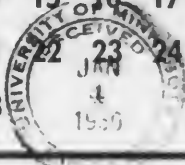


BANKING



FEBRUARY

	1	2	3	4	
6	7	8	9	10	11
12	13	14	15	16	17
18	19	20	21	22	23
24	25	26	27	28	



MARCH

	1	2	3	4	
5	6	7	8	9	10
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17	18	19	20	21	22
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29	30	31			

APRIL

	1	2	3	4	5
6	7	8	9	10	11
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24	25	26	27	28	29
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MAY

	1	2	3	4	5	6
7	8	9	10	11	12	13
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31								

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	1	2	3	4	5
6	7	8	9	10	11
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18	19	20	21	22	23
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AUGUST

	1	2	3	4	5	6
7	8	9	10	11	12	13
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SEPTEMBER

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22	23	24	25	26	27	28	29	30
31								

ANNIVERSARY

OCTOBER YEAR

	1	2	3	4	5	6	7
8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23
24	25	26	27	28	29	30	31

SEE PAGE 1

NOVEMBER

	1	2	3	4	5	6	7
8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23
24	25	26	27	28	29	30	31

DECEMBER

	1	2	3	4	5	6	7
8	9	10	11	12	13	14	15
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24	25	26	27	28	29	30	31



MAGIC CARPET 1950

Take the case of a modern rug manufacturer who wants to borrow on his inventory. It's almost like magic—the way we turn his carpets into collateral for a bank loan. We issue warehouse receipts on them and his bank—it could be *yours*—lends the money. Result: The manufacturer gets the cash he needs to carry on his business. The bank gains a new customer (or keeps an old one) and makes a sound loan on collateral.

May we tell you more about our procedure for turning all kinds of inventory into security acceptable to banks? We've field warehoused more than 400 different products in 45 of the 48 states. Write our nearest office for copy of booklet "Our Story Has Three Sides."

WHEN YOU MAKE THE LOANS—WE'LL MAKE THEM SAFE



DOUGLAS - GUARDIAN WAREHOUSE CORPORATION

"The Bankers' Field Warehouse Company"

NEW ORLEANS 1, La., 118 North Front St.
NEW YORK 4, N. Y., 50 Broad St.
CHICAGO 2, Ill., 173 W. Madison St.
ATLANTA 3, Ga., Hurt Bldg.
CLEVELAND 14, Ohio, Union Commerce Bldg
DALLAS 1, Texas, Tower Petroleum Bldg.
SPRINGFIELD 3, Mass., 172 Chestnut St.

LOS ANGELES 14, Calif., Garfield Bldg.
MEMPHIS 3, Tenn., Parter Bldg.
PHILADELPHIA 2, Pa., Girard Trust Bldg.
PORTLAND 4, Ore., U. S. Nat'l Bank Bldg
ROCHESTER 4, N. Y., Commerce Bldg.
SAN FRANCISCO 4, Calif., 300 Montgomery St.

SPRINGFIELD, Mo., McDaniel's Bldg.
TAMPA 2, Fla., 416 Tampa St.
HARTFORD, Conn., 149 Woodland St.
KANSAS CITY, Mo., 1207 Grand Ave.
MIAMI 37, Fla., 3582 N. W. 46th St.
ALBUQUERQUE, N. Mex., 3708 Mesa Verde Drive
DETROIT, Mich., Penabscot Bldg.

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

THIS MONTH'S COVER

The calendar dates which are illustrated with small drawings on this month's cover are:

- Jan. 1—New Year's Day.
 Jan. 3—Stamp commemorating the 75th Anniversary of the American Bankers Association.
 Jan. 23-25—National Credit Conference, Sherman Hotel, Chicago.
 Feb. 7-9—Mid-Winter Trust Conference, Waldorf Astoria, New York.
 Mar. 13-14—Annual Savings and Mortgage Conference, Hotel Statler, New York.
 Mar. 27-29—National Consumer Installment Credit Conference, LaSalle Hotel, Chicago.
 Apr. 9—Easter.
 Apr. 23-25—Spring Meeting, Executive Council, French Lick, Indiana.
 May 30—Memorial Day.
 June 11-16—50th Anniversary Convention of the American Institute of Banking, Minneapolis.
 June 19-July 1—16th Session of the Graduate School of Banking at Rutgers University, New Brunswick, New Jersey.
 July 4—Independence Day.
 Sept. 24-27—Diamond Anniversary Convention of the American Bankers Association at New York.
 Nov. 11—Armistice Day.
 Nov. 23—Thanksgiving Day.
 Dec. 25—Christmas Day.

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CONTENTS FOR JANUARY 1950

Just a Minute.....	3
Canada Realigns Her Foreign Trade.....	16
Tradition Breaking in Texas.....	20
Beauty Contest in Ft. Worth.....	20
Bank Night in Dallas.....	21
Heard Along Main Street.....	24
The First 75 Years.....	33
Where Banks May Be Missing the Boat. <i>John M. Garver</i>	39
Methods and Ideas..... <i>John L. Cooley</i>	40
The Big Little 3-Cent Stamp. <i>Drawings by Dick Ericson</i>	42
How to Hold Businessmen's Meetings	
<i>Carroll A. Gunderson</i>	44
Afraid to Speak..... <i>Lionel Crocker</i>	45
Washington..... <i>Lawrence Stafford</i>	46
Operating Ratios for Small Business.... <i>John H. Beach</i>	49
A Customer Relationship File..... <i>Forde Steele</i>	50
World Business..... <i>Herbert Bratter</i>	52
Job Studies to Aid Country Banks... <i>Richard W. Trefz</i>	54

THE COUNTRY BANKER

News for Country Bankers..... <i>Mary B. Leach</i>	56
Investing in Youth..... <i>Harold Severson</i>	62
Seasonal Swings in Commercial Loans	
<i>Dorothy Lucille Sonntag</i>	63

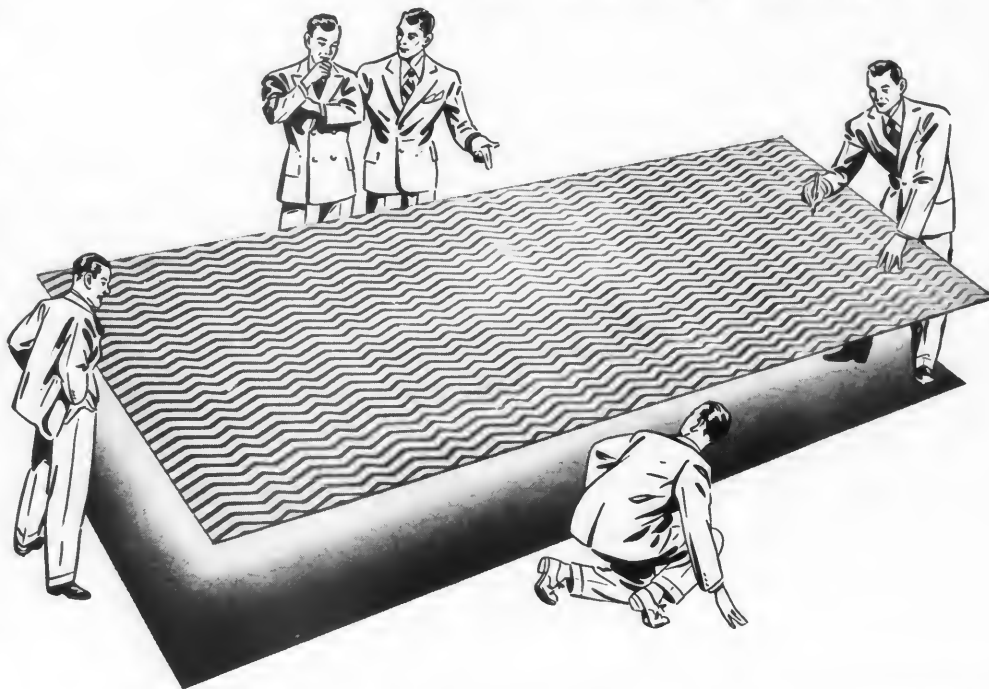
THE INVESTMENT MARKET

Government Bonds..... <i>Murray Olyphant</i>	64
Other Securities..... <i>H. Eugene Dickhuth</i>	66
Hurdles in Irrevocable Trusts..... <i>Earl S. MacNeill</i>	68

CONSUMER CREDIT DIGEST

How to Gauge the Local Consumer Credit	
Market..... <i>William J. Boyle</i>	70
Consumer Credit News..... <i>Theodore Fischer</i>	72
Bank Law News.....	78
Other Organizations..... <i>William P. Bogie</i>	82
Banking News.....	86
Calendar.....	89
National Conference Looks at Business.....	90
The Mid-Continent Trust Conference (Pictures).....	96
BANKING'S Advertisers.....	116
Business Aids.....	118
The Condition of Business..... <i>William R. Kuhns</i>	119

CONSIDER YOUR CHECKS from every angle



Preparation of your checks, because of their important function, demands careful and detailed consideration.

The safety paper you select must meet exacting standards. Maximum protection, superior writing surface and fine appearance are all important. And in

their over-all quality your checks should give you pride in sponsoring them.

A clear indication that La Monte Safety Papers embody all these desirable attributes is found in this fact: They are the choice of America's leading banks by a large majority.

A Check Paper All Your Own

Thousands of banks and many of the larger corporations use La Monte Safety Papers with their own trade-mark or design made in the paper itself. Such INDIVIDUALIZED check paper provides maximum protection against both alteration and counterfeiting — makes identification positive.

La Monte
SAFETY PAPER FOR CHECKS

GEORGE LAMONTE & SON, NUTLEY, NEW JERSEY



THE WAVY LINES © ARE A LA MONTE TRADE-MARK

just a minute

1950

THANKS to the Post Office Department, the American Bankers Association opens its 75th birthday year with philatelic pomp and circumstance.

That three-cent commemorative stamp, as a "first-day cover" from Saratoga Springs, New York, goes to tens of thousands of collectors; and during the remainder of the year it will carry millions of bank letters to their worldwide destinations.

Meanwhile, DICK ERICSON'S cartoon drawing this month offers several suggestions for bank use and promotion of the stamp.

75 Years in Six Pages

FOR a quick trip through the long history of the American Bankers Association we place at your disposal a trim vehicle. It's a chronology of A.B.A. happenings during the three-quarters of a century.

The tabulation is adapted from the work of Dr. WILBERT M. SCHNEIDER who wrote a history of the A.B.A. as his doctoral thesis at Walla Walla College in the State of Washington.

See page 33.

Sartorially Speaking

A NEW YORK men's furnishing chain, Wallachs, grabbed BANKING by the lapel the other day and said:

"May we reprint a chunk from LIONEL CROCKER'S November article, 'Mr. Chairman, Ladies and Gentlemen'? We thought so well of the views expressed that we wanted to include some of them as part of an editorial advertisement."

Well, that pleasantly surprised us. Although requests to reprint from BANKING are numerous, this was the first time one of our authors had come up with a piece of copy that had sartorial appeal, so we told the advertising manager to go ahead.

Here, in part, is the ad:

"An article in BANKING magazine by Mr. Lionel Crocker . . . reminds us that we are in the middle of the speechmaking season again. . . .

"Under the heading of Grooming, Mr. Crocker makes some succinctly sensible remarks. 'Look your very best before an audience,' says he. 'A dark suit with a white shirt and

"You'd be surprised how that has reduced clock-watching"



1322592

ARE YOUR CHECKS SAFELY CERTIFIED THE MODERN WAY?



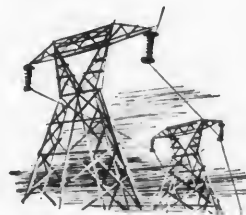
Banks everywhere are rapidly changing to the newly improved AJAX-HERCULES Check Certifier for the important function of certification.

This certifier provides maximum protection to the bank and its depositors against fraud, duplications, forgeries, etc.

For complete information regarding these certifiers, call or write to:

Ajax Mark Company, Inc.

