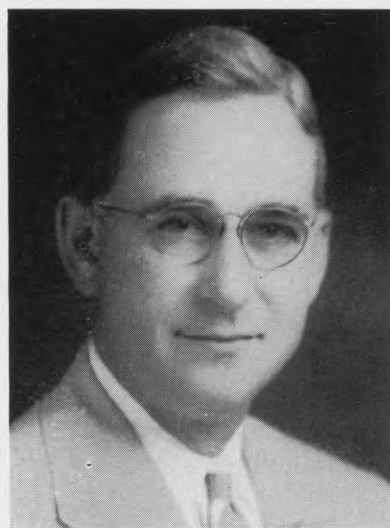
**W. O. CRAWFORD**  
Assistant Vice President, Mississippi Valley  
Trust Company, St. Louis



**F. C. DORSEY**  
Vice President, Liberty National Bank and  
Trust Company, Louisville



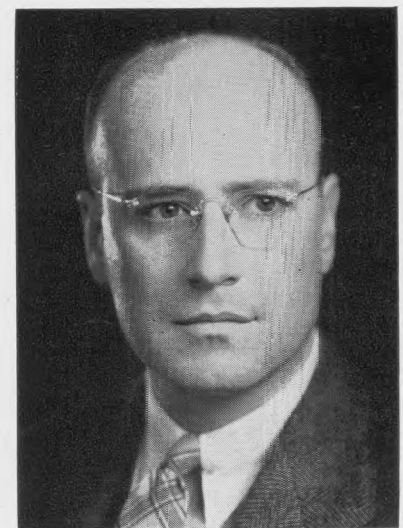
**EARL R. MUIR**  
President, Louisville Trust Co.  
Louisville



**ROBERT J. THEOBALD**  
J. J. B. Hilliard & Son, Louisville



**ANDREW P. GIES**  
J. J. B. Hilliard & Son, Louisville



**JOHN BARRY**  
General Motors Acceptance Corporation,  
St. Louis

**Program**

**Kentucky Bankers Convention**  
**Crystal Ballroom, Brown Hotel**  
**Wednesday, October 18**

The business session will be called to order at 10:30 a. m. by Charles A. Randolph, president of the Kentucky Bankers Association and vice president and cashier of the Citizens Bank, Shelbyville, Kentucky.

**Invocation:**

Rabbi Joseph Rauch, Temple Adath Israel, Louisville.

**Address of Welcome:**

Hon. Joseph D. Scholtz, Mayor, City of Louisville.

**Response:**

George Hart, cashier, Bank of Murray, Murray, Kentucky.

**Address of the President:**

Charles A. Randolph, vice president and cashier, Citizens Bank, Shelbyville, Kentucky.

**Address:**

R. M. Hanes, president, A.B.A.; president, Wachovia Bank & Trust Company, Winston-Salem, N. C.

**Report of Nominating Committee.****Election of Officers.****Adjournment.****Golf Tournament**

The annual golf tournament will be held at the Audubon Country Club, Wednesday afternoon, October 18. Those entering the tournament must not tee off before 1:00 o'clock.

A trophy is offered to the regular Kentucky member (outside of the city of Louisville) for the lowest gross score medal play for 18 holes.

A trophy is offered to the regular Kentucky member (outside of the city of Louisville) for the first low net score medal play for 18 holes.

A trophy is offered to the regular Kentucky member (outside of the city of Louisville) for the second low net score medal play for 18 holes.

A trophy for low gross 18 holes is offered by the Louisville Clearing House Association, for which only players residing in the city of Louisville are eligible.

A trophy is offered for "blind bogey" for which all convention delegates and guests are eligible.

No player will be awarded more than one trophy.

For handicaps, the golf committee selects nine "blind" holes and each player's handicap is based on the actual score made on those "blind" holes in the tournament. The "blind" holes will be kept secret by the golf committee until after all scores are posted.

**Golf Committee**

Howard Ferris      Henry Ormsby  
 E. S. Woosley      Harry G. Smith  
 Fred Betz

**Banquet**

The banquet, which has become the most popular event of the convention, will be held in the Crystal Ballroom of the Brown Hotel at 7:00 o'clock, the evening of October 18.

**Toastmaster**

William F. (Billy) Miller,  
 State vice president, American  
 Bankers Association,  
 Vice president, Citizens Union  
 National Bank, Louisville

**Awarding Golf Trophies**

Harry G. Smith,  
 Vice president, Liberty National  
 Bank & Trust Company,  
 Louisville

**U. S. Government**

**Federal Land Bank**

**Federal Farm Mortgage**

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**Industrial Corporation**

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 Chicago Stock Exchange      Cincinnati Stock Exchange  
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**Louisville  
 Cincinnati**

**Lexington  
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and

**DISTRIBUTORS**

of

**KENTUCKY  
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and

**CORPORATE  
 SECURITIES**

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 OR  
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 Kentucky  
 Convention



**R. PALMER McELROY**  
 Vice President, First National Bank,  
 St. Louis



**THOMAS J. NUGENT**  
 Vice President, First National Bank,  
 Chicago



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



**HENRY D. ORMSBY**  
 Assistant Vice President, First National Bank,  
 Louisville



**MERLE ROBERTSON**  
 President, Liberty National Bank and Trust  
 Company, Louisville



**G. W. MERRICK**  
 Assistant Cashier, Third National Bank,  
 Nashville



**JAMES R. KELLAM**  
 Cashier, Commerce Union Bank, Nashville



**R. M. ROBERTSON**  
 Assistant Cashier, Citizens Union National  
 Bank, Louisville

## Address

Frank M. Totten,  
Second vice president,  
Chase National Bank,  
New York City

Dancing 10:30 to 1:00

Thursday, October 19

**Call for Meeting of the Members of  
the American Bankers Association  
in Kentucky**

The meeting will be called to order promptly at 9:30 a. m. on the Roof Garden of the Brown Hotel by William F. Miller, vice president of the Citizens Union National Bank, Louisville, and state vice president of the A.B.A. for Kentucky.

New officers of the A.B.A. for Kentucky are to be elected as follows:

A state vice president for one year to succeed William F. Miller, vice president, Citizens Union National Bank, Louisville.

A member of the nominating committee to succeed S. Albert Phillips, vice president, First National Bank, Louisville.

An alternate member on the nominating committee to succeed Paul Snyder, cashier, Second National Bank, Ashland.

A state vice president for the National Bank Division to succeed Pope Walker, vice president, First National Bank, Somerset.

A state vice president for the State Bank Division to succeed F. G. Stilz, president, Bank of Commerce, Lexington.

A state vice president for the Savings Bank Division to succeed Charles Gockel, cashier, Citizens Savings Bank, Paducah.

A state vice president for the Trust Division to succeed H. H. Harris, president, Covington Trust & Banking Company, Covington.

**Past Presidents' Dinner**

The annual dinner of the past presidents will be held in the Louis XVI Room, Brown Hotel, at 6:30 o'clock on the evening of October 16. Only those honored few who have headed the Association are eligible to attend this dinner.

**Program**

**Kentucky Bankers Convention**

**Roof Garden, Brown Hotel**

Thursday, October 19

Convention called to order at 10:30 a. m. with Charles R. Randolph, president, presiding.

**Invocation:**

Dr. Charles W. Welch, pastor,  
Fourth Avenue Presbyterian  
Church, Louisville.

**Address:**

F. Guy Hitt, first vice president,  
Federal Reserve Bank of St.  
Louis.

**Address:**

D. J. Needham, General Counsel,  
A.B.A.

**Report of Resolutions Committee.**

**Installation of New Officers.**

**Unfinished Business.**

**Adjournment 12:30.**

☞ **J. J. Welch**, 82, Lexington, former president of the Kentucky Bankers Association, died at his summer home at Signal Mountain, Tennessee, recently. For 20 years before his retirement in 1932, he was president of the Farmers Exchange Bank, Nicholasville. Also a member of the Kentucky Bar Association, Mr. Welch served two terms in the Kentucky General Assembly.

☞ **First National Bank**, Russell Springs, Kentucky, is considering plans for a new building.

1853

86 Years

1939

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**BOND DEPARTMENT**— Municipal Corporate Unlisted Securities

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**STATISTICAL DEPARTMENT**

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Kentucky  
Convention



E. B. ROBERTSON  
Vice President, Lincoln Bank and Trust  
Company, Louisville



J. BERGES REIMER  
Berwyn T. Moore & Co.,  
Louisville



S. ALBERT PHILLIPS  
Vice President, First National Bank,  
Louisville



ELBERT S. WOOSLEY  
Vice President, Louisville Trust Co.,  
Louisville



JOHN P. CASTLEMAN  
W. L. Lyons & Co., Louisville



JAMES W. CHANDLER  
Stein Bros. & Boyce, Louisville



THOMAS GRAHAM  
The Bankers Bond Co., Louisville

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of mutual aid and under-  
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tice this American system.*

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**AND TRUST COMPANY**

MEMBER FEDERAL RESERVE SYSTEM

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421 West Market Street

LOUISVILLE, KY.

**The Ideal Bond Account**

(Continued from page 8)

ized in the railroad field a great many banks were unable to run from trouble. They did not have the cushion in their accounts and they did not sell at 90 a bond which was clearly headed for 70 or even 50. Profits must be kept in the investment account, and, if profits are not available, regular amounts in excess of amortization should be set up out of earnings.

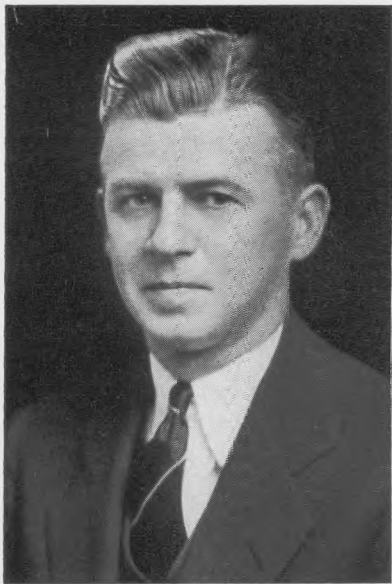
Keeping in mind that the bond account is permanent, is important, and is operated under a sound investment policy and under an orderly method of procedure, I wonder if we appreciate the results of the passing of time.

In all discussions of bond investment, proper spacing of maturities is stressed. The full effect of proper spacing is seldom realized. I recall my own introduction to the subject. Almost thirty years ago, a Louisville banker said to me, "I always have some short maturities but I no longer buy any; they yield too little." I recall the difficulty I had in thinking that out. If one looks on a bond account as a permanent field of investment and after one once acquires properly spaced maturities then, when the one-year maturity falls due, the proceeds of it can be invested out on the end of the account—in the longest maturity—because the two-year maturity will have become a one-year maturity. And so, each year, a twenty-year bond, for example, may be bought without changing the average maturity of the whole account. When bonds are declining, such maturities offer the opportunity to take advantage of better return. It is just as if a 5 per cent note in your portfolio matured at a time when you can find a 6 per cent note to take its place. Annual maturities must be included in every sound investment account. If necessary, they must be bought as short term issues but the wise manager of a bank portfolio acquires them by the passing of time and not by purchase. That manager studies his maturity chart, he fills in gaps, he knows what per cent of his account matures in five years, what per cent matures in ten years and what per cent in fifteen years. He knows the average maturity of the whole account and the only real "speculative" move he undertakes is to endeavor to shorten this average maturity when interest rates are low and to lengthen this average maturity when interest rates are high.

Before summarizing into a program what I have outlined here, there is just one other point which interferes with our approach to the ideal. We are all

(Continued on page 26)





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

You  
Will See Them  
at the  
Kentucky  
Convention



**WILLIAM H. MILLER**  
Vice President, City National Bank and Trust  
Company, Chicago



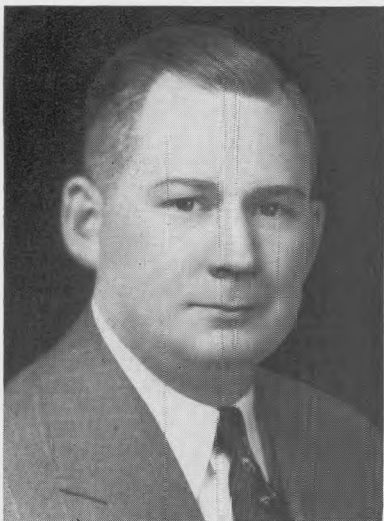
**CHARLES B. WEAVER**  
Second Vice President, The Northern Trust  
Company, Chicago



**LESTER F. SISLOFF**  
Stein Bros. & Boyce, Louisville



**HARRY G. SMITH**  
Vice President, Liberty National Bank & Trust  
Co., Louisville



**A. N. SUTHERLAND**  
Assistant Cashier, Citizens Union National  
Bank, Louisville



**J. R. BURKHOLDER**  
Almstedt Brothers, Louisville



**JAMES S. LEVY**  
Stein Bros. & Boyce, Louisville

## The Ideal Bond Account

(Continued from page 24)

human. Hope rather than fear dominates us. We will take just "one chance." In the investment account we visualize so easily a quotation of 100 on that bond which we can buy at 95. We know it does not belong in our account—its safety is not high enough to fit our fixed policy and its maturity is too long—but last week it was selling at 90 and it's going up. So we violate our policy in all respects—safety, maturity and amount. We "take just a little of that." Confidentially, I have quite a neat little pile of certificates in

my box to leave to my boys—"little" investments—all worthless, and all taken because I did two things. First, I fell for my hopes and second, I put \$100 in a venture into which no one in the world could have persuaded me to put \$1,000. A minimum unit is a matter of necessity in bank investment policy and it furnishes an excellent check on our hopeful inclinations. If you are not willing to invest an amount equal to the minimum unit, look out.

In addition to a check on our speculative inclinations, this will serve as a check on our income proclivities in purchasing so-called credit bonds. Per-

sonally, I think that term is a misnomer. Without exception, credit bonds are second-grade bonds when considered for bank purposes. Second-grade bonds are bought when they look good and not infrequently held until they get bad. R. L. Armstrong, assistant vice president of the Commercial National Bank & Trust Company of New York, in an address before the Michigan Bankers Association Conference had this to say about credit bonds: "It is generally agreed that credit bonds should be sold when their investment position can be defended statistically and that they are only in the buying area when they cannot be proven to be suitable investments as measured by the accepted and traditional standards of bond investment."

Some excellent advisors now consider a certain amount of "credit" bonds a necessary evil in bank accounts and suggest that the unit of purchase be less than that ordinarily used. I am not convinced that either policy is sound. Credit bonds are usually bought in an effort to maintain the present rate of dividends on the bank's stock—a fallacy just as great as buying second-grade bonds in an effort to maintain too high a rate on time deposits. At all events, judging a purchase in the light of a regular unit and not as "just a little of that" will help.

As in all bank policies, it is important for officials to keep in mind certain requirements in regard to a bond investment account. These are:

1. Bond investment is a permanent problem.
2. Bond investment is an important problem.
3. An investment account is entitled to its proper proportion of the time of officers and directors.
4. Satisfactory accounts are not acquired at one time and are as difficult to acquire in periods of high interest rates as in periods of low interest rates.
5. Successful bond investment does not imply speculation in bond prices but does imply proper treatment of funds allocated to bonds.
6. General bank policies especially those involving the payment of interest on deposits, must be such that sound principles of bond investment can be followed.
7. A method of procedure must be established covering the purchase and following of all securities in the investment account.
8. Proper relationships must be established in an effort to obtain expert advice.
9. Profits must be retained in

(Continued on page 28)

## Institutional Investment Accounts—

*Since the establishment of this firm, in January, 1872, our wide contacts with institutional investments have proved that:*

1. *The successful accounts have not sought high yields.*
2. *They have bought only the best in each class of security.*
3. *They have given careful attention to attaining a balanced distribution of maturities.*

*These are simple principles, but the results attained by their application have thoroughly demonstrated their value. We believe that we can perform an outstanding service to institutions by helping them to apply these principles to their investment accounts.*

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**SANFORD T. BISHOP**  
Assistant Vice President, Lincoln Bank and Trust Company, Louisville

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at the  
Kentucky  
Convention



**IRA J. PORTER**  
Vice President and Treasurer, Louisville Trust Company



**HAROLD B. BRAY**  
Assistant Cashier, Harris Trust & Savings Bank, Chicago



**JOHN R. WOODWARD**  
Assistant Cashier, Third National Bank, Nashville



**ROSCOE J. TODD**  
American National Bank & Trust Co., Chicago



**A. W. WILLEY**  
Assistant Vice President, American National Bank, Nashville



**J. U. GLABOFF**  
Assistant Cashier, American National Bank, Nashville



**JOHN H. HARDWICK**  
Bank Relations Department, Louisville Trust Company

## The Ideal Bond Account

(Continued from page 26)

the investment account and additional amounts set up, if necessary, so that bonds whose safety is impaired may be promptly eliminated.

10. A minimum unit of investment must be established and any deviation from this unit because of lowered quality shall be approved by the board of directors or the Investment Committee thereof.

11. The objectives in the account in the order of their impor-

tance will be: First—Safety; second—Stability through properly spaced maturities at all times with the average maturity shortened in periods of low interest rates and lengthened in periods of high interest rates; third—Income.

Notice that I have placed "Safety" at the start of the list. I am firmly convinced that one must write "Safety" at the top of his investment policy and the rest will naturally follow. One thing is certain—no one will ever reach that ideal account unless "Safety" is written at the top.

## Illinois Meetings

(Continued from page 12)

from it as the policy good today in war time.

"If we mind our own business, apply our experience, knowledge and talents to our own job, much of our troubles will disappear, our people will be happier and prosperous. Is it not necessary, therefore, that we take upon ourselves these responsibilities, that Government assume the functions which are necessary in a great nation as is ours, and withdraw from any activity which may imperil this great democracy?"

By a rising vote the statement was reaffirmed at each of the group meetings.

Mr. Anton urged the banks to get behind a very comprehensive program of public relations, stating that lack of uniformity in bank practices is one reason why the public is so often confused about the operation of banks, and that its policies in relation to bank customers should be made clear. He pledged the support of the Illinois Bankers Association to a program of education "through patience and tolerance," to bring about a better understanding between the banks and the public.

"Where There's Smoke, There's Fire," was the subject of a talk by Charles R. Reardon, vice president of the Illinois Bankers Association and vice president of the First National Bank of Joliet. Reardon pointed out that banks had an obligation to keep the public properly informed about the banking business and about the method of operation which they follow in the course of approaching the customer's problems.

Harry C. Hausman, the newly elected secretary of the Illinois Bankers Association, was introduced at the meetings and Charles A. Elsner, of the Association staff, discussed briefly the Wages and Hours Act and kindred subjects.

Addressing the bankers of Group Nine, Philip S. Hanna, editor, *Chicago Journal of Commerce*, spoke on the topic, "What Ahead for Business?" He said that our problem today is one of disharmony between the various economic groups. "There is disharmony between those who move goods, those who produce goods, and those who consume goods," he declared. He also stated that the United States must "put its house in order now," because if we wait until after the war it will be too late.

A feature of each meeting was a talk by a bank customer on "What I Expect From My Bank." Guest speakers included Harold A. Wallace, president,

"Oldest National Bank in the South"

# Welcome . . . Kentucky Bankers!

May your attendance on the Annual Convention in Louisville, October 17, 18 and 19, bring you pleasure and profit! We cordially invite you to visit us during your stay in our city.

## First National Bank OF LOUISVILLE

Charter No. 109

Member Federal Deposit Insurance Corporation

Associated Credit Bureaus of America, Joliet; Chas. M. Burgess, president, Burgess-Norton Mfg. Co., Geneva; Ernst E. Smith, president, Smith Oil & Refining Company, Rockford; J. R. Fulkerson, president, Producers Live Stock Commission Co., Jerseyville; Donald G. Sherwin, vice president, Caterpillar Tractor Co., Peoria; W. C. Robb, professor of economics and assistant to dean of College of Commerce, University of Illinois; Corwine E. Roach, president, Capital City Paper Company, Springfield; Frank T. Egan, managing director, Centralia Chamber of Commerce, Centralia; Hon. Clarence E. Wright, State's Attorney, Jackson County, Carbondale.

### Indiana Meetings

(Continued from page 12)

dent, Indiana Harbor National Bank, Indiana Harbor, vice president; and F. N. Smith, president, First National Bank, Mishawaka, succeeding Mr. Paterson as secretary-treasurer. M. J. Hammond, cashier, Farmers and Merchants National Bank, Rensselaer, was the former vice president, the position of president having been vacant.

The program for the meeting consisted of addresses by Clarence E. Manion, professor of law, University of Notre Dame, South Bend; Charles B. Dunn, general counsel, Federal Reserve Bank, Chicago; and President Wedeking. Approximately 70 bankers attended the session.

Region Three, meeting September 15 at the Meshingomesia Country Club, Marion, heard Robert R. Batton, Marion, chairman, Commission for Financial Institutions, discuss "The Future of the Banking Business." Mr. Wedeking also appeared on this program. New officers of the group are Benjamin F. Shroyer, cashier, Merchants National Bank, Muncie, president; C. L. Hobbs, cashier, Union State Bank, Windfall, vice president; and Dudley N. Elmer, president, Second National Bank, Richmond, secretary-treasurer. Next year's meeting will be held at Muncie. Retiring president was Sam P. Good, president, First National Bank in Marion.

### New Edition of Bankers "Blue Book" Directory

Now being delivered is the Final 1939 edition of the Bankers Directory, up-to-date as of August, with complete national and international banking and financial information.

Accurate as to every bank's latest statement, official personnel, directors and correspondents, the Final 1939 edition takes care of all bank changes this past year—changes which continue to

take place on an average of about 41 a month—new banks, discontinued banks.

Two lists, revised and added to, are of especial interest to bankers: (1) list of the nearest banking points to non-bank towns, and (2) a 5-year list of discontinued bank titles.

All general information has been revised and added to as of August, 1939: FDIC status of banks, all Government banking agencies, location and personnel are listed; bank associations; selected list of investment dealers and a list of commercial banks with total resources of \$25,000,000 and

over. A list of attorneys for every county in the United States, Province of Canada and principal foreign cities goes with the Final 1939 edition Blue Book.

Foreign bank information is also brought up-to-date and the latest Rand-McNally maps of foreign countries will be of great interest to users of the Final 1939 edition Blue Book.

This edition totals 2,390 pages of accurate up-to-the-minute vital financial information which will make bank operation easier, more efficient and profitable.

Cloth bound \$15 a copy delivered.



Looking Forward  
to the  
47th Annual Convention  
of the  
Kentucky Bankers Association

Oct. 17-18-19

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a most cordial welcome.

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THE LOUISVILLE TRUST COMPANY  
Fifth and Market  
Highland and Baxter



# NEWS of KENTUCKY BANKS and BANKERS

☐ **R. G. Williams, Jr.**, was recently elected president of the First National Bank, Somerset, Kentucky, to succeed the late Joe H. Gibson. The new president had previously been a member of the board. Besides his banking connection, Mr. Williams is owner and manager of Williams Drug Store, president, Somerset Federal Savings and

Loan Association, and active in almost every civic organization in Somerset.

☐ **Bank of Maysville**, Maysville, Kentucky, has installed a night depository.

☐ **Thieves failed** in an attempt to rob the Lee County Commercial Bank, Beattyville, Kentucky, recently. They had tried to cut a hole through the

front door but either they could not do so or were frightened from the scene.

☐ **C. P. Edwards** has been promoted from vice president to president, Planters Bank, Mortons Gap, Kentucky. Mr. Edwards had been vice president of the bank since last January. William O'Bryant, a director, was elected vice president.

☐ **Kentucky banks**, members of the Federal Deposit Insurance Corporation, had total resources of \$524,793,000 on June 30, 1939, figures released by the FDIC revealed. Deposits of the 373 commercial banks reporting to the corporation were \$454,636,000 with \$309,326,000 of that sum in demand deposits. Loans and discounts were \$2,529,000 higher than a year ago, now totalling \$198,513,000. Direct and guaranteed obligations of the United States Government listed by the Kentucky banks amounted to \$87,806,000. Other securities totaled \$57,834,000.

☐ **E. S. Woolsey**, vice president, Louisville Trust Company, Louisville, told members of the Hazard, Kentucky, Rotary Club that a war boom was certain but warned of the after effects and said as soon as it is over "we will have to pay the price." Mr. Woolsey appeared before the group as guest speaker at one of its recent luncheons. "The fight," he said, "is not being waged for Nazism or any other ism, but for the domination of Europe. One nation must either dominate Europe or conquer it and control its people." In closing, he warned business men against attempting to profit too fast from the present circumstances as "debts contracted in prosperity must be paid off in depression."

☐ **Bank of Jamestown**, Jamestown, Kentucky, recently held open house in its newly remodeled building. A short program was presented with bankers from several other communities participating. Walter McKinney is the cashier of the bank.

☐ **Letcher Saunders**, 74, former Nicholasville, Kentucky, banker and for several terms master commissioner of Jessamine circuit court, died recently.

☐ **The Comptroller of the Currency** recently authorized the First National Bank, Louisa, Kentucky, to increase its capital common stock from \$30,000 to \$50,000.

## Louisville's Oldest Financial Institution



MEMBER  
FEDERAL DEPOSIT INSURANCE CORPORATION  
FEDERAL RESERVE SYSTEM

¶ **James M. Richard**, president, Owingsville Banking Company, Owingsville, Kentucky, and Miss Ella Lewis Stone, Lexington, Kentucky, were recently married. Following the ceremonies the couple left for a honeymoon cruise on the SS Yula through the Caribbean region.

¶ **Citizens Bank**, Kuttawa, Kentucky, was host to the Pennyrile Bankers Association at a banquet given at Kuttawa Mineral Springs recently. Approximately 150 bankers attended the meeting at which W. E. Chipps, president of the Association, presided.

¶ **W. S. Womble** has been advanced from assistant cashier to cashier, Citizens Savings Bank, Paducah, Kentucky, and W. V. Acker has been appointed assistant cashier. Both men have been associated with the bank for many years.

¶ **Citizens National Bank**, Danville, Kentucky, has advanced Joe McCarroll from executive vice president to president, succeeding the late E. W. Cook.

¶ **John O. Street**, formerly president and director of the Bank of Elkton, Elkton, Kentucky, died recently at the age of 88. Mr. Street was the dean of the Kentucky bankers and this year celebrated his 70th year in the banking business in Elkton.

¶ **September 1** Miss Doris W. Miller, assistant cashier, Bullitt County Bank, Shepherdsville, Kentucky, died. Miss Miller, who had been associated with the bank for 33 years, helped organize the local chapter of the Red Cross.

¶ **P. G. Kimball**, assistant cashier, First National Bank, Somerset, Kentucky, has been appointed treasurer of the Pulaski County Board of Education, succeeding his late employer, Joe H. Gibson.

¶ **Marvin J. Johnson**, formerly assistant cashier, First State Bank, Eubank, Kentucky, has been promoted to cashier, succeeding C. L. Gooch who resigned some months ago.

¶ **Citizens State Bank**, Hazard, Kentucky, is erecting a new building which bank officials expect to have ready for occupancy by the first of the year.

¶ **Union Bank and Trust Company**, Union County's largest bank, is located in Morganfield, not Uniontown, as previously reported. Officers of the bank are J. K. Waller, president, A. G. Mason and C. B. Skillman, vice presidents, and L. B. Waller, cashier.

¶ **The newly organized Farmers Bank**, Clay, Kentucky, took over the affairs of the Farmers National Bank, Clay,

which entered voluntary liquidation September 7. The new bank is a member of the Federal Reserve System.

¶ **W. E. Faulkner**, cashier, Third National Bank, Ashland, Kentucky, is improving from a major operation which was performed at the Ford Hospital in Detroit late in August.

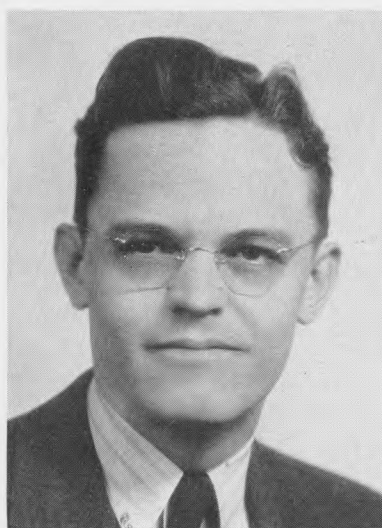
¶ **Frank Edwards** has been appointed bookkeeper in the National Bank of Middlesboro, Middlesboro, Kentucky.

¶ **First Hardin National Bank**, Elizabethtown, Kentucky, recently retired the \$15,000 balance of its preferred stock. The bank now has common capital of \$125,000 and surplus of a like amount. M. L. Underwood is president of the institution.

¶ **Fifty bankers** attended the regular meeting of the West Kentucky Bankers Association at Wickliffe recently. M. C. Anderson, Wickliffe attorney, was the principal speaker. The group decided to hold meetings semi-annually hereafter instead of quarterly.

¶ **On September 6**, the charter of the Bank of Glasgow Junction, Park City, Kentucky, was amended, changing the name of the bank to Park City State Bank, to correspond with the name of the town. Officers of the bank are S. W. Crump, president; Dr. Leslie Richey, vice president; Earl Richey, cashier; and Elizabeth Morgan, assistant cashier.