368 Broadway, New York 13, N. Y.



NATIONAL READERSHIP

where it counts most

Readers of The New York Times form a truly national audience for you . . . because The Times is read in 11,000 communities in all the 48 states and the District of Columbia. In The Times, your financial advertising message talks directly to this important, nationwide audience.

The New York Times

"All the News That's Fit to Print"

MAKE *Every* DEPARTMENT a



X131½

Sikes clerical seating can *save you money* throughout the bank. Not by deceptive cheap first cost, but through such *real savings* as greater clerical work output, lower maintenance, longer life. Experience proves that Sikes hardwood chairs provide lowest maintenance and longest life; many made at the turn of the century are still in daily use! The exclusive, patented SIKES Posture Mechanism assures less fatigue, less rest-room time. Here is an often-neglected source of *lowered costs*. It will pay you to get the full facts about SIKES Seating,—write for name of nearest dealer and for illustrated literature.

THE SIKES COMPANY, Inc., 24 Churchill St., Buffalo 7, N. Y.

—SPECIALISTS IN—

United States Government
Securities



State and Municipal Bonds



C. J. DEVINE & CO.
INC.

48 Wall Street, New York 5 HA 2-2727

Chicago • Boston • Philadelphia • Washington • Pittsburgh
Cleveland • Cincinnati • St. Louis • San Francisco

Direct Wires to all Offices



"And what's more, I am a confirmed bachelor!"

a conservative tie is conventional. But any dress that is not conventional will call attention to itself. Shoes should be polished. Wear garters with your hose. You do not want the audience to look at any idiosyncrasy of your appearance.

"To which we would add this suggestion. Don't wait until the night before your speech to check your wardrobe. Do it now. And if you have any doubts about it, come to Wallachs right away. We cannot turn you into a Daniel Webster. But we *can* supply you with clothes that will do you credit on the platform, clothes that will add to your poise and self-confidence."

The ad was copyrighted. It ran in several New York newspapers.

Eighty-one Days for Taxes

THE calendar on BANKING's cover this month recalls HERBERT HOOVER's 75th birthday address at Stanford (CONTINUED ON PAGE 6)



BANKING

1949 Was Another Good Year for Telephone Users



MORE SERVICE FOR MORE PEOPLE—Nearly 2,000,000 telephones were added to the Bell System in 1949. This meant service not only for many people who did not have a telephone before but it also increased the value and usefulness of your own particular telephone. You can call many more people—and many more can call you. There are now more than 50% more Bell telephones than at the end of the war.

BETTER LOCAL SERVICE—The over-all quality of telephone service continued to improve in 1949 and it keeps right on getting better. There's faster, clearer, more accurate service on millions of local calls.



IMPROVEMENTS IN LONG DISTANCE
Long Distance grew steadily better in 1949. The average time to complete out-of-town calls is now down to little more than a minute and a half. Nine out of ten calls go through while you hold the line. Over many routes, the Long Distance operator dials the distant telephone direct. It's faster, friendly, courteous service all the way.



275,000 NEW RURAL TELEPHONES were added by the Bell System in 1949. 1,300,000 have been added since the war—a truly remarkable record of rural development by the Bell System. Great gains were made also in the quality of service. Fewer parties on the line. Many thousands of new-type telephones put in. A higher proportion of our farmers have telephones than in any other country in the world.

CONTRIBUTION TO PROSPERITY—All of this expansion and improvement in telephone service provided work and wages for many people outside the telephone business.

More than \$1,000,000,000 was put into new facilities. Western Electric—the manufacturing unit of the Bell System—bought from 23,000 different concerns in 2500 cities and towns throughout the country.



BELL TELEPHONE SYSTEM—The best and the most telephone service at the lowest possible price.





FASTEST TO CALIFORNIA IN HIS DAY

THE MODERN direct routing service of Bank of America in California today is a far cry from the pony express of nearly 100 years ago. One account with Bank of America, either in Los Angeles or San Francisco, affords you direct, prompt handling of collection items in any of the more than 300 California communities where this bank has branches. Direct your inquiries to Bank of America, 300 Montgomery Street, San Francisco 20; or 660 South Spring Street, Los Angeles 54.

Foreign branches in London, Manila, Kobe, Tokyo, Yokohama, Shanghai. New York Representative: 44 Wall Street. Correspondents throughout the world.

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION
California's Statewide Bank

Bank of America Travelers Cheques are known the world over. Sell them to your customers, some of whom may be coming to California during this Gold Rush Centennial year.



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION • MEMBER FEDERAL RESERVE SYSTEM

JUST A MINUTE—Continued



"Just let me have the money. I know what I want! Never mind the questions you ask down at the bank!"

University last August. Mr. HOOVER said he'd made up a table showing the number of days "the average working citizen" must work, on the average, to pay the cost of his government.

"For obligations for former wars," the former President asserted, "he would have to work 11 days a year; for the defense and cold war, 24 days more; other Federal expenses another 12 days; for state and local expenditures 14 days more. That, so far, makes up a total 61 days out of each year.

"But beyond this, the seriously proposed further spending which is now in process will take another 20 days of work from Mr. and Mrs. Average Citizen.

"Taking out the holidays and Sundays and average vacations, there are only about 235 working days in the year, and therefore a total of 81 days a year for taxes will amount to about one week in every month."

With a Southwesterly Bow

IF the Southwest is unusually well represented in this issue of BANKING, it's because we couldn't resist bringing between the covers of one number the two good public relations stories that originated in that section.

The banks concerned are the MERCANTILE NATIONAL of Dallas and THE FORT WORTH NATIONAL. The goodwill-building aspect of the ac-

(CONTINUED ON PAGE 11)

A Key Industry Wants to Sit Down And Talk Finance With You!

FREE BOOKLET ON TRUCKING INDUSTRY SENT ON REQUEST. BUT FIRST READ THIS:

What does the "for-hire" trucking industry want of you?

It wants a chance to prove to you that its equipment expansion program is financially sound—as sound as the trucking industry itself.

This key industry—one of America's largest and most necessary—has always been self-financed. With little or no stock or bond offerings to the public—largely on *self-financing* alone—the trucking industry has grown until today it bills 2½ billion dollars a year and hires directly every fifteenth worker in the United States.

These men built their businesses themselves. They *know* how very vital and necessary trucking is to the entire American business picture. They've built their enterprises on solid, rock bottom facts.

Fact Number One. The trucking business as a whole transports everything your community eats, uses or wears *all or part* of its way to you.

Fact Number Two. It is the connecting link between all other forms of transportation—and your community, your home. *All* forms of transportation depend upon the trucking industry directly. Without trucking, factory assembly lines—on any large scale—would be impossible.

Fact Number Three. Trucks and TRUCKS ALONE can deliver goods from warehouse to store, from store to home.

Yes, the "for-hire" trucking industry is essential. It's as good as American business itself.

Its prosperity—its business volume—is co-extensive with that of American industry. The success of certain manufactures quite often depends on unique factors—special needs, temporary scarcities and the like. Only the trucking industry can base its success on the general success of American industry.

* * *

The "for-hire" trucking industry now seeks an active working partnership with banks—to help finance one of the greatest expansion programs in its phenomenal history.

Thanks to its outstanding war effort, and the

wartime unavailability of new trucks and equipment, "for-hire" truck operators now require hundreds of millions of dollars worth of new trucks—the tools and equipment they need to operate.

Are America's bankers going to take this business? Or will they let it go—*by default*—to credit outlets whose terms penalize the operators and thus make everything your community *eats, buys, uses or wears cost more?*

Here is what the truck operators in your neighborhood want to do. They want a chance to work out with you, their banker, financing plans with these three points in mind. One, a low interest rate. Two, lower down payments. Three, longer amortization terms.

Mind you, these terms are needed by solid *businessmen*. Men who use their trucks for business—*not for pleasure*.

All we ask you to do is sit down and talk FINANCE with truck operators. We do not ask you blindly to grant new credit to any one of them—*not yet*.

But first we want to show you how your bank will profit—profit *safely*—from doing business with the "for-hire" truck operators in your community.

Send for the booklet below. It gives the complete story. And it's free.

THE **AMERICAN TRUCKING** INDUSTRY

American Trucking Associations.
Washington 6, D. C.

© 1950, American Trucking Association

ACCEPT FREE BOOK:



You can get this whole story in a recently published book, a new edition of "Motor Carrier Equipment Financing" just off the press. It will come to you *free* if you request it now.

*wherever bankers get together,
the word is going around!*



the New Burroughs Bank Bookkeeping

**brings new ease of operation, new speed,
and accuracy to bank posting!**

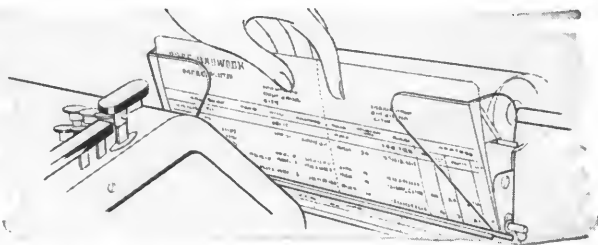
It's the big news in banking! It's the talk of the banking world!

Bankers who have seen it . . . bankers who have already put it to work are enthusiastic in their praise! They're passing on the news that Burroughs Bank Bookkeeping machine is a great step forward to increased production . . . that it makes a radical cut in the cost of bank posting! This wonderful, new Burroughs makes bank posting more efficient, reduces errors . . . does the whole posting oper-

ation more swiftly, more smoothly.

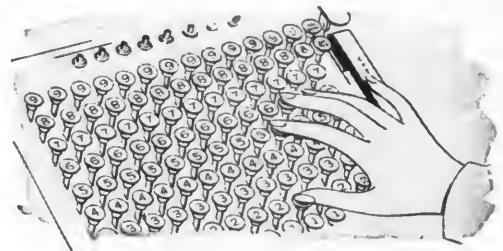
Let Burroughs speed you on the way to lower costs. The simplicity and ease of operation of this new machine adds wings to the fingers and sureness to the touch . . . streamlines your whole posting operation.

Call your local Burroughs representative today! Let him show you how the Burroughs Bank Bookkeeping Machine can bring new accuracy, new speed, new efficiency to your bank posting!



NO WASTE MOTION!

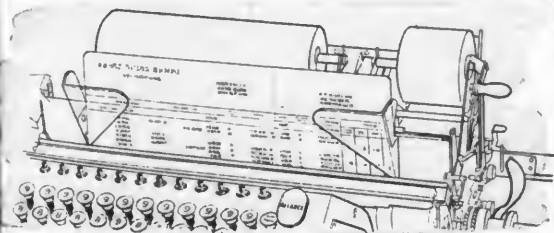
- One-hand form insertion assures positive form alignment . . . every figure is visible at all times during the aligning operation.
- Simplified motor bars automatically select proper posting column. New positive balances print automatically.
- New statement-ledger end lock warns operator when last posting line is reached. Operates automatically regardless of length of form used.



MORE WORK WITH LESS EFFORT!

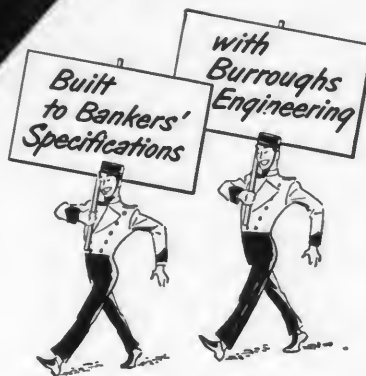
- Operators can do more work with less effort because feather-touch motor bars take 75% less effort to operate . . . reduce fatigue-caused errors.
- 33% less effort is required for key depression! Operator fatigue is sharply reduced . . . operator efficiency is greatly increased.
- New color harmony has been carefully planned to cut eyestrain to a minimum.

g Machine



SIMPLIFIED POSTING OPERATION!