**Will Call on You Soon**



WALTER B. FEATHERSTON

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

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*For Bankers and Their Clients*

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on  
Page 14?

*"I'm at hotel  
Maufair"*

*"Fine, that's  
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Over 50% of all rooms  
\$3.50 or less, single;  
\$5.00 or less, double

# NEWS of INDIANA BANKS and BANKERS

☐ **The Indiana Banking Conference** will be held on the campus of Indiana University, Bloomington, Monday, Tuesday and Wednesday, February 12, 13 and 14, 1940, according to an announcement made by Arch C. Voris, chairman, Indiana Banking Conference Committee, and president, Citizens National Bank, Bedford. It was decided to hold the meeting in 1940 because the fall of this year is taken up by the American Bankers Association convention at Seattle and the nine state regional meetings.

☐ **First Cannelton National Bank**, Cannelton, Indiana, was the successful bidder for a \$500 city bond issue recently.

☐ **Carl C. Bowman**, present auditor of Boone County, was named a director of the State Bank of Advance, Advance, Indiana, to fill the vacancy caused by the resignation of James L. Graham.

☐ **Batesville State Bank**, Batesville, Indiana, celebrated its golden anniversary recently. The bank was or-

ganized in 1889 and opened for business with J. A. Hassmer as cashier.

☐ **Officers, directors** and employes of the Brazil Trust Company, Brazil, Indiana, were hosts at open house in their bank September 12, celebrating the completion of the extensive remodeling and renovating program of the institution's quarters.

☐ **Harmon G. Carbiener**, former cashier, Farmers State Bank, La Paz, Indiana, has been appointed assistant cashier of the Bremen State Bank, Bremen.

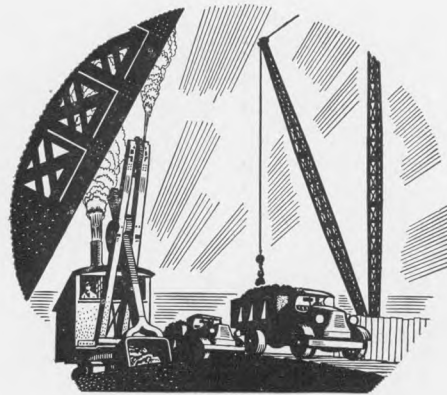
☐ **With the active support** of the Kiwanis and Booster Clubs of Montpelier, Indiana, J. D. Rempel, former Iowa banker, is aiding in the organization of a bank for that community. Montpelier, with a population of 2,100, is the largest town in Indiana to be without banking facilities. At latest reports about 50 shares of stock remain unsold, and it was expected that they would be subscribed for soon. If the bank is organized, Mr. Rempel will be the managing officer, according to present plans.

☐ **Chesterton State Bank**, Chesterton, Indiana, recently held open house in its newly remodeled quarters which have housed the bank for nearly a half century. The rooms have been air-conditioned throughout. Safe deposit boxes have also been added. Edward L. Morgan is president of the bank, J. O. Johnson, vice president, and J. C. Read, cashier.

☐ **George Lineberry** has been named manager of the Clayton branch, Danville State Bank, Danville, Indiana, succeeding the late Everett Ryan in that position.

☐ **In appreciation** of efforts of firemen to save a building owned by it, the First National Bank, Elkhart, Indiana, presented the city fire department with two hose masks and accompanying equipment recently.

☐ **Chiefly in answer** to a plea from the Central District Chamber of Commerce, Gary, Indiana, the Gary State Bank will open its second branch in the Central district, December 1, according to W. W. Gasser, president of the bank. The branch will be known as the Central branch of the Gary State Bank and will be quartered in the old American State Bank building.



## EXTENSIVE FACILITIES FOR CORRESPONDENTS

As The Northern Trust Company embarks upon its second half century of service, many more banks are discovering the advantages of a correspondent connection here. At their disposal are broad fact-finding facilities, backed by the knowledge gained in fifty years of banking and trust work, and a correspondent department geared to the day-to-day needs of out-of-town banks. Bankers considering the appointment of a Chicago correspondent are urged to keep this institution in mind.

*1889 Fiftieth Anniversary 1939*

# THE NORTHERN TRUST COMPANY

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☐ **Lake County Bankers Association**, Indiana, has dropped a proposal to have the state Department of Finance establish a one per cent maximum interest rate on savings deposits. One of the reasons for abandoning the petition, according to W. R. Smith, president, State Bank of Whiting, Whiting, and president of the Association, was that some banks wanted to be able to determine their own rates. It was also felt the war might affect the money markets and that a maximum rate might thus be unwise. Most banks there now pay 1½ per cent interest.

☐ **The Thirteenth Annual State Shoot**, sponsored by the Indiana Bankers Association, was held at Fort Benjamin Harrison near Indianapolis, September 17. P. M. Rush, cashier, First Citizens Bank and Trust Company, Greencastle, is chairman of the State Shoot Committee of the Association.

☐ **J. Albert Johnson**, formerly cashier, First National Bank, Greenwood, Indiana, died recently at the age of 67. Mr. Johnson helped organize the bank and served as its cashier until poor health forced his retirement eight years ago.

☐ **William Smith** has been hired as bookkeeper in the National Bank of Greenwood, Greenwood, Indiana.

☐ **Harry E. Rosebrough**, director, First National Bank, Huntington, Indiana, died recently after a week's illness. He was 75 years old.

☐ **Robert B. Wallace**, 70, vice president and director of the Lafayette Loan and Trust Company and the Lafayette Joint Stock Land Bank, Lafayette, Indiana, died recently.

☐ **Laurel Bank**, a private bank, at Laurel, Indiana, has been taken over by the Indiana Department of Financial Institutions. Deposits, totaling only \$11,000, will be paid in full.

☐ **C. J. Dowden** has been advanced from executive vice president to president of the Floyd County Bank, New Albany, Indiana, after serving in the former position for five years.

☐ **Miss Juanita Chenoweth**, formerly associated with the Citizens Banking Company, Lynn, has been appointed to a position in the Second National Bank, Richmond, Indiana.

☐ **R. V. Browning** has been appointed cashier of the Citizens State Bank, Rising Sun, Indiana.

☐ **Wilbur Stiers**, 60, president, Rushville National Bank, Rushville, Indiana, died recently of a heart attack. Mr. Stiers, who had been associated

with the bank for 40 years, was president of Region Eight of the Indiana Bankers Association at the time of his death and active in numerous civic, church and fraternal organizations. John L. Cowing, vice president, was advanced to the presidency, succeeding Mr. Stiers, and Frank Abercrombie was named vice president. C. G. Newkirk, cashier, was elected to the board of directors.

☐ **Edward B. Johnson**, cashier, was advanced to president of the Scott County State Bank, Scottsburg, Indiana, to fill the office left vacant by the death of Leander B. Stewart, 72.

George C. Watson, formerly vice president, was elected board chairman, and Miss Hazel Gillespie promoted from assistant cashier to cashier. Newell H. Stewart succeeded his father, the late president, on the board of directors. The new president was formerly cashier, Citizens Bank, Pekin, and special representative, State Department of Financial Institutions.

☐ **Articles of reorganization** of the Citizens State Bank, Shirley, Indiana, have been filed. They call for 250 shares of capital common stock having a par value of \$100 each.

## A Recognized Collection Service

Correspondent banks in all parts of the country facilitate the service in collection and transfer of funds for which this bank is recognized.

## Continental Illinois National Bank and Trust Company

OF CHICAGO

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# NEWS of ILLINOIS BANKS and BANKERS

☐ **A total** of \$4,423,653,000 in deposits is insured by the Federal Deposit Insurance Corporation in the 835 commercial banks in Illinois belonging to the corporation. Of this sum, \$3,360,324,000 is in demand deposits and \$1,063,329,000 on time. According to the report furnished by the FDIC, total resources of these banks at mid-year amounted to \$4,857,653,000. Loans and discounts of the reporting banks were \$928,979,000, an increase of \$72,738,000 over the June 30, 1938, total. Direct and guaranteed obligations of the United States Government listed by the Illinois banks amounted to \$1,520,051,000. Other securities totaled \$559,603,000.

☐ **Rather than** reduce the number of hours it will be open during the day, National Bank and Trust Company, Sycamore, Illinois, will try to comply with the Wage-Hour law by "staggering" the working hours of its employees.

☐ **September 1** was the diamond anniversary of the Hill-Dodge Banking Company, Warsaw, Illinois. Organized in 1864 as the First National Bank of Warsaw with William Hill as president, the bank listed "disclosed deposits" of \$45,000, capital of \$100,000, and total resources of \$245,000 in its first quarterly statement. In 1886 the bank surrendered its national charter and became a private bank under the name of Hill, Dodge and Company. Then in 1900 the organization was incorporated under the laws of the state as the Hill-Dodge Banking Company and has continued as a state bank since that time. Present officers are Edward Grimpe, president; Cyrus E. Phillips, vice president; P. H. Lichtenberger, cashier; and Edwin H. Klump, assistant cashier. Present resources amount to \$1,352,238; capital stock to \$100,000;

undivided profits \$3,516; and deposits \$1,223,364.

☐ **Wilbur E. White**, president, First National Bank, Stockton, Illinois, died September 8 after a long illness. He was 77 years old at the time of his death. Mr. White had been president of the village board for some year.

☐ **Bank of Benton**, Benton, Illinois, has hired R. H. Havens of Carbondale and Arlie Murphy of West Frankfort as cashier and assistant cashier, respectively.

☐ **C. Arthur Feickert**, formerly vice president of the closed Belleville Bank and Trust Company, Belleville, died recently at the age of 70. He had been in poor health for some time.

☐ **L. G. Hostetler**, president, Hardware State Bank, Lovington, Illinois, died suddenly while visiting in Boston the past month.

☐ **State Bank and Trust Company**, Quincy, Illinois, has been approved by Federal Court, as a depository for funds of bankrupt estates. Mercantile Bank and Trust Company and Illinois State Bank had previously been approved.

☐ **State Bank of Paw Paw**, Paw Paw, Illinois, recently paid another 10 per cent dividend on waived deposits, bringing the total up to 60 per cent of the sum waived in 1933.

☐ **George W. Brichler**, 75, prominent East St. Louis, Illinois, banker and undertaker, died September 13, after two days' illness with a stomach ailment. Mr. Brichler was a director of the First National Bank, East St. Louis, a former chairman of its board of directors; a director of the First National Bank, Lebanon, and president of the State Savings and Loan Association, East St. Louis.

☐ **A group of depositors** of the defunct First National Bank, Grayville, Illinois, have formed a trust to operate what they hope will be an oil syndicate. Having purchased 120 acres of land formerly belonging to the bank, on which is a small oil well, they expect to recover the balance of their deposits not already paid out in dividends.

☐ **First National Bank**, Mundelein, Illinois, at a special stockholders meeting recently voted to reduce the preferred stock from \$40,000 to \$30,000 and increase the common stock from \$10,000 to \$20,000 by sale of \$10,000 additional common. Redmond J. Dwyer was elected president, succeeding Joseph P. O'Hern who retires in order to devote more time to his duties at St. Mary of the Lake Seminary. Mr. Dwyer was formerly vice president. New vice presidents are Edward Diebold and Bernard Ewald. Frank A. Wirtz also continues as vice president.

☐ **State Bank of Piper City**, Piper City, Illinois, recently was admitted to membership in the Federal Reserve System.

☐ **E. C. Caverly**, 73, widely known Poland China breeder, farmer and president, State Bank of Toulon, Toulon, Illinois, died recently after a three years' illness. He had been president of the bank since 1935.

☐ **Russell F. Grimm** was appointed secretary, Litchfield Bank and Trust Company, Litchfield, Illinois, to succeed L. P. Brubaker.

☐ **First State Bank**, Wenona, Illinois, reduced interest rate on savings accounts and year certificates to 1½ per cent and on six-month certificates to one per cent.

## BONDS FOR BANKS

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¶ **W. L. Williams**, president, First National Bank, Vienna, Illinois, recently celebrated his 91st birthday. Mr. Williams is the oldest living bank president in the state of Illinois. He still takes an active part in community affairs and has been treasurer of the village board for the past 52 years.

¶ **Clem Perrine** of Monmouth, Illinois, has accepted a position with Farmers and Merchants State Bank, Bushnell, Illinois.

¶ **Another 10 per cent dividend** on waived deposits has been paid by the State Bank of Richmond, Richmond, Illinois, bringing the total up to 60 per cent of the original amount.

¶ **State Bank of Shannon**, Shannon, Illinois, recently paid an additional 10 per cent dividend on the 35 per cent deposits waived following the moratorium. Eighty per cent of that sum has now been repaid. DeKalb Trust and Savings Bank, DeKalb, Illinois, has also paid an additional 10 per cent dividend on waived deposits.

¶ **Recent bank statements** received in this office include those of the Citizens State Bank of Park Ridge, Park Ridge, Illinois, with resources of \$2,426,200, deposits of \$2,194,000; Suburban Trust and Savings Bank, Oak Park, resources \$3,797,000, deposits \$3,424,000; Oak Park Trust and Savings Bank, Oak Park, resources \$9,994,000, deposits \$8,971,000; Avenue State Bank, Oak Park, resources \$7,306,000, deposits \$6,693,000; Evanston Trust and Savings Bank, Evanston, resources \$4,055,000, deposits \$3,603,000.

¶ **Louis C. Koelling**, 57, president, City National Bank, Centralia, Illinois, died at his home recently.

¶ **John P. Siemon**, 61, director, State Bank of Rock Island, Rock Island, died following an illness of three years. He had been in charge of the real estate department of the bank.

¶ **Rardin State Bank**, Rardin, Illinois, entered into voluntary liquidation recently. Deposits will be paid out 100 per cent at Charleston National Bank, Charleston. The bank had deposits of less than \$100,000 and was unable to make a satisfactory profit, it was said.

¶ **Less than 15 minutes** after he held up and robbed a bank employe of \$3,437 in downtown East St. Louis, Joseph Le Compte was trapped by police and shot and killed while trying to escape. Le Compte robbed J. M. Haider, bookkeeper, Southern Illinois National Bank, as he was carrying a deposit to the bank.

¶ **First National Bank**, Murphysboro, Illinois, in addition to having a new home, celebrated its golden anniversary last month. Patrons and friends of the bank were entertained at open house September 2 at which time the new quarters, twice the size of the old bank, were open for inspection. The bank, organized in 1889 with W. K. Murphy as president, has supplied Murphysboro with continuous banking service ever since. In commemoration of its anniversary, the bank issued a booklet telling of its history of a half century. While its first statement listed resources at \$94,000, the

most recent statement listed resources at \$1,030,000. Present officers of the bank are A. M. Carter, president; F. B. Herbert, vice president; C. O. Naumer, active vice president; R. J. Hodge, cashier and trust officer; Walter King, assistant cashier and assistant trust officer; and Clarence Palisch, assistant cashier.

¶ **While playing golf**, C. E. Henderson and C. H. Lambert, employes of Springfield Marine Bank, Springfield, Illinois, were struck by a lightning bolt. The shock was fatal to Mr. Henderson, but Mr. Lambert is recovering.

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# NEWS of MISSOURI BANKS and BANKERS

☐ **Ivy E. Russell**, cashier, Bank of Avilla, has prepared a very fine little booklet to commemorate the twenty-fifth anniversary of the bank. The booklet, besides recording the history of the Bank of Avilla, includes discussion of banks in general. It traces the development of banking and its growing sense of responsibility to depositors, stockholders and the community. It was issued with "acknowledgment to William Meriwether Dorr, Citizens Union National Bank, Louisville, Kentucky." Present officers of the Avilla bank, in addition to Mr. Russell, are H. O. Dintaman, president; and D. W. Williams, vice president.

☐ **Clarence D. Cowdery**, Boatmen's National Bank; William M. Sherrill, First National Bank in St. Louis; Victor Cullin, Mississippi Valley Trust Company; and George M. Pyle, St. Louis Union Trust Company; all of St. Louis, attended the recent annual convention of the Financial Advertisers Association held in Toronto, Canada.

☐ **Mrs. Sallie Sloan** has been advanced from assistant cashier to cashier of the Miami Savings Bank, Miami, Missouri, succeeding John F. Elder, Jr., who resigned recently.

☐ **W. F. Burkhardt**, cashier, Citizens Bank of Belton, Belton, Missouri, states that his bank has reduced the interest rate on its savings deposits to one per cent.

☐ **Citizens Bank**, Appleton City, Missouri, of which C. W. Burns is active vice president and Charles Morgan, cashier, has retired its entire issue of \$20,000 capital notes.

☐ **The board** of the Boatmen's National Bank, St. Louis, recently voted two quarterly dividends of 25 cents each payable October 1 of record September 1, and payable January 1 of record December 1. Similar amounts were paid in the preceding quarter. The board also authorized the transfer of \$25,000 from undivided profits to surplus, bringing surplus account up to \$1,850,000.

☐ **W. C. Tompkins**, auditor, First National Bank, St. Louis, addressed the annual convention of the National Association of Bank Auditors and Comptrollers held in Seattle, September 28-30, 1939.

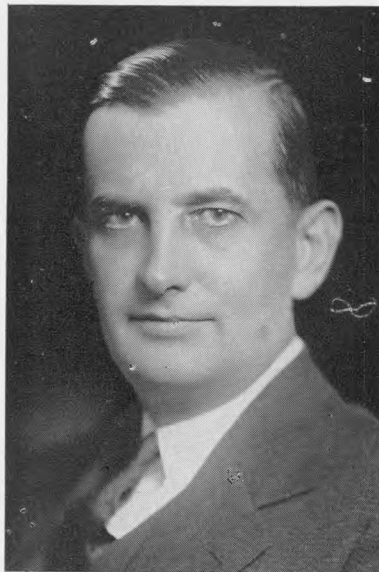
☐ **Central National Bank**, Carthage, Missouri, has completed the remodeling program of its bank interior. Included in the program were two new enclosed coupon booths for customers and enlarging of the front office space.

☐ **Fred H. Wulfig**, formerly a member of the wholesale grocery firm of Gildehaus Wulfig and Company, St. Louis, has been elected a vice president of the Mutual Bank and Trust Company, St. Louis. Mr. Wulfig attended Cornell University and later received a law degree from Washington University.

☐ **William C. Connett, IV**, son of William C. Connett, vice president, First National Bank in St. Louis, has been appointed an assistant attorney general by Attorney General Roy McKittrick.

☐ **R. G. Morris** was elected a vice president of the Telegraphers National Bank, St. Louis, at a recent meeting of the board. Mr. Morris has been with the bank since 1924 and has been assistant cashier for the past two years.

## St. Louis Banker Named Officer of FAA



VICTOR CULLIN

*Mr. Cullin, who is assistant secretary of the Mississippi Valley Trust Company, St. Louis, was elected second vice president of the Financial Advertisers Association of America at the annual convention held last month in Toronto, Canada. He is in line for the presidency of the organization in 1941-1942.*

☐ **Demand for farms** in central Missouri has been very active during the past year, according to J. R. Wilson, Rolla, real estate fieldman for the Federal Land Bank of St. Louis. Farm holdings of the Federal Land Bank and the Federal Farm Mortgage Corporation in this area have decreased 30 per cent in the past 12 months.

☐ **On the occasion** of its thirty-fourth anniversary, the Pleasant Hope Bank, Pleasant Hope, Missouri, ran a good advertisement in the local paper thanking all who had helped make the bank a success. J. W. Adams, E. J. Adams and E. P. Slagle are president, cashier and assistant cashier of the institution, respectively.

☐ **Bank of Tuscumbia**, Tuscumbia, Missouri, is remodeling its banking room with the installation of a new ceiling and a tile floor. The bank has paid a six per cent dividend so far this year. Surplus and undivided profits are \$15,000 and \$9,000, respectively.

☐ **J. W. Chilton's Farmers and Merchants Bank**, Springfield, Missouri, has moved into larger quarters opposite its old building. The bank has installed two new vaults, added a president's room and purchased some new furniture and fixtures. Deposits are highest in the bank's history and loans are good.

☐ **E. T. Murray**, president, United Bank and Trust Company, St. Louis, announced that the directors declared a regular quarterly dividend of 50 cents per share, which was paid September 30 to stockholders of record September 20.

☐ **Guy N. Hitchcock**, vice president and executive officer, Mercantile-Commerce Bank & Trust Company, St. Louis, retired recently after 50 years' association with the bank and its predecessors or affiliated institutions. He will continue as a director and is succeeded by Ralph D. Griffin, vice president.

☐ **Citizens National Bank**, Chillicothe, Missouri, is sponsoring a lambs club for young farmers. Through this organization the boys are given an opportunity to get experience raising ewes. The Citizens National also recently celebrated its golden anniversary by holding open house in its banking quarters.

¶ **L. F. Wagner**, cashier, Jackson Exchange Bank, Jackson, Missouri, died recently from acute indigestion.

¶ **K. R. Adams** was recently elected executive vice president of the Bank of Leadwood, Leadwood, Missouri. He holds a similar position in the First State Bank, Bonne Terre.

¶ **John M. Regan**, 80, one of the organizers of the First National Bank, Montgomery City, Missouri, and a director for more than 20 years, died recently.

¶ **R. G. Shelby**, cashier, First State Bank, New Hampton, Missouri, reports that his bank's deposits are up \$20,000 over last year.

¶ **The board** of the Crystal City State Bank, Crystal City, Missouri, recently elected R. M. Conley, assistant superintendent of the Pittsburgh Plate Glass factory there, to membership on the board. He fills the unexpired term of R. F. Davis.

¶ **Henry Strathman** has been elected president of the Citizens Bank, Norborne, Missouri, filling the vacancy caused by the death of E. O. Belt last winter.

¶ **Arthur P. Smith**, who has been in charge of the liquidation of banks at Noel and Alba, Missouri, was recently appointed to a position with the state finance department as bank examiner.

¶ **Depositors** of the closed Citizens Bank of Union, Union, Missouri, were paid in full when the final payment amounting to \$46,900 was made recently.

¶ **Henry W. Stoenner**, who for years has been a director of the Hermann Bank, Hermann, Missouri, died recently after an illness of six months.

¶ **Lewis Schollian** has been appointed to handle the personal loan department which the First National Bank, Tarkio, Missouri, is establishing. The bank also hired Miss Jane Rankin as office secretary.

**To Chicago Office**



HARVEY W. SALMON

*Mr. Salmon, resident manager of the Bank Relations Department of Commercial Credit Company in St. Louis for the past five years, has been transferred to the Chicago office of Commercial Credit Company in a similar capacity, succeeding George Provost who becomes associated with the Central Hanover Bank & Trust Co., New York.*

¶ **September** is the anniversary month for J. F. Rauch, president, Union Savings Bank of St. Charles, St. Charles, Missouri, for during the month Mr. Rauch celebrated his eightieth birthday and with Mrs. Rauch celebrated their golden wedding anniversary.

One of the pioneer Missouri bankers, Mr. Rauch has been a director of the Union Savings Bank since 1903. In 1905 he was elected cashier of the institution and nine years later assumed the position of president.

During the past years, his bank has made a very fine showing, and, since 1934, has paid off \$100,000 Class "A" notes and \$50,000 Class "B" notes. The present capital stock of the bank is \$100,000 and it has surplus and undivided profits of \$45,700.

**County Association News**

¶ **Following the practice** of the Kansas City and Independence banks, members of the Bankers Association of Eastern Jackson County began closing their banks at noon Saturdays, September 16.

¶ **The Monroe-Shelby-Knox County Bankers Association** will hold its regular quarterly meeting at Clarence, Missouri, Wednesday evening, October 11, with the Shelby County State Bank as host. W. C. Tompkins, auditor, First National Bank in St. Louis, who will discuss the Wage-Hour law, will be the principal speaker. Officers of the association are E. J. Stauffer, president, Paris National Bank, Paris, chairman; J. M. Buckman, president, Shelbina Bank, Shelbina, vice chairman; and Raymond Noel, cashier, Monroe City Bank, Monroe City, secretary-treasurer.

¶ **Members** of the Marion-Ralls County Bankers Association met at the Bay deCharles Club House Friday, September 8, combining a social and business meeting. All of the banks in the Association were represented and talks were made by several bankers.

¶ **The regular** quarterly meeting of the Benton-Pettis County Bankers Association was held at the Sedalia, Missouri, Country Club, September 19. Following the dinner, an informal round table discussion of service charges and the Wage-Hour law was held. W. J. Lumpe, cashier, Community Bank of Warsaw, Warsaw, and president of the Association, presided over the meeting.

¶ **Chariton County Bankers Association** met at Rothville, Missouri, September 19, the Bank of Rothville being host at a banquet in the M. E. Church. The principal speaker was D. K. Snyder, assistant vice president, Interstate National Bank, Kansas City, whose subject was "General Conditions."

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# NEWS of KANSAS BANKS and BANKERS

☐ **Dodge City, Kansas**, once famous as the two-gun town of the old cattle days, experienced its first bank hold-up recently and at the point of a toy pistol. Five minutes after the robbery, Police Chief E. M. Olson arrested Carl Kirby, 39, a farmer, in a stairway near the Fidelity State Bank and recovered the \$2,071 loot. Old-timers who recall

the days when men that now rest on "Boot Hill" gave Dodge City its reputation for being lawless say there never before had been a bank holdup there, much less with a toy gun. The robber was sentenced to 10 to 50 years.

☐ **Home National Bank** and **Union State Bank**, Arkansas City, Kansas, revised working hours effective Oc-

tober 1. Under the new schedule the banks are open from 10:00 a. m. to 3:00 p. m. weekdays and from 10:00 a. m. to 1:00 p. m. Saturdays.

☐ **Federal Deposits Insurance Corporation** figures, released September 25, list total resources of \$396,820,000 on June 30, 1939, for the 456 insured commercial banks in Kansas. Deposits in the insured banks totalled \$351,669,000. Demand deposits of the latest call date amounted to \$283,822,000 and time deposits totalled \$67,847,000. A \$4,437,000 increase in loans and discounts during the year were reported, bringing the 1939 mid-year total to \$119,723,000. Direct and guaranteed obligations of the United States Government listed by the Kansas banks amounted to \$78,329,000 and other securities totalled \$41,037,000.

☐ **C. Q. Chandler**, chairman of the board, **First National Bank** in Wichita, Kansas, has been elected to the board of the **Northwestern Mutual Life Insurance Company**, Milwaukee, to succeed himself.

☐ **S. S. Walker** has been elected vice president of the **Security State Bank**, Auburn, Kansas, succeeding J. C. Nicely.

☐ **Roy H. Shaw** was advanced from vice president to president, **Peoples State Bank**, Cherryvale, Kansas, succeeding D. W. McKinley, who resigned because of ill health after 31 years' service with the institution.

☐ **Bank of Fall River**, Fall River, Kansas, has reduced its preferred stock from \$7,000 to \$5,000 and increased its common by a like amount, making it \$15,000. Surplus was raised to \$7,500, an increase of \$1,000.

☐ **M. B. Crow**, president, **Citizens State Bank**, Gridley, Kansas, reports that his bank has recently installed a new fireproof vault.

☐ **A. C. Hedrick**, formerly cashier and vice president, **Hutchinson State Bank**, Hutchinson, Kansas, was promoted to president filling the vacancy caused by the death of Elmer E. Bloom. Mr. Bloom, who was 60, suffered a stroke of apoplexy and failed to rally. Grover C. Harris was advanced from assistant cashier to cashier.

☐ **Independence State Bank**, Independence, Kansas, has air conditioned its banking quarters.

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CENTRAL HANOVER  
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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

☐ **First National Bank**, Centralia, Kansas, has taken over control of the State Bank of Kelly, Kelly, Kansas. The latter bank had reopened on a restricted basis after the death of its cashier, L. P. Wolfe, a month ago. Earl Hightower, formerly teller of the Centralia bank, has been appointed assistant cashier of the Kelly bank.

☐ **J. D. Porter** has been appointed assistant cashier, First National Bank, Mount Hope, Kansas, succeeding Miss Mildred Porter who recently resigned.

☐ **Elwood M. Brooks**, Kansas Bank Commissioner, was elected third vice president, National Association of Supervisors of State Banks, at its recent convention at Salt Lake City, Utah.

☐ **August 17**, M. C. Naftzger, president, Southwest National Bank, Wichita, Kansas, sent MID-CONTINENT BANKER a postcard from Vienna saying: "A lovely country to visit. The crops are marvellous. Vienna is a beautiful city." Three weeks later Mr. Naftzger and family were temporarily marooned in Bremen, Germany, when the ship they were planning to take back to America cancelled its sailing. They finally reached the United States the middle of September, travelling on a Holland ship.

☐ **Kirby Barton**, pioneer Kansas banker and president, First National

Bank, Parsons, Kansas, died recently at his home.

☐ **An illustrated article** of George E. Harbaugh, cashier, National Bank of Commerce, Wellington, Kansas, and his beautiful home has been published in the September issue of *Better Homes and Gardens*.

☐ **Peoples State Bank**, Courtland, Kansas, has transferred its charter to Scandia, Kansas. Scandia has been without banking facilities while Courtland had two banks. Adolph Johnson and Walter Boyles will head the new Scandia institution.