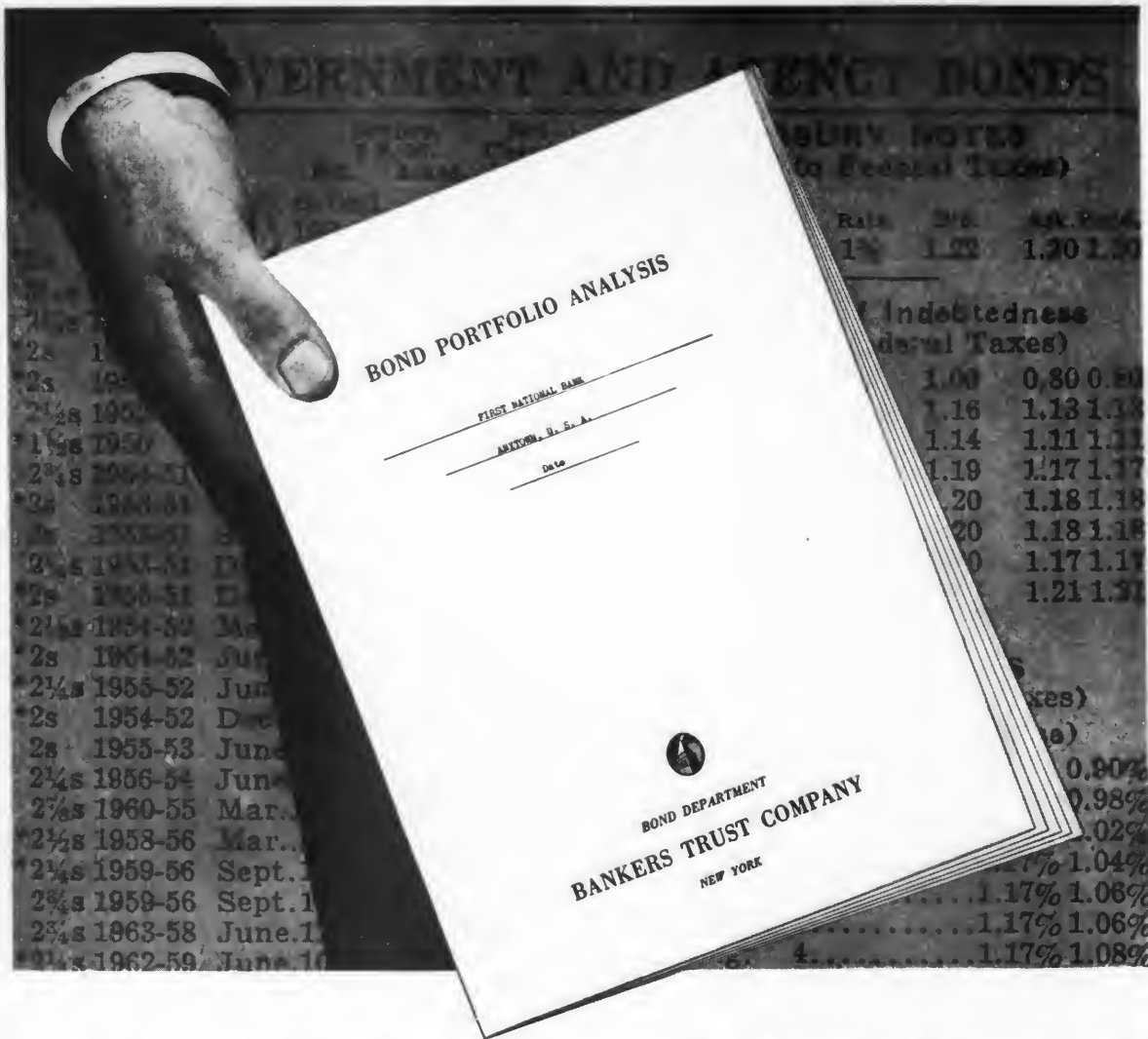
- Dual platen construction allows list posting *during* the posting run. Check lists are made on a separate tape; list totals can be posted without rehandling any figure.
- The machine automatically counts all checks, check corrections and returns, deposit entries, deposit corrections and accounts active.
- Control keys simplify the handling of *all* adjustments during the posting run . . . no memo records required.



WHEREVER THERE'S BUSINESS THERE'S

Burroughs





How a Bankers Trust bond account analysis may help your bank

Timely bond portfolio analysis may help you in the management of your bond account, and lead directly to increased earnings for your bank and the strengthening of your capital structure.

With business and economic conditions undergoing marked changes, it is particularly important that your bond account be reviewed periodically.

In analyzing your account, our specialists evaluate key factors such as the nature and volatility of deposits—business and loan trends—interest rates—Treasury and Federal

Reserve policies—liquidity requirements. A study of such factors is the basis for our detailed analysis, which may include *specific* recommendations of *what to buy* and *what to sell*.

In addition, we apply to our study of your account the knowledge and experience we have gained as primary dealers in U.S. Government

and Municipal securities.

Bond Account Analysis is just one of the many services Bankers Trust offers its correspondents and customers. When you are interested in this service, you are invited to write us. Please address Bond Department, Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

BANKERS TRUST COMPANY NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





"What do you mean, do I have an account here? Young man, I consider that my own business!"

tivities reported hardly needs emphasis; and if some traditions have been shattered, remember that the vast lands southwest of the Mississippi (and west, too, for that matter) seldom hesitate to depart from precedent.

The Fort Worth story concerns a beauty contest conducted by a bank among the young women on its staff. Although the release accompanying the pictures (you'll find them on page 20 didn't quite fit our editorial needs, you'll enjoy it, so here goes:

"There was news in the banking world today.

"No dogs were bitten. Nor did a Statement of Condition call the Comptroller for a change. Neither did a stamp lick a vice-president.

"But a startling thing for bankers happened. For a few minutes, they stopped receiving deposits. They stopped cashing checks. They stopped making loans. They stopped clearing items around the globe. They stopped everything to select the most beautiful Bankerettes in the world."

And so on. The sequel is—well, attractive.

Beating Communism

ERNEST O'HEARN, JR., president of The First State Bank of Gladewater, Texas, calls our attention to his town's "Democracy Beats Communism Week," a community-wide program of "militant citizenship, education, religion, and civic responsibility designed to reawaken the citizen's pride in his democratic heritage."

Known as the Gladewater Plan, the week was the idea of John Ben Shepperd, local attorney and former



...what about profits and overhead?

How would a client of yours stand in a case like this? Probably there'd be enough fire insurance to cover the property damage. But how about the equally important income loss during the period of the shutdown... a loss that could easily endanger your loan?

Hartford takes care of that! If fire, windstorm, explosion or other insurable hazard should force a suspension in business operations, Hartford Business Interruption Insurance can protect against loss of profits. It covers expenses which would necessarily continue plus anticipated net profits, thus giving income that presumably would have been received if the disaster had not happened.

Work sheets prepared by the Hartfords will help your client figure how much a shutdown might cost and how much Hartford Business Interruption Insurance he needs to protect his business and safeguard your loan. Send coupon for them—there is no obligation. Or call your Hartford agent or insurance broker. In over 5000 communities you can find your Hartford agent by calling Western Union, asking for "Operator 25."

HARTFORD FIRE INSURANCE COMPANY
HARTFORD ACCIDENT AND INDEMNITY COMPANY
HARTFORD LIVE STOCK INSURANCE COMPANY



HARTFORD

FIRE INSURANCE COMPANY

Hartford 15, Connecticut

Please send free copies of work sheets for Business Interruption Insurance.

Name _____

Firm Name _____

Address _____

City _____ State _____

LARGEST TRUST BUSINESS in the WEST

It's a position of leadership we've maintained for over two decades now: *largest trust business west of Chicago.*

Three floors of our Head Office building in Los Angeles house Trust Department Executive and Administrative staffs.

Five Branch departments are maintained ...at Fresno, Long Beach, Pasadena, Santa Barbara and Westwood...each with a resident trust officer in charge.

Complete trust service, including ancillary administration, is available at each of these Branch Trust Departments, and also through 122 other Offices and Branches where trust advisors call regularly or by appointment.

We welcome exchanges of correspondence on trust matters. Write: *Taylor F. Mullens, Vice-President and Manager, Trust Department, Sixth & Spring Sts., Los Angeles 14, Calif. Phone: MUTual-0211.*

SECURITY-FIRST NATIONAL BANK

OF LOS ANGELES



"See here, Leftwich, that was not put there to hold your lunch!"

president of the United States Junior Chamber of Commerce. It was sponsored by the Gladewater chamber and embraced a wide range of activities, including "Go to Church" Sunday, civic and interfaith meetings, school programs, etc.

A detailed report on the plan's origin, execution and accomplishments was published in the *Congressional Record* as an extension of remarks by Representative Lindley Beekworth of Texas.

The Bank Across the Street

THE FIRST NATIONAL BANK OF LEBANON, Pennsylvania, with a touch of politeness which the circumstances hardly warranted, calls BANKING's attention to the picture of its Christmas carol program on page 45 of the November issue.

"This shows up fine," says the FIRST. "The only thing wrong with it is that you have referred to carol singing at the Lebanon National Bank. They are our 'rivals' on the other side of the street, although very friendly ones."

Guilty as charged! The picture, sent us a year ago by the FIRST NATIONAL, showed a high school chorus singing in the FIRST's lobby. How we ever came to credit the friendly rival is one of those things that exasperate an editorial staff—when it's too late!

JOHN L. COOLEY

Civilization has reached most nations; only a few are still solvent.

One way to the top is to go to the bottom of everything.



HOBBY TURNED INTO A BUSINESS WITH CHRISTMAS CLUB SAVINGS

Writes Mrs. Florence R. Brogg, Lexington, Kentucky: "My husband and I used to be dreamers instead of schemers, but my Christmas Club check for \$50.00 pushed the door of opportunity open for us. It not only taught me the value of systematic saving, but it enabled us to start a hobby of refinishing old furniture. With the help of larger Christmas Club accounts each year, our hobby has developed into a profitable business. We call it our 'Christmas Club Hobby Shop'."

CHRISTMAS CLUB SAVINGS HELPED START BUSINESS

Writes Mrs. Warren D. Reck, Denver, Colorado: "My husband was an offset printer, a free-and-easy spender. In 1943 my Christmas Club check gave him the chance to start a business selling Christmas cards with scenes of Rocky Mountain life. The cards were an immediate success—the first printing went like hotcakes on a frosty morning. From that start we have developed a profitable stationery business with a full line of Western designs. We can truthfully be thankful to Christmas Club."



CHRISTMAS CLUB DEVELOPED SELF-RELIANCE AND FINANCIAL SECURITY

Writes Mrs. Julio Krouse, Stratford, Connecticut: "When I first came to this country, I had little experience and my earnings were small. With money saved in Christmas Club I started buying real estate, and now in our middle sixties my husband and I have our own home and no financial worries. Christmas Club also helped to educate my daughter who is a lawyer and enabled my son to start his own business. Christmas Club has given us all the priceless gift of self-reliance."



THE HUMAN SIDE OF BANKING

- The human interest stories told here are packed with drama . . . the drama of every-day life as experienced by Christmas Club members.
- These stories, and thousands of others like them, are a fine tribute to the human side of banking. For they are stories of people whose ambitions in life were fulfilled through the friendly and sympathetic help of their bankers.
- By understanding banking functions, these thrift-conscious people have started careers, bought homes and businesses and made profitable investments. They like to do business with alive and progressive institutions.
- Christmas Club brings people to your bank so that you can give them a true understanding of the human side of banking. Through its human relations program, Christmas Club is constantly building good will and good public relations for banks from coast to coast—Banks that have Christmas Club are Banks that grow.

CHRISTMAS • CLUB

DISPLAY THIS ORIGINAL
CHRISTMAS CLUB EMBLEM



a corporation

FOUNDED BY HERBERT F. RAWLL

341 MADISON AVENUE, NEW YORK 17

BUILDS SAVINGS • BUILDS CHARACTER • BUILDS BUSINESS FOR BANKS



FREE BOOKLET
will help
YOU..