## Bankers I Have Known » »

By Bill Reed

*Former State and National Bank Examiner, now with the St. Louis Office of the R.F.C.*

ONE of the best friends I have in the banking business today is W. N. Hackney, vice president of the Union National Bank, Springfield, Missouri. It has been my pleasure to have known Bill Hackney for the past quarter of a century. We have been pals as well as friends. My family and I often visited at his home and it was a source of real pleasure to know and associate with him and his family—his wife, his two sons and one daughter.

At one time, when I was a national bank examiner, Bill was my assistant. We had many fine times together, likewise many difficult times when we were attempting to straighten out the tangled affairs of some of the banks we had to examine in those days. Bill was such an able assistant that he was soon made an examiner in his own right. When this happened, I lost a helper I could always depend upon and in whom I had the greatest confidence.

Later, Bill quit the examining force and returned to Springfield where he was born and spent his early boyhood. Now he is back where he first started to work and he is under the wing of my old-time friend, H. B. McDaniel, who has so long conducted the activities of Springfield's Union National Bank.

Bill Hackney is one of those old-fashioned, common-sense bankers who would not feel at ease among a bunch of high-collared aristocrats. He doesn't go in much for show, but he has keen judgment and is a good man to have around when there is work to be done. It is a distinct pleasure to know such a man and to be able to say these things about him.

Kansas City's Big  
Annual Event for the  
Entire Southwest  
is the  
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Established 1865

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# NEWS of OKLAHOMA BANKERS

☐ **E. S. Roberts** has been appointed active vice president and cashier Hope-ton State Bank, Hopeton, Oklahoma, succeeding I. G. Crouse who resigned. Mr. Roberts had previously been in-active vice president.

☐ **R. D. Painter**, cashier, Farmers State Bank, Afton, Oklahoma, has taken a 60-days' leave of absence due

to health. Bane Ernest, First National Bank, Tulsa, will assume Mr. Painter's duties during that time.

☐ **Waukomis State Bank**, Waukomis, Oklahoma, is remodeling its building that was badly damaged by fire re-cently. Cashier John Camp, Jr., states that new fixtures will be installed, the interior entirely redecorated, more

space added, and a new entrance con-structed.

☐ **Paul Teichman**, National Bank of Tulsa, Tulsa, attended the annual meeting of the Robert Morris Associ-ates at Rochester, New York, Septem-ber 18 to 21.

☐ **Marvin Acree**, 26, executive vice president, First National Bank, Blanchard, Oklahoma, and president, Acree Motor Sales, Inc., Duncan, was the sub-ject of a full-page feature published in the September 17 issue of the *Daily Oklahoman*, Oklahoma City. When but 17 years old, he was obliged to sup-port the family due to the death of his father. Starting work as bookkeeper in the First National Bank, Ringling, in 1929, he worked there several years. In 1934 he married Miss Louise Hol-comb, Freenville, Texas.

When 22, he was appointed assistant national bank examiner with head-quarters at Kansas City, the youngest man ever to hold that position in the United States. He resigned after six months in order to be with his family. Returning to Ringling he bought an automobile agency which he later sold in 1936 to purchase the large agency in Duncan. In a year he tripled the size of the agency, and in December, 1938, became executive vice president of the First National Bank at Blanchard.

☐ **W. E. Hocker**, 70, president, Farm-ers National Bank, Elk City, Okla-homa, died recently after a long ill-ness. He also headed the First State Bank, Camargo, Oklahoma.

☐ **J. C. Voorhees**, son of Leon C. Voorhees, vice president, Tradesmens National Bank, Oklahoma City, will go to Anita, Iowa, where he will be managing officer of the Anita State Bank which has been owned by the Voorhees family for over 60 years. The junior Mr. Voorhees has been working the First State Bank, Idabel, Oklahoma.

☐ **Farmers National Bank**, Erick, Oklahoma, announces the appointment of Ernest W. Ivester to its staff.

☐ **Albert Milligan**, 67, member of the board of the First National Bank, Nash, Oklahoma, was fatally burned Sep-tember 15 while setting fire to weeds on his farm.

## The FIRST NATIONAL BANK and Trust Company of Tulsa

### Statement of Condition

October 2, 1939

#### RESOURCES

Cash and Due from Banks .....	\$26,100,714.35
U. S. Government Securities .....	9,074,990.04
Municipal Securities .....	2,796,390.35
Industrial Securities .....	410,003.92
Loans and Discounts .....	20,152,345.57
Overdrafts .....	4,877.60
Other Real Estate .....	1.00
Federal Reserve Bank Stock .....	120,000.00
Income Earned Not Collected .....	101,870.68
Bank Premises and Fixtures .....	1,268,389.41
Total .....	<u>\$60,029,582.92</u>

#### LIABILITIES

Deposits .....	\$54,604,700.30
Income Collected Not Earned .....	121,717.84
Taxes, Interest, and Expense—Accrued .....	108,123.38
Dividend Declared (Payable December 15, 1939) .....	25,000.00
Capital—Common .....	\$2,000,000.00
Surplus .....	2,000,000.00
Undivided Profits .....	661,048.55
Reserved for Contingencies .....	508,992.85
Total .....	<u>\$60,029,582.92</u>

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



☐ **A. A. Criswell**, vice president and director, First National Bank, Wewoka, Oklahoma, has sold his banking interests to O. H. Kirk, executive vice president, and resigned his positions. He will continue as attorney for the bank.

☐ **National Bank of Tulsa** softball team won the Tulsa city championship recently but was nosed out in the O'Shaughnessy play-off.

☐ **Paul Rehling**, National Bank of Tulsa, won the Tulsa A.I.B. Golf Championship and the E. C. Higgins trophy recently.

☐ **First National Bank**, Vinita, Oklahoma, recently passed the \$2,000,000 mark in deposits. George M. Reeves is vice president of the bank.

☐ **John T. Bailey**, president, First National Bank, Talihina, Oklahoma, died recently after a stroke. He was 70 years old.

☐ **National Bank of Tulsa**, Tulsa, reports the following incident as true: One morning two very rural-looking farmers paced up and down in front of the bank elevators for some 10 or 20 minutes. At last the larger of the two entered one of the cars and meekly asked, "How much do you folks charge

to ride in this thing?" It's attested to by Bill O'Hern in the bank magazine, *Corings*.

☐ **Recent statement** from the Citizens Bank of Wakita, Wakita, Oklahoma, lists resources at \$331,800 and deposits at \$289,800. A. T. Williams is cashier.

### Oklahoma City Bankers Hosts to Group Three Last Month

Approximately 250 bankers attended the annual meeting of Group Three of the Oklahoma Bankers Association at the Biltmore Hotel, Oklahoma City.

From 5 to 7 p. m. the bankers of Oklahoma City were hosts at an informal social period preceding the dinner.

Following the dinner, at which the bankers were guests of the Oklahoma City Clearing House Association, the meeting was called to order by T. E. Burch, vice president, Security State Bank, Wewoka, chairman. The program included a welcome address by D. W. Hogan, president, City National Bank and Trust Company, and president, Oklahoma City Clearing House Association; addresses by Verser Hicks, vice president, National Bank of Tulsa, on "Customer Relations,"


and by Tom Collins, Sunday editor, Kansas City *Journal*, on "The Real Social Security," and music by Joseph Bentonelli. Mr. Bentonelli, who is a Metropolitan Opera tenor, sang four selections including an aria from "Tosca" by Puccini. The date for next year's meeting has been tentatively set for Labor Day or the Saturday immediately following. It will be held in Oklahoma City again.

New officers of Group Three are: L. C. Wright, vice president, Security Bank, Blackwell, chairman; R. W. Hutto, president, Security National Bank, Norman, vice chairman; and F. A. Holman, vice president, First National Bank, Guthrie, secretary. Hugh L. Harrell, vice president, First National Bank and Trust Company, Oklahoma City, and T. E. Burch, vice president, Security State Bank, Wewoka, were elected to represent the group on the Executive Committee of the State Association to take office next May.

Group Two, including the northwestern section of the state, will hold its meeting at Enid, November 11. The program for this session has not been completed as yet. Group One will meet February 22, 1940, probably at Lawton. Groups Four and Five plan no meetings until April of next year.

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A cheerful lot are our hundreds of employees — not mechanical servants. They'll make your stay the more enjoyable.



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**BISMARCK HOTEL-CHICAGO**  
RANDOLPH AND LA SALLE

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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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# NEWS of TEXAS BANKS and BANKERS

¶ **Fort Worth National Bank**, Fort Worth, Texas, cashed an unusual check payable to Texas Christian University issued by the Justin Leather Goods Company in payment for two season T. C. U. football tickets. The check, written on a four-foot white calf hide for the amount of \$13.20, met all negotiable requirements. The leather check was done in purple and white, with a 36-inch football painted on the white skin. It also displayed a lifelike illustration of Davey O'Brien, former T. C. U. star.

¶ **The 781 insured** commercial banks in the state of Texas had deposits at midyear of \$1,452,399,000, figures released by the Federal Deposit Insurance Corporation revealed. Of this amount \$1,222,836,000 were demand deposits and \$229,563,000 time deposits. Total resources of the insured banks were \$1,635,675,000, with loans and discounts amounting to \$491,016,000, an increase of \$44,815,000 over June 30, 1938. Direct and guaranteed obligation of the United States Government listed by the Texas banks were \$279,151,000 and other securities totaled \$147,041,000.

¶ **F. C. Branson**, who was appointed Banking Commissioner of Texas, September 1, succeeding Zeta Gossett, began his banking career in a small bank in Lipan, Hood County, Texas, in 1920. From 1923 to 1928 he was associated with a bank in Johnson County. After serving as bank examiner for four years, he was appointed deputy banking commissioner in 1932. From 1933 to 1938 he was with the Home Owners' Loan Corporation and the State Banking Department at various times. In April, 1938, he went to Galveston as executive vice president, Federal Guaranty Savings and Loan Association, which office he was holding at the time of his recent appointment.

J. T. McMillin, formerly vice president, Texas Bank and Trust Company, Dallas, was appointed deputy banking commissioner shortly after Mr. Branson assumed office. Mr. McMillin is a former state banking commissioner and was for several years a state bank examiner.

¶ **Zeta Gossett**, former State Banking Commissioner, was elected vice president, Liberty State Bank, Dallas, Texas, September 1. At the same time, Philip Reid, Wichita Falls, an assistant national bank examiner, was ap-

pointed assistant cashier; and Ellis C. Huggins, vice president, was promoted to vice president and cashier.

¶ **First National Bank**, Cameron, Texas, recently celebrated its golden anniversary. The bank, founded by John M. Hefley, had an original capital of \$50,000. Henry M. Hefley, present head of the institution, is a nephew of the first president and has been associated with the bank continuously since 1903 with the exception of two years as president, Texas State Bank and Trust Company. Other officers in the bank are R. H. McIntosh, chairman; Mrs. S. W. Cheeves, vice president; and George Waller, cashier.

¶ **Alfred E. Mueller**, vice president and cashier, Farmers State Bank, Chappel Hill, Texas, died recently from a heart attack. He was 44 years old. Mr. Mueller had been a director of the bank for 23 years and cashier for 18.

¶ **Grady M. Thacker**, cashier, Crowell State Bank, Crowell, Texas, and his mother, Mrs. Fannie Thacker, were fatally injured in an automobile crash after a tire on their car blew out. They were travelling near Pueblo, Colorado, on a vacation trip. Two other members of the family were also injured.

¶ **W. C. Jackson, Jr.**, member of the firm of Callihan and Jackson, Dallas, was elected chairman of the Texas group of the Investment Bankers Association of America recently, succeeding Clinton C. McClung of Houston. The group met at Houston.

¶ **A record** of sound and regular growth has been established by the Marshall National Bank, Marshall, Texas, which recently celebrated its golden anniversary. During this period, the bank has paid dividends regularly for the past 45 years, the present rate being 5 per cent semi-annually. Since its organization it has not had to increase its capital through any new issues, all increases having been made out of earnings; and it has never consolidated with or absorbed any other institutions. The first statement, issued the day of actual opening listed capital at \$66,000, deposits \$1,500, undivided profits \$7.20, and loans and discounts \$35. Latest statement shows capital \$125,000, surplus \$125,000, undivided profits \$61,000, reserve accounts \$60,000, and deposits \$2,164,599.

Present officers of the bank are W. C. Pierce, Jr., president; W. D. Rains, vice president; Roy Marcom, cashier and vice president; A. C. Pierce and R. C. Hargrove, assistant cashier.

¶ **Muenster State Bank** is planning to erect a one-story bank building at an estimated cost of \$10,000 according to President J. W. Meurer. The building will have stone facing, built-up roof and terrazzo and concrete floors.

¶ **First National Bank**, Port Neches, Texas, will soon observe its 20th anniversary. When organized in 1920 the bank had capital of \$25,000 and today has capital of \$50,000 and surplus of \$15,000. A. L. Brooks, one of the founders of the institution, is president.

¶ **W. O. Woodley**, vice president, Sabinal State Bank, Sabinal, Texas, died recently. He was a member of the Democratic executive committee of Uvalde County.

¶ **It is reported** that the Lubbock National Bank, Lubbock, Texas, is planning to issue \$100,000 preferred stock with par value of \$100, 5 per cent cumulative, and is expecting to erect an eight-story, modern office building in Lubbock. Lubbock National Company, headed by C. E. Maedgen, also president of the bank, has agreed to aid in the financing of the project, it is said. J. D. Mitchell, vice president and cashier of the institution, recently retired from active work in the bank but will remain on the directorate.

¶ **The East Texas Conference** of Bank Auditors and Comptrollers comprising a membership of twenty-five central East Texas banks, resumed its activities with a meeting held September 16, in Jacksonville, Texas. C. E. Cordts, vice president of the Rembert National Bank of Longview, was the principal speaker. This conference was organized in May of this year and boasts the largest membership in Texas. Officers of the Conference are: president, Alex McKenzie, auditor, Tyler Bank and Trust Company, Tyler; vice president, V. A. Clements, auditor, First National Bank, Longview; secretary-treasurer, John T. Lewis, cashier, First National Bank of Jacksonville. Subsequent meetings will be held monthly in Henderson, Athens, Lufkin, Nacogdoches, Palestine, Marshall, Gilmer, and Kilgore.

### Predicts End of America's "Cheap Money" Policy

Edward E. Brown, president of the First National Bank of Chicago, was one of the 2,300 passengers aboard the "Queen Mary" hastening home from Europe when England and France declared war on Germany.

Mr. Brown went straight from the dock to the New York airport to catch a United Air Lines' plane for Chicago. The "Queen Mary" was several hundred miles at sea when the declaration of war was made.