SELECT RECORD-KEEPING PAPERS AND CARDS

Accountants, treasurers, controllers and bookkeepers know that record-keeping can be done better at low cost on papers and cards made with new cotton fibers. The question is: Which records should be on paper or card of 100% new cotton fibers, which on 75%, which on 50%, and which on 25%?

The booklet shown above includes a new table telling how much wear and how many years' service can be expected of the various grades of ledger papers and index cards. It includes valuable suggestions for making your record-keeping work, and the buying of the forms, more efficient and economical.

Parsons makes seven types of ledger paper and three types of index card stock in a wide variety of weights and colors, all made with new cotton fibers. All take clean, sharp entries from pencil, pen or machine with no smudging, and will stand rigid in your files. The no-glare surface is restful to the eyes. They are engineered to the specifications of America's leading manufacturers of book-keeping equipment. Each sheet is solid — not pasted — so it cannot split. Ink will not run on the fibers. Erasure with chemicals, rubber or scratcher, leaves a smooth surface the same color.

King Cotton, symbol of quality in paper, suggests: "Send the coupon today for your free copy of 'How To Make Your Records Legible and Lasting'. It will help you select the right paper for various applications, and gives valuable hints on saving time, effort and paper."



PARSONS PAPER COMPANY
DEPARTMENT 1E
HOLYOKE, MASSACHUSETTS

Please send me, without cost or obligation, your booklet on selecting the right record-keeping paper or index card for each job.

Name.....
(PLEASE PRINT)
Organization
or Company.....
Street.....
City or
Town.....State.....

Europe's Progress Toward Recovery

WHEN George S. Eccles, president of the First Security Bank of Utah N.A., Ogden, returned from a recent trip to Europe as a Marshall Plan observer, he made an interesting report to his board of directors.

He dealt, country by country, with progress since the war toward recovery and monetary stabilization. He said that if we withdrew our aid today the benefits achieved thus far would be lost and a way would be open once more for Communism to move westward in Europe.

"This would require tremendous increases in our military expenses," he believed, "and disrupt our economy even more because we would lose our export market for our surpluses."

Regarding England Mr. Eccles said: "England must follow devaluation with other steps. She must give second thought to her program of nationalized industry. At the present time there are 1,100 trade associa-

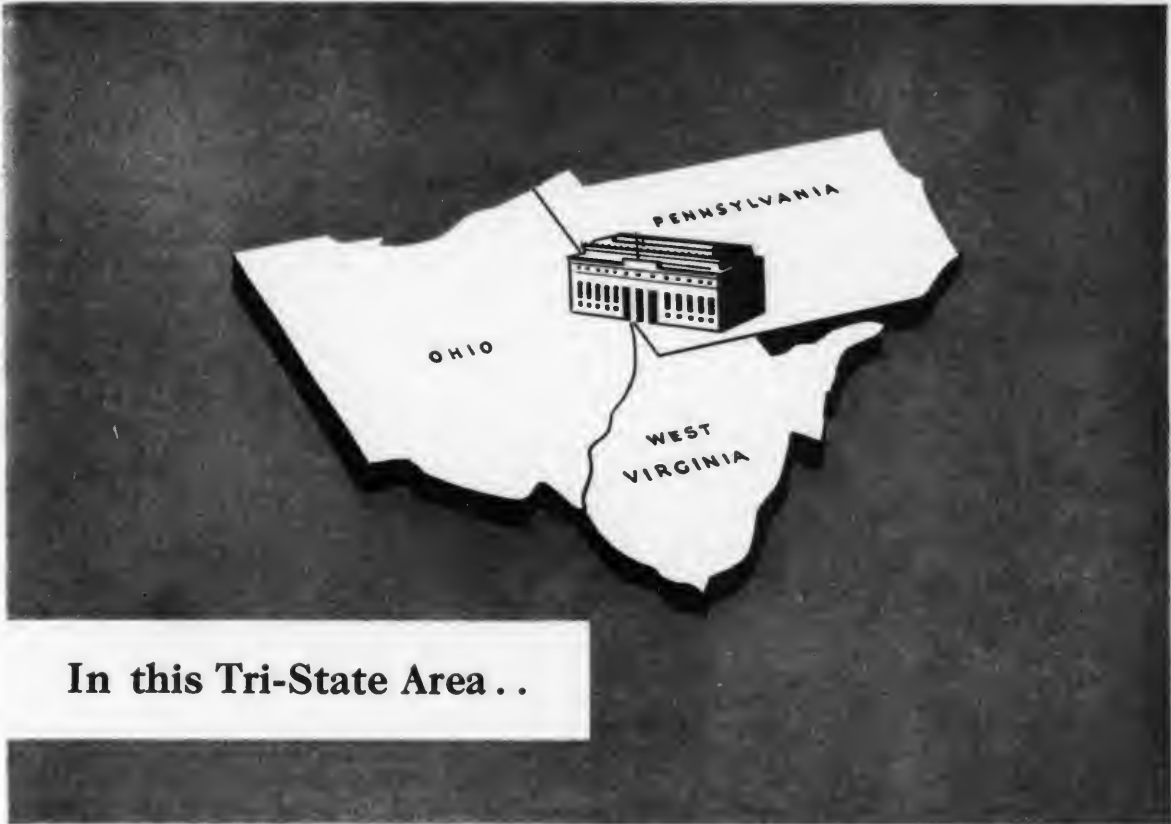
tions in England with the price of 78 important commodities fixed by agreement within the industry. This system protects the most inefficient industrial methods and gives no incentive for efficient production.

"She must reduce the cost of government. She must modify her social program. Her present budget takes over 30 percent of national income, while in this country, even though our budget is high, it requires only 15 percent of national income. Prime Minister Atlee of the Labor Party recently announced a reduction in their total budget of approximately 10 percent, represented by curtailment of defense expenditures, the national health program, imports, subsidies to farmers, building program, as well as general administrative costs. If this can be followed through without the fall of the Labor Government, it will be an important step in the right direction."

AT BANKERS FORUM, NEW YORK CHAPTER, A. I. B.

The thirtieth annual dinner of the Bankers Forum of New York Chapter, American Institute of Banking, was held on Tuesday, December 6, at the Roosevelt Hotel. There was a panel type discussion on "Devaluation—its effect on the American economy." Among those present were Percy J. Ebbott, president, The Chase National Bank, who presided during the evening; F. Raymond Peterson, president of the American Bankers Association; Perrin L. Babcock, president of the Savings Banks Association of the State of New York; Harry W. Davies, president of the New York State Bankers Association; Clinton W. Schwer, chairman of the Bankers Forum Committee of New York Chapter, A.I.B.; A. Anton Friedrich, Professor of Economics, Washington Square College, New York University; John W. Arthur, president of New York Chapter, A.I.B.; Dr. Willard E. Atkins, chairman, Department of Economics, Washington Square College, New York University, and Dr. William A. Irwin, economist of the American Bankers Association, who acted as moderator





In this Tri-State Area . .

more than 300 ONE-DAY sending points

Throughout the tri-state area of Pennsylvania, Ohio and West Virginia, we present cash items and collections *within one day* to banks located in more than 300 cities and towns.

This "Straight Line Transit Service" effects substantial savings in time over customary methods of collection. It also cuts down "float", and insures prompt advice of unpaid items—saving delay in settling accounts. No sorting, no description, and no special letters are required—thus reducing clerical expense for correspondents.

If your bank is not already using this fast transit service, we believe you will find it beneficial to you and to your depositors. Your inquiry is invited.

**MELLON NATIONAL BANK
AND TRUST COMPANY**

PITTSBURGH 30, PENNSYLVANIA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

PLUS . . .

- Atlanta, Georgia
- Baltimore, Maryland
- Birmingham, Alabama
- Boston, Massachusetts
- Buffalo, New York
- Charlotte, North Carolina
- Chicago, Illinois
- Cumberland, Maryland
- Dallas, Texas
- Detroit, Michigan
- Hagerstown, Maryland
- Indianapolis, Indiana
- Jacksonville, Florida
- Kansas City, Kansas
- Kansas City, Missouri
- Louisville, Kentucky
- Memphis, Tennessee
- Minneapolis, Minnesota
- Nashville, Tennessee
- New Orleans, Louisiana
- New York, New York
- Oakland, Maryland
- Oklahoma City, Oklahoma
- Omaha, Nebraska
- Richmond, Virginia
- Salt Lake City, Utah
- St. Louis, Missouri
- St. Paul, Minnesota
- Washington, D. C.

Canada Realigns Her Foreign Trade

THE experience of Canada in currency devaluations, including that of her own dollar by about 9 percent, has so far been not only disturbing but rather painful. The immediate effects were to raise Canadian prices on a large volume of products, notably American coal, petroleum and industrial equipment.

It will, of course, be some time before the ultimate effects of this extensive monetary operation, of almost world-wide extent, can be fully appraised. This much, however, is now clearly apparent: a quite considerable realignment of Canada's external trade is actually being planned so as to correct the unbalanced position of this country with the two nations, Britain and the United States, with which it does most of its foreign business. The need for such readjustment is plainly visible in the external trade figures for the period ending September when Canada's exports to Britain were nearly \$700-million while her imports of British goods were less than half that amount, leaving a surplus in Canada's favor of over \$360-million. This balance due Canada was covered by drawings aggregating \$120-million from the remainder of Canada's loan to Britain of \$1¼-billion early in 1946, as well as by nearly \$250-million in Marshall Plan funds furnished by the United States.

Trade "Redirection"

On the other side, Canada had a deficit with the United States for the 12 months ending September of \$400-million, resulting from imports of American materials and goods of about \$2-billion and exports south of the border of nearly \$1,600-million.

To sum up this analysis, the surplus which Britain owed Canada, and which the former could not cover from her own resources, was nearly equal to the unfavorable balance Canada had with the United States.

Now Canada is about to undertake redirection of her trade with both Britain and the United States. Her exports to Britain during the next year will automatically decline, per-

haps by as much as \$100-million, as the sterling area's restricted dollar buying policies come into effect, with the United Kingdom taking less lumber, foodstuffs, wood pulp and paper from the Dominion. The British contract for Canadian wheat is, however, safe until next July as a result of the decision at the Anglo-American-Canadian Conference in Washington to allocate \$175-million of ECA funds to Britain for this purpose.

A determined effort is to be made to increase Canada's imports of British goods. A private organization has been formed, with the blessing of both the British and Dominion Governments, to promote such imports. This organization, which is called the Dollar Export Board, has a newly-formed branch in Canada under the direction of J. S. Duncan, president of Massey-Harris Company Limited, Canada's largest manufacturer of farm implements and machinery, and one that has plants abroad, including the United States.

British trade associations, notably those made up of machinery, engineering and textile industries, have had the Canadian market under close examination for a year or more, and their sales representatives have recently come across the Atlantic in greater numbers. They

are offering their products at lower prices than before devaluation of the pound sterling and promising quicker deliveries and better parts service for machinery, etc. The expected drop in Canada's exports to Britain and the anticipated larger imports of British goods may close the sterling-Canadian dollar gap.

How It May Work

The official view in Ottawa is that if these plans are successful they will reduce Canadian import requirements of American materials and goods, at least for the time being, and, with additional exports to the United States, close or narrow considerably the Canadian-American dollar gap. Such additional exports now in prospect are mainly wood pulp and paper to be diverted from British and Continental European markets; lumber, which will also be available in larger quantity for the American market as Britain cuts her purchases of this Canadian product; gold, the production of which has been running at a rate about 15 percent above that of last year, and may be expected further to increase, as the premium on gold sales to the United States resulting from devaluation of the Canadian dollar makes mining of low-grade ore more profitable; and young cattle, as well as feed for this stock, which American farmers are already buying in substantially larger volume. In fact, the premium on American funds acts as an incentive to all Canadian exporters to direct more of their materials and goods to the American market.

Moreover, the Dominion Government is to continue its efforts to negotiate a new trade agreement with Washington providing for further tariff reductions, and has already made inviting moves in this direction by lifting the ban on the importation of certain American fruits and vegetables and by following the lead of the United States in granting trade concessions to all other signatories of the Geneva agreement.