The crossing, Mr. Brown said, was made with as much speed as possible. Portholes were covered, smoking was not permitted on the decks, and passengers were not permitted on deck after sundown. Mr. Brown said that until the "Queen Mary" got near Halifax, Nova Scotia, no escort was visible to passengers on the liner. Then a British cruiser convoyed the liner to New York.

"We heard reports that several British warships were escorting us most of the distance across the Atlantic," Brown said, "but if they were we were unable to see them."

Following his arrival in Chicago, Mr. Brown expressed the opinion that America's "cheap money" policy had come to an end with the start of the



EDWARD E. BROWN

Polish-German hostilities. He said he looked for increases in the rediscount rates by reserve banks throughout the country and expected further improvement in security prices, increased business along several lines and an actual rise in costs of certain foodstuffs. He said the meat packing industry would likely be one of the first American industries to benefit from the European hostilities.

### American Royal Stock Show at Kansas City this Month

"The 41st annual American Royal Live Stock and Horse Show to be held in Kansas City, October 14 to 21, is expected to be the largest in history," says George H. Davis, past president of the Chamber of Commerce of the United States, now president of the American Royal.

Interest already expressed by prospective live stock and horse show exhibitors indicates a record-breaking array of high quality exhibits will be entered this year. Last year's exposition drew live stock exhibits from 18 states, Virginia to Oregon, and horse show entries from 17 states, New Jersey to California. Attendance was in excess of 150,000.

Coming near the close of the summer and fall show season the American Royal attracts the championship winners of state fairs and other shows. Other highlights of this year, according to Mr. Davis, will include a mammoth street parade, selection of a Queen of the American Royal and a Coronation Ball on the opening day, national convention of the Future Farmers of America, Rural Women's Home Demonstration Club Conference, and special recognition of Kansas, Missouri, and Oklahoma Days.



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## NEWS of MISSISSIPPI BANKS and BANKERS

☐ **C. A. Shoemaker**, formerly vice president, Georgetown Bank, Georgetown, Mississippi, died early in September at the age of 64. Mr. Shoemaker was also a prominent Georgetown merchant.

☐ **The annual** fall group meetings of the Mississippi Bankers Association have been set for the month of November, according to an announcement from the office of George B. Power, Association secretary. The dates are as follows:

- Group 7—Monday, November 6.
- Group 8—Tuesday, November 7.
- Group 5—Wednesday, November 8.
- Group 6—Thursday, November 9.
- Group 4—Tuesday, November 14.
- Group 1—Wednesday, November 15.
- Group 2—Thursday, November 16.
- Group 3—Friday, November 17.

Mr. Powers said that the places for the meetings have not been selected but will soon be announced.

☐ **Announcement** was made last month of the opening of a branch office in Jackson, Mississippi, for Dane & Weil, New Orleans investment firm. The new office, which is in charge of



B. B. WIGGINS, JR.

B. B. Wiggins, Jr., is located in the Lamar Life Building in Jackson. Mr. Wiggins has represented Dane & Weil in Mississippi since last February. With the opening of the branch office, he is to be assisted by F. A. Harrington.

☐ **Resources** of the 194 insured commercial banks in the State of Mississippi totaled \$214,399,000 on June 30, 1939, according to a survey by the Federal Deposit Insurance Corporation. Deposits in the insured banks were listed as \$187,216,000. Demand deposits of the latest call date amounted to \$120,740,000 and time deposits totaled \$66,476,000. Loans and discounts of the reporting banks amounted to \$72,166,000, an increase of \$5,664,000 over the June 30, 1938, total. Direct and guaranteed obligations of the United States Government listed by the Mississippi banks amounted to \$14,762,000 on June 30, 1939. Other securities totaled \$54,271,000.

## NEWS of LOUISIANA BANKS and BANKERS

☐ **Judge W. H. Mills** died recently at a hospital in Monroe, Louisiana. Judge Mills was president of the Olla State Bank, Olla, and for many years had been justice of the peace and notary public.

☐ **Organized June 1, 1937**, the Fidelity Bank and Trust Company, Baton Rouge, Louisiana, recently transferred \$25,000 from undivided profits to the surplus account. This change brings the surplus to \$125,000 of which \$85,000 has been earned in the two-year period of the bank's existence. The bank still has an undivided profits account of \$30,000. W. Leroy Ward is president of the institution which has deposits of \$5,042,000, capital of \$200,000, and total resources of \$5,410,000.

☐ **Agents** of four large New Orleans banks protested against the assessment of bank stocks, undivided profits and surpluses of banks by the Orleans Parish board of assessors. The protest was lodged at the first meeting of the Orleans Parish board of equalization held to receive complaints against

1940 assessments. The banks hold that these assessments are prohibited under a recent act of the legislature. The tax commission is contesting the constitutionality of the act, and a test case is pending in the East Baton Rouge Parish District Court which will eventually go to the Supreme Court, it is believed.

☐ **Avoyelles Trust and Savings Bank**, Bunkie, Louisiana, has installed a very complete air-conditioning system. The unit, a five-ton Westinghouse conditioner, uses a cooling tower and provides cooling, dehumidifying, filtering, air circulation and ventilation.

☐ **Henry B. Dadaval**, former banker and vice president of Arthur I. Guillet, Inc., died recently at his home in New Orleans, at the age of 69.

☐ **The Cottonport Bank**, Cottonport, Louisiana, is spending \$10,000 in overhauling and reconditioning its building. Milwaukee gray brick is being used in the construction of the new quarters.

☐ **Resources** of the 145 insured commercial banks in the state of Louisiana totalled \$558,585,000 on June 30, 1939, according to a report released September 25 by the Federal Deposit Insurance Corporation.

☐ **The annual** fall regional clearing house association meetings for the Louisiana Bankers Association were tentatively set for the week of October 23-27 at a meeting of the Executive Council recently.

According to Secretary W. B. Machado, the First Regional Clearing House Association has definitely planned the date for its meeting as Monday, October 23, at Monroe. The other groups are scheduled as follows: Central Regional Clearing House Association, Tuesday, October 24; Southwestern Regional Clearing House Association, Wednesday, October 25; Southcentral Regional Clearing House Association, Thursday, October 26; and the Southeastern Regional Clearing House Association, Friday, October 27. The Northwestern Regional

Clearing House Association traditionally meets at Shreveport, February 22, and will do so again next year. The places for the other meetings have not been announced.

It was also decided at the meeting of the Executive Council to sponsor another Bankers Conference at the Louisiana State University at Baton Rouge. The dates were set for January 24, 25, and 26, 1940. Committees have been appointed and the program will be announced at a later date.

### Jennings Elected Officer of Shreveport Bank

L. B. Jennings resigned last month as an assistant vice president of the First National Bank, St. Louis, Missouri, to accept a position as vice president of the First National Bank, Shreveport, Louisiana.

Lonnie, as he is called by his friends, was born in Grayson County, Texas, and attended school in Sherman and Dallas. He started his banking career in 1910 with the First State Bank of Dallas, and from 1913 to 1926, except for the time spent in the army, he held a number of positions with the Federal Reserve Bank of Dallas. From 1921 to 1926 he spent most of his time traveling throughout the Eleventh District as a special representative of the Dallas Federal Reserve Bank.

In 1926 he became an officer of the Liberty Central Trust Company, St. Louis, in charge of the bank's Texas business, and when that bank merged with the First National Bank, St. Louis, he became an officer, assigned to Southern territory, including Louisiana, Mississippi, and Arkansas.

He is an experienced banker and will be a valuable addition to the official family of the First National Bank of Shreveport.



L. B. JENNINGS

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# NEWS of ARKANSAS BANKS and BANKERS

☐ **A \$10,000** redecorating and remodeling program will soon be completed by the First National Bank of Fordyce, Fordyce, Arkansas. A new front of Batesville white limestone is being constructed. The interior of the bank is being redecorated and rearranged so as to provide additional lobby and working space.

☐ **Carl McCaig** has been appointed cashier of the Hamburg Bank, Hamburg, Arkansas.

☐ **Milton P. Walls** was elected president of the Bank of Holly Grove, Holly Grove, Arkansas, succeeding his father, the late J. A. Walls. The elder Mr. Walls had been one of the wealthiest landowners in eastern Arkansas.

☐ **Tony Falk**, formerly cashier, Citizens Bank of Jonesboro, Jonesboro, Arkansas, assumed his new position as cashier, Marked Tree Bank, Marked Tree, September 1. He succeeds Mrs. Gertrude Cantrell, who will remain with the bank until January 1. Mr. Falk had been cashier of the Jonesboro bank since 1937, having been city treasurer for two terms previous to that. S. V. McKinney, formerly vice president of the Jonesboro bank, becomes vice president and cashier.

☐ **Lake City Banking Company**, Lake City, Arkansas, has amended its charter, changing its name to the Lake City Exchange Company. M. S. Rubenstein is president.

☐ **E. T. Cashion**, cashier, Bank of Lake Village, Lake Village, Arkansas, has been elected a member of the board of directors of the Southeast Arkansas Levee District.

☐ **Robert J. Lanford**, onetime vice president, old Federal Bank and Trust Company, Little Rock, Arkansas, died recently at the age of 62 years. Since 1934 he had been a loan service officer of the Home Owners Loan Corporation, Little Rock.

☐ **At a recent meeting** of the Northeast Arkansas Clearing House Association at Paragould, it was voted to divide the association into two divisions because the territory was rather wide and on account of highway facilities.

The Western Division includes the western half of Clay County and all of Jackson, Lawrence and Randolph counties. Officers of the group are J. H. Myers, president, First National Bank of Lawrence County, Walnut Ridge, chairman; R. R. Hosey, cashier, Bank of Pocahontas, Pocahontas, vice chairman; Norman Campbell, cashier, First National Bank, Newport, secretary-treasurer.

The Eastern Division, composing the eastern half of Clay County, and all of Craighead, Greene, Mississippi and Poinsett counties, has the following officers: T. W. Leggett, cashier, Piggott State Bank, Piggott, chairman; A. T. Bell, cashier, Little River Bank, Lepanto, vice chairman; and Roy E. Jacobs, cashier, Monette State Bank, Monette, secretary-treasurer. The eastern group held its first meeting as a separate organization September 20 and the western division will meet



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soon. It is their plan to have a committee make a study of uniform analysis of costs with a view towards arriving at a method of making service charges that will be fair and uniform.

☐ **Berry Vaughan** has been advanced from assistant cashier to cashier of the First National Bank, Fayetteville, Arkansas. He succeeds F. P. Earle who has resigned as vice president and cashier of the bank.

☐ **Harold Balch**, assistant cashier, First State Bank, Morrilton, Arkansas, has resigned his position to enter the School of Commerce, Northwestern University, Evanston, Illinois.

☐ **Construction** is in progress on the new \$7,500 home of the Calhoun County Bank, Hampton, Arkansas. B. H. Wood is president of the bank, B. W. Harrell, vice president, and Searcy Harrell, cashier.

☐ **First National Bank**, Hope, Arkansas, recently elected W. Kendall Lemley to the position of director and vice president. He succeeded Harry J. Lemley who was appointed a United States judge.

☐ **The 208 Arkansas commercial banks** whose deposits are insured by the Federal Deposit Insurance Corporation have resources totaling \$200,800,000 on June 30, 1939, according to figures released by the FDIC, September 25. Deposits in the insured banks were listed as \$175,706,000, of which \$129,350,000 were in demand deposits and \$46,356,000 in time deposits. Loans and discounts of the reporting institutions were up \$11,581,000 over the previous year, this year's total being \$73,766,000. Government securities held by Arkansas insured banks amounted to \$21,724,000 and other securities totaled \$28,696,000.

☐ **First National Bank**, Ashdown, Arkansas, has been thoroughly renovated. It will be completely equipped with new and modern fixtures.

☐ **John Ralph England**, 58, president of the Citizens Bank, England, Arkansas, died recently of a heart attack. Mr. England, a former St. Louisan, was buried in St. Louis. He was chairman of the Arkansas Racing Commission, chairman of the board of the Plum Bayou Levee District, and interested in other enterprises in the territory. The town of England was founded by his father, the late J. C. England, who owned farm lands on which the town now stands.



# Field Warehousing by Douglas—Guardian

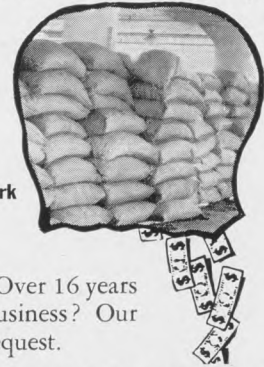
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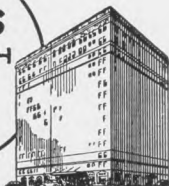
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# CURRENT QUOTATIONS

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On 100 Unlisted Bonds as of September 29, 1939