(CONTINUED ON PAGE 18)



"But I need clothes to get married, and isn't a husband a good investment?"

When a Teller Needs a Friend



He'll find it in the new Monroe Savings Pass Book Posting Machine.

Good reasons, too, why this versatile, hard-working Monroe is a banking favorite.

It increases a teller's efficiency . . . enables him to handle more transactions, swiftly, accurately, efficiently, and with less waiting time at windows. It streamlines business . . . improves both employee and customer relations.

All for a cost so low the Monroe Savings Pass Book Machine quickly pays for itself.

Write today for a folder that tells the story of how this new Monroe saves time, trouble, and money . . . makes it possible to handle more business with less trouble. It's well worth reading.



MONROE
Savings Window Posting Machine

Monroe Calculating Machine Company, Inc., General Offices, Orange, New Jersey



118th Annual Statement

THE BANK OF NOVA SCOTIA

Established 1832

Condensed General Statement as at 31st October, 1949

ASSETS

Cash, clearings and due from banks	\$146,323,614.36
Government and other public securities not exceeding market value.....	264,179,655.72
Other bonds and stocks, not exceeding market value.....	24,950,731.03
Call loans (secured).....	38,234,652.46
Other loans and discounts (after full provision for bad and doubtful debts).....	302,166,945.47
Liabilities of customers under acceptances and letters of credit (as per contra).....	15,560,120.91
Bank premises	8,557,535.51
Shares of and loans to controlled companies	5,483,309.04
Other assets.....	852,136.84
	<u>\$806,308,701.34</u>

LIABILITIES

Notes in circulation.....	\$ 1,224,016.91
Deposits	749,190,264.43
Acceptances and letters of credit outstanding	15,560,120.91
Other liabilities.....	773,605.56
Capital	12,000,000.00
Reserve fund.....	24,000,000.00
Dividends declared and unpaid	363,668.54
Provision for extra distribution	360,000.00
Balance of profits, as per Profit and Loss Account	2,837,024.99
	<u>\$806,308,701.34</u>

CAPITAL
\$12,000,000

RESERVE
\$24,000,000

GENERAL OFFICE : TORONTO, CANADA

Branches across Canada and in

JAMAICA • CUBA • PUERTO RICO • DOMINICAN REPUBLIC
LONDON, ENG., 108 Old Broad St. • NEW YORK, 49 Wall St.

AMD-2

(CONTINUED FROM PAGE 16)

Negotiations with the American authorities will also continue in an effort to reach an agreement on the exchange of military material.

The Canadian Budget

The Dominion Government's budget for the fiscal year ending next March, parliamentary approval of which was deferred by the general election last summer, was again brought before the House of Commons in slightly revised form. The Minister of Finance estimated moderately higher revenue at about \$2½-billion and expenditures, somewhat greater than were first expected, at approximately \$100-million less than receipts. The tax reductions announced last spring on personal incomes are to stand. In addition, the sales tax is to be removed on all fuel oils and a 10 percent tax credit on common share dividends is to include those on preferred stocks. Some modifications have also been made in depreciation allowances for corporation income tax purposes.

Several annual financial statements of Canadian banks have made their appearance and these indicate the assets of the commercial banks have reached a new peak, with a corresponding rise in deposits. The major feature running through all these statements is that security portfolios are only slightly above those in 1948 and that commercial loans have increased quite substantially, this upturn being largely responsible for higher earnings.

Gordon Heads Railway

Donald Gordon, deputy governor of the Bank of Canada (Canada's central bank), assumed on January 1 the presidency of the Canadian National Railways, the Dominion's publicly-owned rail system.

Apparently Mr. Gordon was appointed president of the Canadian National Railways to undertake reorganization of its complicated and top-heavy financial structure, the result of consolidating several different lines into one system.

He takes over his position from R. C. Vaughan, a railroader of over 50 years' experience who, with his predecessor, Sir Henry Thornton (of American birth and early railway training) put the Canadian National on a good operating basis.

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Closet Dweller

A lot of small homes and stores haven't got much room for heating equipment, and a lot of apartment buildings prefer to have each dwelling unit heated individually. Thus even spare closets or alcoves frequently must be used to accommodate central heating equipment.

And this brand new oil-fired air conditioner by American-Standard . . . the Winterglo . . . is specially designed to fit into just such small spaces and do a bang-up job of heating in spite of cramped quarters.

The Winterglo is amazingly compact. It's good-looking. It's factory-assembled and pre-wired. It can be installed quickly and easily. And it's equipped with an Arcoflame Oil Burner, at your option, for maximum efficiency and economy.

In fact, the Winterglo is one more convincing proof that American-Standard spares no pains to provide special solutions to special problems . . . whether in heating or plumbing, whether in residential, commercial or institutional buildings. That's why the name American-Standard assures you of quality products in properties that you manage or appraise.

American Radiator & Standard Sanitary Corp.
P. O. Box 1226, Pittsburgh 30, Pennsylvania



Look for this Mark of Merit

AMERICAN-Standard
First in heating . . . first in plumbing

Serving home and industry: AMERICAN-STANDARD • AMERICAN BLOWER • CHURCH SEATS • DETROIT LUBRICATOR • KEWANEE BOILERS • ROSS HEATER • TOMAWANDA IRON

Beauty Contest in Ft. Worth



THE WINNER—Two poses of Jo Ann Moore, chosen "The Most Beautiful Bankerette in the World"

BANKING received a letter from the Ft. Worth National Bank, home of beauty and scene of precedent shattering. The letter said:

"Some time ago Billy Rose is alleged to have said: 'The most beautiful women in the world are Texans.' Whether he said it or not, the statement is logical and the record defies denial.

"On this premise, our Bank Family, here at the Ft. Worth National, has selected from our midst 'The Most Beautiful Bankerettes in the World.' The enclosed photographs bear testimony to the wisdom of our selection."

The "enclosed photographs" are the ones which BANKING reproduces here. A newspaper release issued by the bank appears in "Just a Minute" on page 6 of this issue.



Dorothy Jackson



Evelyn Slaughter



Leota Forester



Patsy Moses



Virginia Horton



Marie Olson

Tradition-Breaking in Texas

A Bank Night in Dallas

EVERY Monday night, from early spring to late fall, for the past three years an average of 175 people have visited one bank to find out what makes it tick.

There are no jackpots to be won, and no dishes are given away at this "bank night." In fact, the opportunity to peep behind the scenes is not advertised outside the bank's walls. Yet more than 35,000 visitors have left home after supper, in all kinds of weather, just to make the weekly tour through the Mercantile National Bank of Dallas.

"Given the opportunity, people are eager to learn more about how a bank operates," says Rex V. Lentz, director of the bank's special services department. He should know, because he not only originated the tour program but has personally supervised the Monday night visits since their inception. If additional proof is

needed, Mr. Lentz will point out that more than 50 percent of the 14,391 people who visited the bank when it recently celebrated its 33rd anniversary took the guided tour.

"When it is realized that we've been running this tour for three years, and that even now more than 7,000 people in one day want to look over the bank, there can be no doubt that the public is interested in banks and their operations," he says.

The tour starts promptly at 8 o'clock in the bank's 200-seat auditorium. First order of business is to collect postal cards which have been distributed to visitors for their signatures. These cards are used afterwards to check against the bank's customer accounts; thus they provide a reliable estimate of the tour's practical value. That the tour is worthwhile can most realistically be demonstrated by the fact that de-

posits have doubled since the bank moved into its present location, the 30-story Mercantile Bank Building, in downtown Dallas, six years ago.

Next, out-of-town visitors are asked to name their home towns. Into a large wall map, one of Mr. Lentz's assistants sticks pins which mark these home towns. The visitor whose home is most distant from Dallas, one of the assistants, solemnly introduced as vice-president in charge of prizes, gets the only award of the night—a double-scoop ice cream cone. Sometimes the cone goes to a businessman from Delhi, India, again to a couple from Denmark, or other far away places.

The visitors are divided into groups, each under the care of the assistants, for the tour which takes them all the way from the sub-basement to the penthouse. Since the bank recently increased its space to

HELLO AND GOODBYE—At left, visitors arrive for the tour on the bank's escalators. Right, at the end of the evening, Rex V. Lentz, director, special services department, waves goodbye to a group at the elevators



"Suitable" and "Answerable"

These are the two words which Roget's Thesaurus offers as basic synonyms for "Correspondent". They are eminently fitting. Certainly they describe the attributes of a Correspondent Bank which must be suitable in its character, location and facilities, and answerable for prompt and efficient service.

Combining the most modern methods and equipment with an old-fashioned spirit of helpfulness, the Central-Penn is serving many distinguished banks in all sections of the country. We should be pleased to have an inquiry from you.

**CENTRAL-PENN
NATIONAL BANK**
OF PHILADELPHIA

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

**SCUDDER
STEVENS
& CLARK
FUND, Inc.**

Price:
Net asset value

Prospectus on Request
10 POST OFFICE SQUARE
BOSTON 9, MASSACHUSETTS



The tour opens with a welcome by Mr. Lentz in the bank's auditorium

60,000 square feet, the visitors cover a lot of territory.

They go below the street level to see the two vaults. Then the tourists move to the modern lobby to see the dramatic wall murals, work of Buck Winn, which required 5,000 different pieces of natural wood; the bullet-proof glass on the tellers' cages, and the lobby depository for customers in a hurry.

The visitors are shown the special windows for women customers. And they nod appreciatively when they see the special window for young depositors. It's approached by a ramp, in order that little folks can conduct their banking affairs on a face-to-face level with a specially-trained teller.

The techniques of "armchair banking" (banking by mail) are explained; so is the drive-in service which is now used by an average of 8,500 commercial customers every month. The visitors study the new posting machines recently installed in the savings department. They learn that over 2 million items a year are handled through the various time-saving facilities provided—night deposits, lobby deposits, bank-by-mail, drive-in, etc.

Back-stage operations are included in the tour. The work of the mailing room, the photographing machines, bookkeeping, and other specialized departments is explained in clear, everyday language. The tour ends in the bank's penthouse where

soft drinks are served. Often entire families take the tour, and the youngsters get a thrill when they look down on Dallas from 439 feet above the sidewalk.

Mr. Lentz and his men have been pointing and explaining for three years now, to 35,000 visitors. And there's no sign of a let-up in interest to date!

The bank's "at home" on the occasion of its 33rd birthday climaxed a weekend of anniversary celebration. Included in the program were two broadcasts (one on-the-spot during the informal opening), and a banquet for 600 banking officials from all over the Southwest. There were flowers for the ladies and souvenirs for every member of the visiting families. Board Chairman Robert L. Thornton and President Milton Brown, all officers and directors, and the bank's 398 employees were on hand to mingle with the guests and conduct them on guided tours of the newly enlarged, modern offices.

Mercantile National opened for business with deposits of \$12,906.49. Today deposits approximate \$200-million.

V. A. LISTON

The trouble with too many persons today is that they want to eat their cake and have yours too.

When you apologize you always have the last word.



To YOU Mr. Sales Manager

When an industrial concern is seeking a new plant site for production or distributing purposes, it's natural for the Sales Manager to ask, "How about available consumer markets and distribution facilities?"

In the eleven states served by Union Pacific . . . from the west coast east to the Missouri River . . . there is a constantly growing consumer market close at hand.

The matter of rail transportation presents no problem. There are many available plant sites on or near Union Pacific trackage.

For new markets, excellent transportation, available raw materials, low-cost utilities, high-grade labor, the "Union Pacific West" merits serious consideration.

• • • •

To obtain complete, confidential information on available plant sites, write Industrial Department, Union Pacific Railroad, Omaha 2, Nebr.



BE SPECIFIC: *Ship* UNION PACIFIC



Heard Along Main Street

Valley National Changes

CARL A. BIMSON, who has been senior vice-president of Arizona's Valley National Bank, is now executive vice-president.

Vice-president JAMES F. HOUSTON, manager of the bank's operations in Tucson, and Vice-president LOUIS G. GALLAND, in charge of the agricultural and livestock department at Phoenix, have been made senior vice-presidents. W. R. HAFFORD and C. H. PATTEN, of the main office in Phoenix, and JOHN P. HAGAN, Tucson, were promoted to vice-presidencies.

Mr. BIMSON is a brother of WALTER R. BIMSON, president of the Valley National.

CHARLES E. SPENCER, JR., chairman of The First National Bank of Boston, was guest of honor at the 1949 Boston dinner of The Newcomen Society of England. Mr. SPENCER, a vice-president of the Society's New England Committee, made an address dealing with the beginnings and growth of the First, founded in 1784. His paper has been published as a brochure. Mr. SPENCER was introduced at the dinner by LLOYD D. BRACE, president of the First and associate treasurer of the New England Committee in American Newcomen.

NATHAN C. LENFESTEY, vice-president and cashier of The National City Bank of New York, recently celebrated the 30th anniversary of his appointment as cashier. After attending DePauw University and graduating from Dartmouth, Mr. LENFESTEY joined the bank staff in 1917 and was appointed cashier November 25, 1919, and vice-president and cashier July 23, 1940. His early training included a period with the Grant Trust & Savings Company of Marion, Indiana. He is a director, vice-president, secretary and trea-



C. A. Bimson



N. C. Lenfestey

surer of the International Banking Corporation, and an officer of The National City Safe Deposit Co.

Banker Is Treasurer of State Fair

IF there were a contest for unusual ways in which to spend one's vacations, ROY C. SORENSON, of Minneapolis, would probably take a prize. Jokes about the busman's holiday would be right in order for him.

Mr. SORENSON, assistant cashier at the Northwestern National Bank, has spent his last 31 vacations handling money at the Minnesota State Fair. He was first appointed a cashier at the fair back in 1918 by the late LEE M. POST, former officer of Northwestern National, who was in charge then. After 16 years as cashier, Mr. SORENSON became deputy treasurer and in 1949 became treasurer.

Fair time no longer means ferris wheels, cotton candy, and sideshows to Mr. SORENSON, but merely an avalanche of tickets and a horde of ticket-salesmen. He handles more than \$60,000 in small change during the 10-day fair. He has more than 110 helpers, some of them bankers on vacation like himself, to handle the ticket sales.

(CONTINUED ON PAGE 26)

On his return from San Francisco after election to the presidency of the American Bankers Association, F. Raymond Peterson, chairman of the First National Bank and Trust Company of Paterson, N. J., was presented with an automobile by the directors of his bank. The photograph shows Mr. Peterson receiving the keys to the car from Leon Pierce, chairman of a board committee named by Bank President Benjamin P. Rial to select a gift for the chairman. Other members of the committee shown are, l. to r., Frank Davies, William Toll, and Richard E. O'Dea



Bradford Bachrach

BANKING

Your Bank's Investment
Portfolio . . .
in the light of present conditions



A timely service extended to correspondents by the Chase is the study and analysis of a bank's portfolio of U. S. Government and other securities.

Specific recommendations are made based upon the bank's overall investment position and particular requirements.

The experienced staff and specialized facilities long maintained by the Chase for reviewing investments have proved valuable to banks throughout the country.

Advice and information on investments is only one of the many helpful services that Chase offers to its correspondents.

Among other services to correspondent banks are:

Credit Information on firms and individuals, here and abroad

Quarter-hour and half-hour mail pick-up service around the clock

Quick collection of checks, notes, drafts, coupons and called and matured bonds

Participation in local loans with correspondent banks

Dealers in State and Municipal Bonds

Execution of orders for purchase and sale of all classes of securities

Analyses of investment portfolios . . . Safe-keeping of securities

Expediting foreign transactions through branches and correspondents overseas

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

Behind the Scenes With YOUR INSURANCE COMPANY

Behind the scenes in your insurance company is a ceaseless activity called loss prevention. Day and night this service operates, preventing or limiting losses which, if unchecked, would run into millions of dollars and seriously affect the business community.

blueprint for BANK ROBBERY



In a large midwestern bank, plans were being made to remodel the vaults. When the plans reached the blueprint stage they were examined by American Surety Group's bank protection specialists. To the trained eyes of these men it was at once apparent that while adequate security would be provided for customer-owned property, the vault space for the bank's own property would be temptingly exposed. Our bank protection men knew that they were looking at a blueprint for bank robbery!

Through this example of loss prevention service, a potentially dangerous plan was abandoned, new and safer arrangements were substituted, and the robbery hazard brought down to normal.

By reducing the risk of loss in all types of business, our loss prevention service not only gives greater protection to the insured, but also helps to keep insurance costs down so that more people and more businesses can have insurance protection. Loss prevention service is an integral part of the insurance protection available through every one of our agents and brokers.



AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY
SURETY FIRE INSURANCE COMPANY
"Dependable as America"

100 Broadway, New York 5, N. Y.



Minneapolis Tribune

R. C. Sorenson

(CONTINUED FROM PAGE 24)

However, Mr. SORENSON must get away from banking and finance at some time, so after the fair books are in order and the ferris wheel and cotton candy are memories, he packs up his fishing gear and is off for Birch Lake, near Hackensack, Minnesota, for a fishing trip.

GEORGE B. PEARSON, JR., formerly an associate judge-at-large of the Delaware judiciary, has joined the staff of the Wilmington Trust Company as a vice-president in the trust department. Judge PEARSON served on the state bench for 10 years prior to his recent resignation to accept the bank position.

The French Government has awarded to SAXON C. BARNES, an assistant vice-president of The National City Bank of New York, the Order du Mérite Commercial for outstanding service in business. Mr. BARNES, who is at the bank's 51st Street branch, has worked closely with French officials and business men during the last 10 years to promote Franco-American trade. The award was presented by Raymond Dreux, commercial counselor of the French Embassy, at a New York luncheon of the French Chamber of Commerce in the United States.

SHERBURN M. DRIESSEN, assistant vice-president and assistant trust officer of the Marshall and Ilsley Bank of Milwaukee, was recently elected president of the Corporate Fiduciaries Association of Wisconsin. CLARENCE LAMBRECHT, vice-president and trust officer of the

(CONTINUED ON PAGE 28)

more profit per acre . . . more output per man

with the **New Automatic**

OLIVER BALER



Hay, one of the greatest soil conservers, is grown by more farmers than any other harvested crop. But, unfortunately, it is one of the most perishable and most abused of all common crops. Delay in cutting reduces nutrient content . . . rain bleaches out the feeding value . . . over-exposure to the sun destroys much of the carotene.

Thus, risks involved in putting up hay places a premium on speed . . . and *efficient equipment!* That's why the new, fully automatic Oliver Model 8 Bale Master is one of the finest crop-saving machines a

farmer can buy. It enables one man to put up four to five tons of *high quality* hay per hour. Here's a machine that not only increases output per man but boosts profits per acre!

Building a baler that's reliable and fast is only one of the *advanced* Oliver implements that are meeting the demand for modern machines to follow advanced farm practices. To provide the farmer with power and equipment that make his operations more profitable is the primary objective of The Oliver Corporation, a pacemaker in farm machinery design.

THE OLIVER CORPORATION 400 West Madison Street, Chicago 6, Illinois



OLIVER

"FINEST IN FARM MACHINERY"



Oliver "66", "77" and "88" Tractors are built in 6 basic types and 8 variations



An outstanding feature of the new, automatic Oliver baler is the simplicity of construction. It's typical of the soundness of Oliver engineering. The automatic wire-tying unit is easy to service . . . easy to get at. Replacing a spool of wire takes only a few minutes of the farmer's time.

COLOMBIA

Presents Extensive Opportunities

Colombia, among the leading countries of South America in trade with the United States, will offer increasing opportunities in the years ahead for travel, export and import trade, and development of new or expansion of existing local industries.

Increasing numbers of forward-looking banks and business organizations in the United States are establishing correspondent relations in Latin America, notably with Colombia. Many of them are taking advantage of the exceptional and complete banking facilities provided by this 37-year-old institution.

With 23 offices in all commercially important parts of the country, trade information is quickly gathered and forwarded to you. Special departments for handling collections and letters of credit.

Inquiries cordially invited.

BANCO COMERCIAL ANTIOQUEÑO

Established 1912

Cable address for all offices—*Bancoquia*

Capital paid-up: \$10,000,000. — Pesos Colombian

Reserves: \$10,300,000. — Pesos Colombian

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia, Barrancabermeja, Barranquilla, BOGOTA, Bucaramanga, Cali, Cartagena, Cartago, Cucuta, Girardot, Magangué, Manizales, Montería, Neiva, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Velez.

New York Representative—Henry Ludeke, 40 Exchange Place, New York 5, N. Y.

OPERATION ELBOWROOM

This month our St. Paul plant moves into new quarters. Just completed is a nice, one-story structure containing 43,000 square feet and, qualitatively, on a par with our Chicago and Kansas City buildings.

Despite several additions constructed during twenty-seven years of occupancy, we finally outgrew our old building and, while we leave it with reluctance, we are happy to get off each other's shoulders and have room to stretch. Needless to say, we invite any bankers to visit us when they are in the Twin Cities . . . and especially on Saturday, February 18th, when we will have our formal opening.

As a part of our building program we plan to break ground for a new small plant in Paoli, Pennsylvania, which is much needed to relieve our New York

plant. Later on, perhaps in 1951, we hope to build another small unit near Boston, also needed to take some of the load off New York.

We do not look upon these projects as constituting an expansion program, but rather as a decentralizing of manufacturing operations in the interest of dependable service. During the war we learned the importance of the multiple plant setup, when on many occasions we switched orders to speed up service.

As more and more banks encourage their customers to use imprinted checks, the question of fast, professional service will become paramount. We will be ready with experienced people, specialized machinery and well-built plants. Whether you send us one order, or a hundred thousand, we will continue to provide top-notch service.

De Luxe
CHECK PRINTERS
Since 1892

Manufacturing Plants at:

NEW YORK, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

(CONTINUED FROM PAGE 26)

First National Bank, Oshkosh, is vice-president of the association, and LEO ANDERSON, First National Bank of Janesville, is secretary-treasurer.

CARL E. SCHIFFNER, vice-president of The First National Bank of Chicago in charge of a lending division, has retired after 43 years of service. Vice-president CLARENCE E. ROSS succeeds him as division head.

Banker-Artist

HARRY H. HEMINWAY, president of the Watertown (Connecticut) Trust Company, has turned to painting as a pastime because, at 80 years of age, he can no longer go horseback riding.

MR. HEMINWAY, who is modest about his progress since he began dabbling with brushes and oils in 1948, has done a number of landscapes and familiar Watertown landmarks. He also has made a painting of his home in which the Heminways have lived for four generations.

When he recently celebrated his 80th birthday, the anniversary was just another day for him. He spent a half-day at the bank, a practice he has followed since he became president in 1920. He has been a director since the bank was founded in 1912.

The tall, husky businessman also keeps close contact with the Heminway Corporation, Waterbury, a printing firm and manufacturer of paper boxes. He bought the business in 1901 and is now chairman of the board.

He plays an occasional round of golf. His formula for longevity and good health: "Keep Busy."

Harry H. Heminway





F. E. Agnew, Jr.



R. F. Murray

FRANK E. AGNEW, JR., who has been a vice-president and head of the investment department of the General American Life Insurance Company, becomes vice-president of the Boatmen's National Bank of St. Louis on January 2. Mr. AGNEW, with the insurance company for 16 years, was previously connected with the Continental Illinois National Bank and Trust Company and the Morris Plan Corporation of New York.

ROGER F. MURRAY, a vice-president of Bankers Trust Company, has been elected a trustee of The New York Savings Bank.

The Hempstead (New York) National Bank received more than 3,000 new accounts and personal loan applications on the day it opened a new office in Levittown, an all-veteran community of 35,000 residents. The branch's facilities include a drive-in window and a baby carriage window.