	Bid	Asked		Bid	Asked
Affiliated Fund, 4½s, 1949	100	100¾	Kokomo Water Works, 5s, 1958	104½	106½
Akron, Canton & Youngstown Railroad, 5½s, 1945	31	33	Lake Shore Gas, 5½s, 1950	77½	80
Alabama Mills, 6s, 1953	43	48	Lehigh Valley Coal, 6s, 1943	50	55
Allied Owners, 2-3s, 1963	84	86	Lehigh Valley Transit, 5s, 1960	59	61
American Gas & Power, 3-6s, 1953	47	49	Lexington Water Power, 5s, 1968	79	81
American Utilities Service, 6s, 1964	79	81	Lukens Steel, 5s, 1955	77	79
Antilla Sugar, 6s, 1951	32	34	Manchester Terminal, 3-6s, 1957	50	52
Arnold Print Works, 5s, 1952	68	70	Manhattan Refrigerating, 5½s, 1941	85	90
Associated Gas & Electric, 3½s, 1978	29½	30½	McKesson & Robbins, 5½s, 1950	74	75
Atlantic City Gas, 5s, 1960	85	86	Metropolitan Chain Properties, 6s, 1948	89½	92½
Baltimore & Ohio, 4½s, 1939	57	59	Michigan Gas & Electric, 5s, 1956	56	58
Baragua Sugar, 6s, 1947	61½	63½	Missouri Public Service, 5s, 1960	85	87
Bloomington, Decatur & Champaign, 5s, 1940	98½	100	Mountain States Power, 6s, 1938	99	100½
Brown Company, 5½s, 1946	42½	44½	National Steel, 3s, 1965	95¾	96¾
Budd Mfg., 6s, 1941	91	94	National Container, 5½s, 1952	90	93
California Water & Telephone, 4s, 1969	98½	100	New Mexico Gas, 5s, 1951	100	101½
Canadian International Paper, 6s, 1949	77	78½	Noel & Company, 5s, 1943	94	98
Caribbean Sugar, 7s, 1951	9F	10½F	Northern Elec. & Northern Paper Mills, 5s, 1948	90	91
Central Gas & Electric, 5½s, 1946	81	83	Northwest Publications, 4½s, 1948	92	94
Consolidated Electric & Gas "A," 6s, 1962	55	56	Oklahoma Railway, 5s, 1941	24½	26½
Continental Roll & Steel, 6s, 1940	90	92	Old Ben Coal, 6s, 1948	41	43
Dallas Railway & Terminal, 6s, 1951	68½	70	Old Dominion Power, 5s, 1951	73½	75½
Deep Rock Oil, 7s, 1973	55	57	Peabody Coal, 5s, 1953	94½	96
Detroit City Ice & Fuel, 4s, 1948	82½	84	Pickering Lumber, 4s, 1952	18	20
Dominion Gas & Electric, 6½s, 1945	79	81	Public Gas & Coke, 5s, 1952	37½	39½
East Coast Public Service, 4s, 1948	71	73	Public Service of Indiana, 6s, 1952	101	102½
Eastern Minnesota Power, 5½s, 1951	74	76	Public Utilities Consolidated, 5½s, 1948	80	81½
Equitable Office Bldg., 5s, 1952	36½	38	Puget Sound Power & Light, 5½s, 1949	91	92
Federated Utilities, 5½s, 1957	77½	79	Roman Catholic Archbishop Manila, 3s, 1946	48	51
Flour Mills of America, 6½s, 1946	31F	32F	Roman Catholic Bishop of Cleveland, 3½s, 1956	83	85
Follansbee Brothers, 5s, 1947	34	35½	St. Louis Amusement, 6s, 1945	96	99
40 Wall Street, 6s, 1958	20F	21F	St. Louis, Springfield & Peoria, 5s, 1939	99½	100½
Galveston Wharf, 5½s, 1954	98	100½	San Angelo Telephone, 5s, 1958	102	104
General Public Utilities, 6½s, 1955	90	92	Seattle Gas, 5s, 1954	64	66
Granite City Generating, 5s, 1963	67	70	Society of Mary Univ. of Dayton, 3½s, 1956	70	75
Graybar Bldg., 5s, 1946	76	78	Southern Cities Utilities, 5s, 1958	54	56
Harriman Bldg., 6s, 1951	21	23	Southern Ill. Mo. Bridge, 4s, 1951	69	71
Haytian Corp., 8s, 1938	32	34	Southwestern States Telephone, 6s, 1948	68	70
Houston Electric, 6s, 1950	99	100½	Telephone Bond & Share, 5s, 1958	69	71
Huntington Water, 6s, 1954	102	104	Texas Hydro Electric, 6s, 1956	83	86
Illinois Commercial Telephone, 5s, 1960	99½	100½	Texas Public Service, 5s, 1961	92	94
Inland Telephone, 6s, 1948	81½	83½	United Public Utility, 5½s, 1960	88	90
Investors Telephone, 3s, 1961	57	59	U. S. Radiator, 5s, 1946	48½	51
Island Gas & Electric, 5½s, 1953	70	72	Vicksburg Bridge, 4-6s, 1968	61	63
Joplin Water Works, 5s, 1957	104½	106½	Washington Gas & Electric, 5s, 1955	55½	57
James River Bridge, 2-6s, 1967	45	48	Yates American Machine, 3s, 1944	40	42
Kansas City Public Service, 4s, 1957	30	31	York Ice Machine, 6s, 1947	92	94
Keystone Public Service, 5s, 1978	97	99			

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# Olive Street Notes

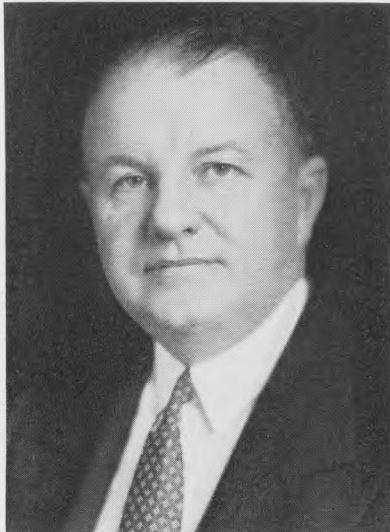
By JAMES J. WENGERT



Photograph  
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W. C. Persons

✓ **Edward J. Jones**, newly elected president of the National Security Traders Association, is a native St. Louisan and has headed his own firm (Edward D. Jones & Co.) in St. Louis since 1922.

Ed, as he is known to his friends and to security traders throughout the country, was born in 1893 and, after spending his early boyhood in St. Louis, moved with his parents to Ohio about the time he reached high school age. He completed his secondary schooling in Ohio and later was graduated from New York University.



EDWARD D. JONES

Shortly afterwards, he enlisted in the U. S. Navy and served as an ensign during the World War.

After the war, he joined N. W. Halsey & Co. as a salesman in the New York office. Later he became affiliated with Blair & Co., for whom, in 1920, he opened a St. Louis office. For the next two years he traveled a large area in the South and Southwest before deciding to open his own firm in 1922.

Ed's philosophy, "You can get out of anything what you put into it," and his slogan, "If there is a market, we can find it," have played a large part in the success and growth of his firm.

Ed is married and has two daughters and one son. His hobby, aside from the security business, is a large, 740-acre farm about 90 miles from St. Louis, where he raises pure-bred stock of all kinds.



✓ **Louis J. Barklage**, oldest active floor trader of the St. Louis Stock Exchange, was honored last month when he was presented with a gold matching coin in connection with the observance of the Exchange's fortieth anniversary. Mr. Barklage, who is 76, is manager of the stock exchange department of I. M. Simon & Co., which he joined about four years ago, after being in the investment business in St. Louis for nearly 60 years.

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# MUNICIPAL BONDS

## Kentucky Municipals

By THOMAS GRAHAM  
 The Bankers Bond Co., Inc.,  
 Louisville

THE Kentucky municipal bond market reached its all-time peak in August, 1939. Since that time, low coupon bonds have declined about in line with the general high-grade municipal market, although such obligations as Kentucky Bridge 1 $\frac{3}{4}$ s and Kentucky State 1 $\frac{1}{2}$  per cent warrants have held relatively much better in price than outside low coupon securities. At this writing Kentucky Bridge Revenue 1 $\frac{3}{4}$ s are quoted 95 bid with none offered at less than 100. The large amount of money in the sinking fund, undoubtedly, will tend to keep this market steady. Kentucky State 1 $\frac{1}{2}$  per cent warrants are 98 bid with none offered at less than 100. Due to the relatively small amount outstanding and, in the opinion of Kentucky banks and investors, the "AAA" grade of the securities, the probability is the warrant market will hold around those levels. The offering of \$200,000 Commonwealth of Kentucky Armory Corporation bonds was made just at the time war was imminent, in an unsettled market, but two-thirds of the bonds were sold immediately and the longer bonds re-priced on a basis for sale to individual investors.

During the month of September there were two issues of Kentucky municipals sold, namely, \$50,000 Ludlow Public School Corporation 3 per cent bonds and \$100,000 Nelson County School Building bonds. The portfolios of most municipal dealers have been at a minimum and there has been little price adjustment on new issues. Due to the fact most issues of Kentucky municipals offered in the past few years have been callable, they have not enjoyed a large market rise over the last year; on the other hand, the coupon rates and yields have been such that Kentucky issues are attractively priced in the present municipal bond market.

Kentucky banks at the present time probably have more uninvested cash funds than at any time in their history, and with the tobacco money coming in during the winter months, it is our belief that the Kentucky municipal market will generally act relatively better than outside markets. Another very

important factor is that a great many bonds are being paid off and called, and practically no new issues are in the offing.

It seems to be the consensus of Kentucky municipal dealers that the market will stabilize itself around a 3 per cent basis for high-grade bonds of a ten-year average. Corporation bonds will have to sell on a much better yield basis than at present to compete with the general average of Kentucky municipals which are offered in the trading market, due to the exemption value of the Kentucky State income tax and Kentucky State *ad valorem tax*. It is interesting to note that in the last month there has been a good deal of buying on the part of individuals of bonds at present attractive bases.

In the month of September there was surprisingly little liquidation on the part of either Kentucky banks or investors of various Kentucky municipal issues and with bids receding somewhat, individuals and banks were unwilling to lower their price ideas to any extent. We do not expect the market on municipals in general or even in Kentucky can be stabilized until the Government market is stabilized, but we anticipate that this will be done in October and firm price levels reached on both Governments and municipals.

We are continuing to advise our bank customers to purchase short and medium Kentucky municipals, as not only marketwise, but from a yield basis they are probably the most attractive securities available, considering their basic credit rating.

## Mississippi Municipals

By J. W. KINGSBURY  
 Scharff & Jones, Inc., New Orleans

THE outstanding recent development in the Mississippi municipal field was the rejection of all bids submitted for \$5,000,000 State Highway bonds. A bid was made for 3 $\frac{3}{4}$  per cent and 3 $\frac{1}{2}$  per cent bonds before the European situation became so tense, but this bid was rejected and the bonds readvertised. During the time between the first and second sale the war had started and the best bid obtainable for \$2,000,000 of the bonds was a 4 per cent coupon rate. The Governor rejected that bid and opened negotiations with the Reconstruction Finance Corporation for the handling

of the bonds. It is understood at this time that the RFC has agreed to take the bonds bearing 3½ per cent interest provided there is no other bid submitted equal to that rate, and in view of present conditions it is considered that the RFC has purchased the bonds.

The withdrawal of Highway funds which had been deposited with a large number of banks throughout the State of Mississippi has caused some of those banks to dispose of some bonds. The amount of Mississippi bonds offered during the past month has increased considerably above the average for several previous months, and market prices have declined. Most of the liquidation by the Mississippi banks has come as a direct result of the withdrawal of funds and not due to war conditions. Bonds offered have found a ready market at the lower prices and some banks and individuals still have funds waiting investment on any further decline in values.

One institution liquidated a fairly large block of State of Mississippi 4½ per cent bonds due in 1948 at a price approximately six points under the market which prevailed one month ago. This block has been the only one liquidated by any of the larger institutions and all of the bonds were readily absorbed by institutions and individuals in Mississippi and Louisiana.

New issues are very scarce, there having been only one in the sum of \$40,000 offered during the past month. These were obligations of Lincoln County and a 4 per cent coupon rate was obtained due to a purely local interest in the bonds.

### Louisiana Municipals

By J. W. KINGSBURY

Scharff & Jones, Inc., New Orleans

THE European war has affected the market value and the demand for most Louisiana bonds in approximately the same ratio as it has affected Government bonds and the obligations of other states. The extremely long bonds which were selling from 120 to 130 have suffered the greatest decline in market value, the average being some 10 or 12 points. Louisiana Port Commission bonds have had a similar loss, being very sensitive to any market change on the down side. The volume of offerings has been retarded rather than accelerated by the drop in market values. During the past two weeks there have been fewer bonds shown for a bid than during any two-week period for the previous two months. Very often the bonds shown for a bid are withdrawn from the market when the holders see the much

lower bids which are prevailing at this time. There have been only two fairly large blocks of bonds liquidated, one being a block of \$100,000 New Orleans bonds, and the other a block of \$200,000 State bonds. Both blocks went at considerably lower prices, but were readily absorbed by local institutions and individuals.

The market for the better Parish, Road and School District bonds has not been greatly changed. A rough estimate is that the better Parish bonds have gone down five or six points, and the District bonds two to three points. In some instances trades have been made on small District bonds at prices equal to those which prevailed prior to the outbreak of the war and even prior to the publication of the scandals involving certain officials and politicians.

Those scandals which first came to public light on June 28 had a depressing effect on the Louisiana market and were a blessing in disguise for most of the Louisiana dealers who immediately lightened their inventories in anticipation of the unfavorable publicity which was expected to and did follow the indictment of the former president of the State University. This lightening of inventory by dealers found most of them with comparatively bare shelves when the war became imminent and the dumping of the few bonds held by dealers at that time had very little effect on prices.

New issues which were in the making have, in most cases, been indefinitely postponed. The State Highway Commission has advertised \$1,000,000 of bonds for sale on October 15. It is too early at this time to predict whether or not they will obtain a bid which will justify selling the bonds. One or two of the smaller towns have bonds for sale, but as they never did enjoy attractive interest rates, they will probably sell on any reasonable bid.

It was the former custom of this column to make predictions concerning Louisiana bonds. In view of the European situation no prediction will be ventured at this time.

### Book Review

"Taxation and Capital Investment," by James D. Magee. Published by the Brookings Institution, Washington, D. C., 1939. 64 pages. 50c.

The complicated federal tax situation is reviewed in a clear and concise manner in this pamphlet and a number of concrete and sound suggestions for relative improvements are made. It is particularly timely at the present.

## Oklahoma Municipal Bonds

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# NEWS of TENNESSEE BANKS and BANKERS

☐ On January 1, 1889, the Nashville *Daily American* predicted "there is strong assurance that a new bank will be established during the year. This will give Nashville 12 banks with capital and surplus of \$6,000,000. The outlook for these banks is good." The prediction proved true, and on September 8, 1889, after several months' organization work, the Nashville Trust Company officially opened for business.

This past month the Trust Company celebrated its fiftieth anniversary and issued a commemorative booklet telling the story of the bank's half century. Also published in honor of the anniversary was a special tabloid section in the September 10 issue of the Nashville *Tennessean* devoted exclusively to the history of the bank and its contributions to the growth of the city.

When the company first opened it took temporary quarters in a single room. Ever since that day its history has been one of constant growth—new and larger quarters, new officers, more employes. "Just as was the start of the trust company unostentatious, so has been its history for 50 years—a quiet and dignified yet steady and remarkable growth based entirely on merit." Its present banking quarters are a modern 14-story office building, and present resources total over \$13,000,000 in contrast to the few hundred thousand of 1889.

The first board of directors elected Charles Nelson president, Joseph H. Thompson, vice president, and Herman Justif, general manager. Today the bank has 17 executive officers, with H. G. Hill, chairman of the board, and Charles Nelson, grandson of the first president, president.

☐ **J. H. Heath**, 76, formerly president, Farmers and Merchants Bank, White Bluff, Tennessee, died recently. A native of White Bluff, Mr. Heath had lived there all his life and had served as vice president of the bank many years before becoming president. He retired from the latter office about three years ago.

☐ **Bank of Alamo**, Alamo, Tennessee, of which R. F. Tanner is president and board chairman, has retired \$6,250 of preferred stock and raised common by a like amount. The present capital structure of the bank is now \$6,250 preferred and \$18,750 common.

☐ **Plans have been prepared** for remodeling the second floor of the First National Bank building, Memphis, Tennessee. Additional work space will be provided and a directors' room will also be added.