Bankers serving on the 1950 finance drive for Greater New York Council, Boy Scouts of America, include WILLIAM R. WHITE, vice-president, Guaranty Trust Company; J. EMERSON THORS, partner of Kuhn, Loeb; and E. NEWTON CUTLER, assistant vice-president, National City Bank of New York.

GILBERT C. SAVIDGE is now an assistant vice-president of the First National Bank of Philadelphia. HARRY C. PLEWS, ROBERT D. FRANKLIN, and WILLIAM G. GARSEDE are new assistant cashiers.

LaSalle National Bank of Chicago announces that arrangements have been completed toward acquisition of the trust business of the Metropolitan Trust Company.

Bank of California, Los Angeles, has promoted E. M. CARVER to assistant vice-president and D. S. LOCKIE to assistant secretary.



Will an embezzler spend the money you lend?

Bankers who grant loans to commercial firms are faced with the fact that should a borrower suffer a serious embezzlement loss, it may be impossible for him to meet his credit obligations.

Thus, with employee dishonesty losses on the increase, more and more bankers are insisting that their commercial borrowers be adequately protected against this business hazard.

For expert assistance in checking the form and sufficiency of your borrowers' dishonesty insurance, consult your local F&D representative. This added precaution costs you nothing—it may save you thousands.



FIDELITY, SURETY AND BANKERS
BLANKET BONDS; BURGLARY AND
OTHER NEEDED FORMS OF INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

FREDERICK V. PORTZ, executive vice-president of the First National Bank of Riverton, Wyoming, died November 10. Mr. PORTZ was a member of the A.B.A. Executive Council, of the Agricultural Commission's Agricultural Outlook and Marketing Committee, and of the Federal Legislative Council, where he served as state chairman for Wyoming.

Several thousand persons attended the opening of the new head office building of the Union National Bank of Pasadena.

The First National Bank of East Liverpool, Ohio, recently celebrated its 75th birthday and the 60th anniversary of President T. H. FISHER's connection with the bank. Speakers at the banquet marking the two milestones included MARIE K. WOLFE, a secretary, whose subject was "That Priceless Resource." The essence of good banking service, she said, is "friendly and intelligent personal attention by officer and employee to our customers."

The Federal Reserve Bank of Minneapolis has appointed six new officers and promoted three others. The new officers are ARTHUR W. JOHNSON, CHRISTIAN RIES, MARCUS O. SATHER, GEORGE M. ROCKWELL, and CLEMENT VAN NICE, all elected assistant cashiers, and CLAYTON E. TILLANDER, who was made chief examiner. EARL B. LARSON and HAROLD C. CORE were made vice-presidents, while MAURICE H. STROTHMAN, JR., was elected assistant vice-president and assistant counsel. MR. RIES, a former Executive Councilman of the American Institute of Banking, is vice-chairman of the A.I.B.'s 50th Anniversary convention committee.

ARTHUR S. KLEEMAN, president of Colonial Trust Company, New York, is a new director of National Paper and Type Company.

EDWARD L. MAAS, formerly of Wellesley Hills, Massachusetts, has been added to the staff of the National City Bank of Cleveland as assistant vice-president in the investment division of the trust department. Mr. MAAS was with The New York Trust Company for several years.



J. J. Conway



A. C. Simmonds, Jr.



P. A. Thias



L. A. Hager, Jr.

JAMES J. CONWAY, attorney, has been elected president of the Long Island City (New York) Savings Bank to succeed the late Dr. GEORGE J. RYAN, former president of the New York City Board of Education. Mr. CONWAY has been the bank's counsel since 1925.

ALBERT C. SIMMONDS, JR., president of the Bank of New York and Fifth Avenue Bank, will head the commerce and industry division for the Salvation Army's annual fund appeal in Greater New York.

C. H. WETTERAU, vice-president of the American National Bank of Nashville, received a gold watch in token of his 50 years' service with the bank. The gift was presented by Board Chairman PAUL M. DAVIS. Mr. WETTERAU joined the staff on November 1, 1899, as a stenographer and messenger. He is a charter member of Nashville Chapter, American Institute of Banking, and a former president of the Financial Public Relations Association.

THE BANK OF ERIE, Pennsylvania, had an open house to celebrate the opening of a new drive-in and walk-up window facility.

AMERICAN NATIONAL BANK AND TRUST COMPANY of Chicago is taking over the eighth floor of its building at LaSalle and Washington Streets. The space will house operating units and a new and enlarged lounge-cafeteria for the staff.

JOHN BOYD THACHER, 2nd, has succeeded the late LOUIS F. HARTMANN as president of the City and County Savings Bank of Albany, New York.

PAUL WRIGHT, JR., has been made vice-president in charge of The Bank of Virginia's new office in Richmond. He was formerly a vice-president in the Wachovia Bank & Trust Company, Winston-Salem, North Carolina.

Thias Succeeds Hickok

P. A. THIAS, formerly vice-president of the Manufacturers Bank and Trust Company of St. Louis, succeeds JAMES P. HICKOCK as president. MR. HICKOCK becomes executive vice-president of the First National Bank in St. Louis on January 2.

LOUIS A. HAGER, JR., has been made chairman of the Manufacturers' board, a position vacant since the death of ADOLPHUS BUSCH III in 1946. MR. HAGER is executive vice-president and director of sales for the C. Hager and Sons Hinge Manufacturing Company.

MR. THIAS was made a vice-president of the bank soon after it opened in 1934, and has been in charge of the credit department since that time.

Harris Trust and Savings Bank of Chicago has elected ERNEST VAN NICE to a vice-presidency.

JOHN D. BAINER, president of the Merchants National Bank and Trust Company of Meadville, Pennsylvania, has joined the directorate of the Federal Reserve Bank of Cleveland.

RICHARD H. WELLS, formerly a vice-president of the Farmers Deposit National Bank of Pittsburgh, joined the staff of the Peoples City Bank of McKeesport, Pennsylvania, on January 1 as executive vice-president. He had been with the Farmers Deposit for the past six years, and prior to that time was with the State-Planters Bank & Trust Company, Richmond.

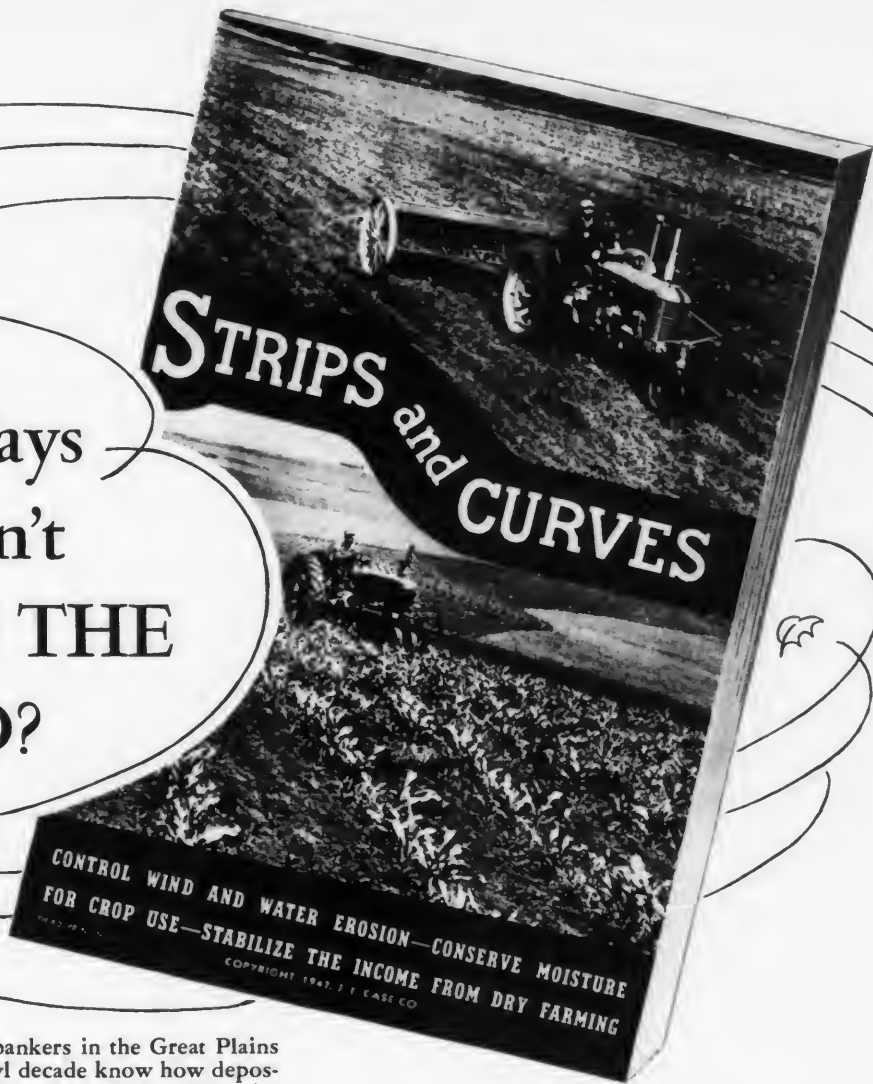
J. D. Bainer



R. H. Wells



Who Says
We Can't
TAME THE
WIND?



● You who were bankers in the Great Plains during the dust-bowl decade know how deposits dried up and collateral blew away. You who are bankers now in the semi-arid regions know the danger that looms when a dry-season cycle returns to soils over-tilled for war-time and postwar production.

Here is a booklet to inspire and encourage farmers wherever soil-blowing is part or all of their erosion problem. In vivid pictures it shows how their soils are vulnerable to both rain and wind. It points out how ridges and furrows, vegetative cover, stubble-mulch farming, strip cropping and contouring, grasses and legumes,

have each its own power to temper the fury of wind and water.

In its sixteen pages, mostly pictures, "Strips and Curves" has no room for tedious technology. It just shows the need of things to do, and their actual doing on actual farms. It gives full credit to the Soil Conservation Service, and urges that farmers look to the same source for technical counsel.

We'd like you to see a copy of "Strips and Curves." If you can use it to foster better farming practices in your area, we'll gladly send you a supply. And please remember—Case believes that the financing of farm machinery is business that belongs to local banks. J. I. Case Co., Racine, Wis.

FULL-COLOR MOVIES

Motion picture films with sound are available in 16 mm. size for showing to schools, civic groups, farmer meetings, conservation clubs, etc. Some of the subjects are terracing, contour farming, pond-building. Send for latest edition of "Visual Education Materials"—a catalog of Case films, booklets, wall charts. Address Educational Division, J. I. Case Co., Racine, Wis.

CASE





Millard Fillmore

The Last of the Whigs...

... MILLARD FILLMORE of New York was a customer of Corcoran & Riggs while serving as the Nation's 13th Chief Executive. Fillmore became President upon the death of Zachary Taylor in 1850 and was the final member of his party to hold that office.

A draft to Fillmore's order drawn shortly after he retired to his native Buffalo, and his signature of endorsement, are shown above.

Through almost forgotten phases of American political life, the RIGGS banking tradition has served the people of Washington and the Nation for more than a century.

In 1950 as in 1850, the name of Washington's Largest Bank denotes CONTINUITY... CHARACTER... STRENGTH.