☐ **Tennessee Bankers Association** is preparing the program for the annual fall group meetings to open Tuesday, October 24, at Kingsport with the meeting of Group One. Cards have been sent to members of the Association asking for suggestions about topics to be discussed and leaders of the discussion groups. The Association office also has requested names of men who would be good "banquet speakers" to address the groups at the dinners. The group meeting calendar is as follows:

Group 1 Kingsport	October 24
Group 2 Maryville	October 25
Group 4 Cleveland	October 26
Group 5 Shelbyville	October 27
Group 7 Halls	November 7
Group 8 Bolivar	November 8
Group 6 Dickson	November 9
Group 3 Gainesboro	November 10

Executive Council of the Association will meet in Nashville Saturday, November 11.

## First National of Memphis Increases Capital

Stockholders of the First National Bank, Memphis, Tennessee, in a meeting held September 27 at which over 85 per cent of the stock was represented, unanimously voted to increase the bank's capital from \$1,000,000 to \$1,200,000, effective immediately. Present shareholders will be given prior rights in the purchase of the new stock which will be made available to them at a price of \$250 per share for a limited time.

The First National, which recently observed its seventy-fifth anniversary, is the oldest bank in Memphis and has enjoyed an enviable growth, its present deposit total of approximately \$49,000,000 representing an increase of \$10,000,000 over that of the previous year. Prior to the increase in capitalization the institution showed a capital of \$1,000,000, surplus of \$1,250,000 and undivided profits and reserves of \$935,145.15.

The First National is headed by Sam E. Ragland, president, and Norfleet Turner, executive vice president.

☐ **Bank of Enville**, Enville, Tennessee, has increased its common stock capitalization to \$18,750. This represents an increase of \$3,750 in its common.

☐ **Col. C. P. Talliaferro**, president and organizer, First National Bank, Loudon, Tennessee, succumbed following a heart attack September 6. Mr. Talliaferro was chairman of the county Democratic executive committee, president of the Miller Motor Company, vice president of the Loudon Wholesale Grocery Company, director of the Knoxville Producers Association and the Charles H. Bacon Hosiery Mills here and at Lenoir City.

☐ **After a long illness**, Dr. Samuel W. Williams, president, Melton's Bank, Gassaway, Tennessee, died recently at the age of 65. A native of Washington, North Carolina, he received his medical training at the University of Tennessee.

☐ **Knoxville, Tennessee's**, Commercial Bank and Trust Company, has retired \$5,000 preferred stock and added a like amount to common, reducing the preferred to \$80,000 and increasing common to \$120,000.

☐ **The 290 insured commercial banks** in the state of Tennessee had resources totaling \$585,624,000 on June 30, 1939, according to figures released September 25 by the Federal Deposit Insurance Corporation. Deposits in the insured banks were listed as \$517,647,000. Demand deposits of the latest call date amounted to \$346,841,000 and time deposits totaled \$170,806,000. Loans and discounts of the reporting banks amounted to \$239,228,000, an increase of \$26,342,000 over the June 30, 1938, total. Direct and guaranteed obligations of the United States Government listed by the Tennessee banks amounted to \$64,979,000 on June 30, 1939. Other securities totaled \$67,519,000.

☐ **John T. Fargason, Sr.**, former president of the old National Bank of Commerce, Memphis, died recently on his 3,000-acre Eylau Plantation near Ripley, Tennessee. He had suffered a heart attack prior to his death. Mr. Fargason, a native of Memphis and educated there, helped found the J. T. Fargason Wholesale Grocery Company. He was one of the organizers of the old National Bank of Commerce.

# Forums Features of K.B.A. Group Meetings

**K**ANSAS bankers will hold their annual group meetings the latter part of this month, opening with Group One at Marysville, October 17, and closing with Group Nine at Dodge City, October 27. As in past years, the meetings will be day sessions and the program for each of the groups will be essentially the same.

A scout train, carrying officers of the Kansas Bankers Association, speakers, and city bank and bond house representatives, will leave Kansas City the first of each week and will return the following Saturday. Norton Thayer, vice president, First National Bank, Kansas City, Missouri, is in charge of the train.

The group meeting program, as announced by Fred Bowman, secretary of the KBA, will consist of five divisions. President Roy A. Haines, president, Prairie State Bank, Augusta, will speak at each meeting and refer to general banking conditions, problems and successes. Scott S. Bateman, warehouse examiner of the Kansas Grain Inspection Department, will speak on wheat loans and the present Kansas Warehouse Act.

A topic of interest to all Kansas

bankers will be discussed by Charles J. Chandler, vice president, First National Bank, Wichita, and chairman, Kansas Bankers Association Pension

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## Kansas Group Meetings

*Dates and meeting places for the 1939 group meetings of the Kansas Bankers Association have been announced as follows:*

<b>Group 1</b>	<b>Marysville</b>	<b>Oct. 17</b>
<b>Group 4</b>	<b>Minneapolis</b>	<b>Oct. 18</b>
<b>Group 8</b>	<b>Atwood</b>	<b>Oct. 19</b>
<b>Group 6</b>	<b>Wakeeney</b>	<b>Oct. 20</b>
<b>Group 2</b>	<b>Ottawa</b>	<b>Oct. 23</b>
<b>Group 3</b>	<b>Eureka</b>	<b>Oct. 24</b>
<b>Group 5</b>	<b>Kingman</b>	<b>Oct. 25</b>
<b>Group 7</b>	<b>Pratt</b>	<b>Oct. 26</b>
<b>Group 9</b>	<b>Dodge City</b>	<b>Oct. 27</b>

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Committee. He will explain the new Retirement Program which was adopted by the Executive Council of the Association on September 9 and which will soon be announced in its entirety. Mr. Chandler will also con-

duct a short forum of questions and answers in connection with this subject.

A 20-minute explanation of the general factors of the Wage-Hour Act as affecting banking in Kansas will be presented by the Group's member of the Advisory Committee of the Bank Management Commission of the KBA. A question and answer forum regarding this law is also on the schedule.

The fifth part of the program will consist of a 20-minute presentation of the principal factors of the newly recodified Probate Code law of Kansas. A local attorney will appear before each Group in regard to this and will answer questions concerning the law. Barring last minute changes, the following attorneys will be the guest speakers: W. D. Vance, Belleville, at Group One; Judge Roy M. McCue, Topeka, at Group Two; J. B. McKay, Eldorado, at Group Three; Clarence Paulson, Concordia, at Group Four; Paul R. Wunch, Kingman, at Group Five; E. C. Flood, Hays, at Group Six; Max Vuckley, Pratt, at Group Seven; E. E. Euwer, Goodland, at Group Eight; and Walter A. Jones, Hutchinson, at Group Nine.

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# Fine Addresses Feature Texas Banking Conference

**W**ITH a daily attendance of well over 200, the Texas Bankers Association is well satisfied with the results of the first Educational Conference, sponsored by it in conjunction with the University of Texas. The conference, held on the University campus, opened Monday, September 4, and continued through Thursday evening, September 7.

The program was divided into five main topics: loans, investments, business development, bank costs and special features. Outstanding speakers discussed each topic. Although the dates will not be set until after the first of the year, the Texas Association is planning to hold a similar conference next year.

Speaking on the subject, "State and Municipal Bonds," I. A. Long, vice president, Mercantile-Commerce Bank and Trust Company, St. Louis, listed as the nine factors helpful in arriving at an appraisal of municipals the following: 1. What is the character, reputation and ability of citizens in paying individual obligations? 2. What is the

recent assessed valuation trend? 3. What is the tax collection record? 4. Does the community have a balanced budget? 5. Has it ever defaulted? 6. How is the debt retired? 7. What is the ratio of debt to assessed valuation? 8. Is there stability and diversification of enterprises in municipality? 9. Do the bonds carry the approving opinion of a nationally recognized firm of municipal attorneys?

Dr. J. C. Dolley, professor of banking, University of Texas, warned bankers that "there is an element of permanence in the shrinkage of commercial loans which many bankers do not yet appreciate fully," when he spoke on "Future Bank Management." Dr. Dolley was one of the speakers in the special topics group.

"As I see it," he said, "if our system of privately owned commercial banks is to survive, bank management of the future must concentrate on at least five relatively new problems. First, each bank must consciously endeavor to improve its local public relations. Second, banks must devise methods of

meeting successfully competition of other lending agencies and at the same time develop new business to offset the shrinkage in loan and discount portfolios. Third, banks must develop other sources of revenue to offset in part the loss of interest income on loans. This means a scientific system of service charges. Fourth, future bank management must contend with the problem of holding down operating costs in order to keep them in line with diminished interest revenues. Fifth, future bank management must provide for more efficient administration of the bank's bond portfolio."

In a feature address at the conference, Alexander Wall, secretary-treasurer, Robert Morris Associates, Philadelphia, reminded bankers that their experience in the consumer loan field may be duplicated in long-term loans. "Unless bankers develop a proper technique to handle longer term loans some other agency will," he stated. "It may be a repetition of the experience with consumer loans or it may be that

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## Answers to Legal Questions on Page Fourteen

**1** Yes. Heirs, to whom property descends, may dispose of it by agreement among themselves, in the absence of any creditors or adverse interests, with the same effect as though administration had been had.

**2** Yes. Chrysler's rights to the tires were secondary to those of the tire dealer because the tires were mortgaged to the tire dealer at the time they were placed on the car and Chrysler's lien was therefore subsequent to or after the tire dealer's lien. This question and answer is based principally on a recent North Carolina Supreme Court decision. The Federal and Indiana courts have had similar problems before them and have decided them the same way.

**3** Yes. In most jurisdictions there would be no question but what the bank acted properly, but Wisconsin, along with Missouri and a few other jurisdictions, holds the view that a creditor cannot make partial assignments of a claim he may have against a debtor without the debtor's consent and it was contended in the case upon which this question and answer is based that such would be violated by remitting to Kinkaide. The court held, however, that in remitting the bank had only one payment to make and that, therefore, no violation of the rule against partial assignments occurred.

**4** No. A power of attorney to sell a tract of land given by a woman owner to her father is revoked on the owner's marriage in Texas and a deed given by the father subsequent to the marriage pursuant to the power of attorney is void.

**5** Yes. In Missouri, a party claiming an interest in building and loan company stock, who permits the stock to be sold at an execution sale without asserting his claim to ownership when he has an opportunity to do so, is estopped from asserting any interest in the stock as against one purchasing it at execution sale in good faith for value and without any knowledge of other claims to ownership.

**6** Yes. In a recent case before one of the Federal Circuit Courts of Appeal involving somewhat similar

facts it was held that the insured could recover on its insurance policy. The holding there ran to the effect that the janitor was an employe within the meaning of the insurance policy and that the intent with which the parties used the term, employe, will govern without any niceties of legal reasoning.

**7** No. Where two corporations have an interlocking and common management, and one of them procures the property of a third party by

### Stuart Smith Named Officer of "First" in St. Louis

Stuart H. Smith, formerly assistant trust officer of the Tower Grove Bank & Trust Company, St. Louis, has been elected an assistant vice president of the First National Bank, St. Louis, where he becomes an assistant to Ernest G. Coffman, vice president in



STUART H. SMITH

charge of correspondent relations in several southern states.

Stuart Smith is a son of Walter W. Smith, president of the First National Bank in St. Louis. He is a graduate of the University of Pennsylvania and the Wharton School of Finance. Prior to his association with the Tower Grove Bank & Trust Company, he was in the investment division of the General American Life Insurance Company of St. Louis.

fraud, the other corporation is charged with notice and, when it takes the property, is chargeable with the value thereof in an action by the third party.

**8** Yes. An assignment by an heir apparent of his expectancy in a living ancestor's estate is enforceable in Wisconsin and several other jurisdictions, including Illinois. They are closely scrutinized, however, and will not be approved if the surrounding circumstances show any imposition on the heir.

**9** Yes. The gift of the watch was not an ordinary gift. It was a gift that had as its immediate background an apprehension of death arising from a peculiar, dangerous condition. It was what is known at law as a "gift causa mortis." Such gifts are revocable during the donor's life. Graham could require the return of the watch.

**10** No. Fortunately for the bank it had not yet accepted the money when the robbery occurred. The counting of the money and the inspection of it was not complete. These are necessary incidents to an acceptance and, since they were unfinished, the money was not that of the bank when it was taken.

### Texas Bank Conference

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some government agency, unfortunately susceptible to the influence of expediency, will undertake this banking function. However, there is another way we may go from here. Bankers may elect to undertake the sound development of this type of credit or they may lose it. Apparently the choice is still with the banker."

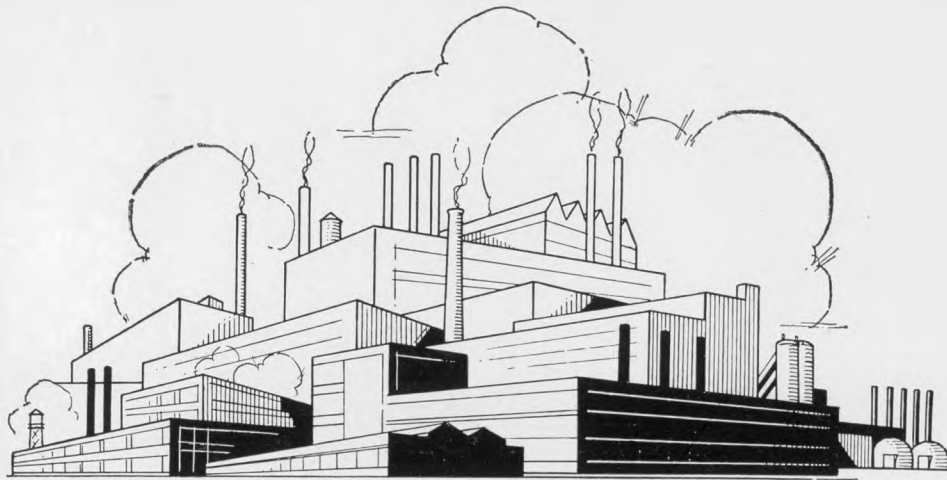
"If every person in the United States were a *satisfied* bank customer, we would have no public relations problem. The underlying thesis of a successful public relations program is that you are constantly meeting and dealing with the public, and you must serve the public efficiently, courteously, intelligently, and with a degree of human interest that is both noticeable and sincere," R. L. Mullins, president, Wolfe City National Bank, Wolfe City, Texas, told the bankers. He addressed the group on the general topic of business development. Admitting that there was a large amount of work to be done in this field, Mr. Mullins declared it can be done if the entire banking fraternity is sold on the idea of banking and makes an intelligent, sincere and determined effort to reach the entire public—non-customers as well as customers.

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