*In 1853 the citizens of Washington
tendered Fillmore a complimentary dinner
for having done so much for
the City Beautiful.*

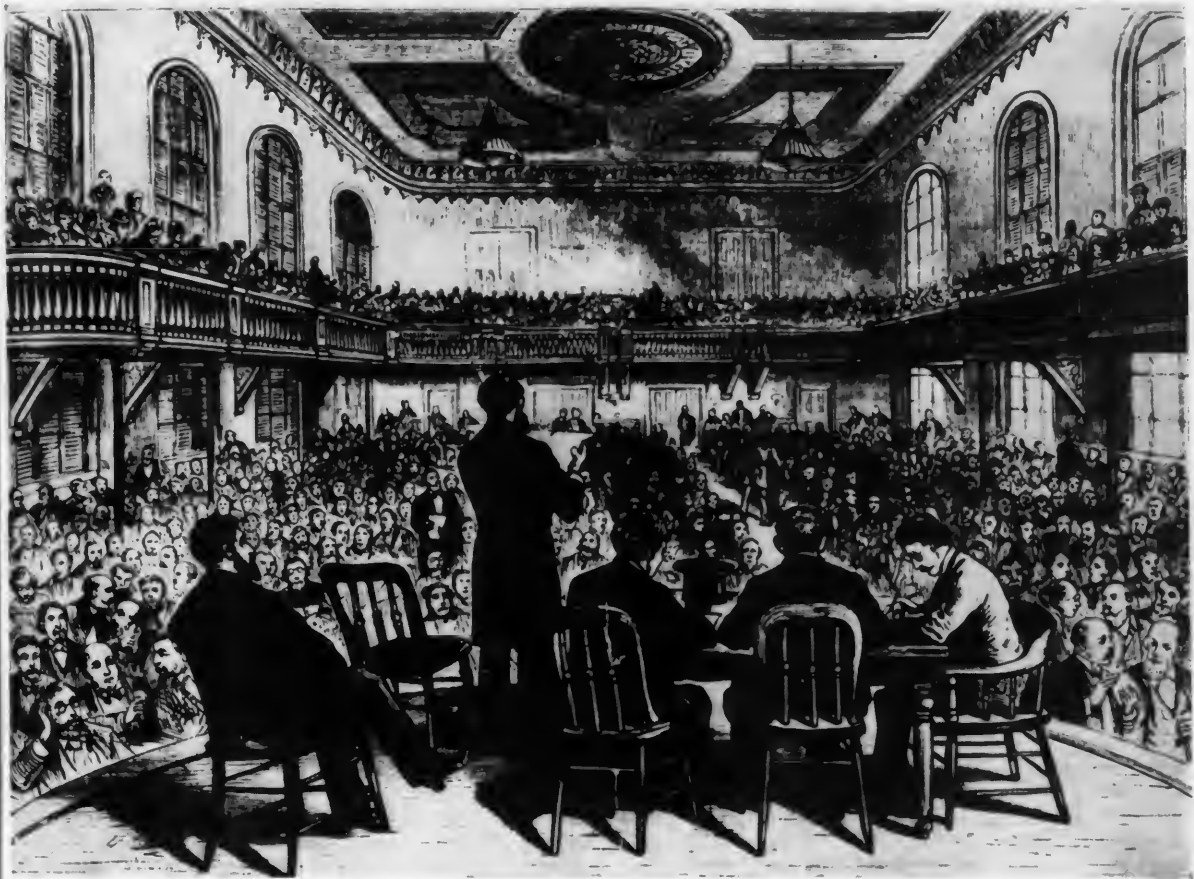
The RIGGS NATIONAL BANK of WASHINGTON, D. C.

FOUNDED 1836 • RESOURCES OVER \$300,000,000

COMPLETE BANKING AND TRUST SERVICE

Member—Federal Deposit Insurance Corporation

Member—Federal Reserve System



The old town hall at Saratoga Springs, New York, scene of the meeting of bankers in 1875 which led to formation of the American Bankers Association. The drawing above shows the 1878 meeting of the Association, held in the same place

The First 75 Years

Highlights in the History of the American Bankers Association

This chronology of the American Bankers Association was prepared largely by WILBERT M. SCHNEIDER, chairman of the Department of Business Administration, Walla Walla College, College Point, Washington. Mr. SCHNEIDER is preparing a doctoral thesis on the history of the A.B.A., from which most of these facts were taken.

JANUARY 1875, St. Louis, Missouri: Two tired but happy bankers, Messrs. James T. Howenstein, cashier of the Valley National Bank, and Edward Cruft Breck, cashier of the Exchange Bank, joined after office hours as fraternal associates to walk home

together. Upon observing a conspicuous sign above the Mercantile Library Hall announcing a "Woman's Suffrage Mass Meeting," Mr. Howenstein exclaimed: "If women can get together to heal their sorrows and woes, why cannot bankers get together to shoo their sorrows?"

May 24, 1875: Seventeen optimistic bankers assembled at Barnum's Hotel, 434 Broadway, New York, upon the invitation of Mr. Howenstein, for the purpose of putting "their heads and hearts together to bring into a union of business interest and hearty affection the bankers of our country for a better bankerhood and a nobler manhood."

July 20, 1875: Approximately 350 bankers from 32 states and territories assembled in Town Hall, Saratoga, New York, as a result of the invitation sent out to all banks recommending that an association of bankers be organized. Filled with expectancy, a committee was chosen to effect plans for a permanent unified association.

October 3, 1876: A permanent organization was created and named The American Bankers Association at a national convention held at the Bankers' Building in the Centennial Exposition Grounds in Philadelphia.

February 7, 1877: A deputation of the Association appeared before the House Ways and Means Committee to appeal the removal of the onerous Civil War taxes afflicting banks.

January 1, 1879: Specie resumption became a reality. (Had been sought by the A.B.A. since its beginning.)

August 1-12, 1881: Constitutional provision was made for the creation of a Standing Protective Committee to look after the detection, prosecution and punishment of persons attempting or causing loss by crime to any member.

August 13, 14, 1884: A good financial library was urged that would attract scholars.

The inauguration of an educational program, based on the London Institute of Bankers, was recommended whereby young bankers could become associate members upon the completion of five years of service in a bank, completion of certain course work,

and the passing of examinations. (The plan failed to materialize.)

August 11, 12, 1886: Currency question became very explosive. Suspension of the coinage of silver dollars as required under the Bland-Allison Act of 1878 again urged.

September 2, 1890: Executive Council adopted a resolution disclaiming responsibility "for the opinions expressed in any of the addresses, or papers printed, unless such opinions [had] been endorsed by special action of the Council and Convention." This action was taken as a result of the heated controversy that arose over the currency issue.

A committee was appointed to encourage the establishment of schools of finance and economy among institutions of learning.

November 11, 12, 1891: The Standing Protective Committee offered rewards in no case to exceed \$1,000.

The Association voted to permit state associations to be represented by a delegate with all privileges of other delegates including the right to vote. A serious crisis had arisen within the Association. Dissatisfaction from numerous sources stressed the importance of bringing state associations into a more organic relation to the general Association.

October 18, 19, 1893: Association resolved that Congress immediately repeal the silver purchase clause of the Sherman Silver Act.

October 19, 1894: Association designated September 1 as the beginning of a new fiscal year.

Authorization granted for the employment by the

Delegates to the first annual convention of the American Institute of Bank Clerks, in Cleveland, September 18 and 19, 1903



Protective Committee of a detective agency of national repute. Services of the Pinkerton National Detective Agency engaged to apprehend and pursue criminals perpetrating fraud against a member of the Association.

September 22-24, 1896: By-Laws changed to provide for the establishment of the Trust Company Section for the general purpose of securing uniformity of action by means of an interchange of ideas.

Association took a hand in state legislation by appointing the Committee on Uniform Laws to work on the Uniform Negotiable Instruments Act, and in general to effect uniformity in financial and commercial laws throughout the states.

The Association appointed a Bureau of Education to educate the public concerning "the banks' true relationship to commerce and the people." The work of this committee was referred to by a member in 1898 as *The Prejudice Killer*.

August 23-25, 1898: Growth of the Association's membership attributed to the success achieved by the Protective Committee and the Pinkerton Detective Agency.

The question of "branch banking" arose for the first time, but failed to sound out the Association's views.

The Committee on Fidelity Insurance established "to inquire into the rates of surety bonds and to recommend a standard form of policy."

September 5-7, 1899: Committee on Education again reported at length on the operations of the Institute of Banking of London in considering establishment of a similar organization in the United States.

Insurance Committee announced its first copyrighted fidelity bond known as the American Bankers Association Copyrighted Standard Form of bond.

October 2-4, 1900: In answer to the "cry out of Macedonia" coming from bank clerks, the convention of the Association in Richmond, Virginia, unanimously voted to organize and sponsor an institute of bank clerks. With the formal signing of the articles of association on March 23, 1901, the American Institute of Bank Clerks was born.

November 11-13, 1902, New Orleans, La.: A Savings Bank Section was organized to embrace all matters of particular interest to savings banks.

The organization of Secretaries of State Bankers' Associations was formed.

The Fidelity Insurance Committee suggested a plan whereby the fidelity insurance business be handled by the A.B.A. (Subsequent suggestions of a similar nature were made at regular intervals.)

September 14-16, 1904: Committee on Bank Money Orders completed arrangements with the American

Surety Company to guarantee the payment of all money orders drawn on the adopted form.

A.B.A. president authorized to appoint a committee to devise and prepare a telegraphic code for exclusive use by A.B.A. members. (Code was completed during the following year.)

October 10-13, 1905: Executive Council of A.B.A. established the Clearing House Conference Committee as an outgrowth of an organization called together by the Michigan Bankers' Association on September 6, 1899. It was organized as the Clearing House Section in 1906.

Committee on Federal Legislation was created to protect the interests of banks and bank customers.

October 16-19, 1906: The A.B.A. through its Committee on Federal Legislation, although previously concerned with the "currency question," took the initiative for the first time in proposing a currency reform plan embodying "credit or clearance currency." This "plan" created much controversy, even among the bankers.

July 1908: The first issue of the *Journal of the American Bankers Association* was published as a result of the action taken by the Executive Council, May 1908, instructing the Secretary to publish a monthly bulletin, devoted to the affairs of the Association.

September 23-October 2, 1908: American Institute of Banking became a Section of the Association. (Name had been changed May 1907.)

Secretary of the A.B.A. was instructed to gather a financial library, composed of books and pamphlets on financial questions of fact.

The Office of General Counsel was created upon the recommendation by the Savings Bank Section and the Standing Law Committee which had been created in 1905 to unify the work of several other committees working toward a uniformity of state laws.

A Finance Committee of 10 appointed, to which were to be submitted all requests for appropriations which would enable the preparation of an annual budget.

The Association for the first time registered opposition to the establishment of postal savings banks and the guaranteeing of bank deposits by either Federal or state governments.

August 2, 1909: The Protective Committee became a full-fledged Protective Department under the direction of a full-time manager. Within the following year the Protective Department engaged the services of the Wm. J. Burns International Detective Agency, Inc., and discontinued the services of the Pinkerton Detective Agency.

October 3-7, 1910: The State Secretaries Section was authorized as a section of the A.B.A.

The *Bulletin*, published by the A.I.B., and the *Journal of the American Bankers Association* were consolidated to "create a livelier interest in their contents."

May 1911: The Executive Council of the A.B.A. unanimously adopted the plan for monetary legislation as suggested by the Honorable Nelson W. Aldrich and modified by the Currency Commission of the A.B.A. The "plan" as finally revised in suggesting the establishment of a Central Reserve Association, October 1911, was wholeheartedly accepted by the convention held in November 1911. The year 1911 saw widespread activity in promoting the monetary legislation proposed by the National Monetary Commission under the direction of Senator Aldrich. The Currency Commission of the A.B.A. had worked closely with the National Monetary Commission.

October 1911: The A.B.A. Library was officially begun with an appropriation of \$50, a pile of magazines on the floor, and about 200 books previously collected.

November 20-24, 1911: The Committee on Agricultural and Financial Development and Education was appointed to stimulate interest in agricultural achievement.

October 7-10, 1913: On the eve of the passage of the Glass-Owens Bill providing a Federal Reserve System, convention delegates, although disheartened and somewhat chagrined over the displacement of the Central Reserve Association plan, commended the President, the Secretary of the Treasury, and Congress for their efforts "to give this country an elastic as well as a safe currency," and pledged their hearty support toward the enactment of the bill as modified by the Currency Commission.

The Agriculture Committee was given commission status. Its publication known as the *Banker-Farmer* made its appearance during this year.

October 12-16, 1914: Department of Public Relations provided to secure for bankers more favorable publicity.

September 9, 1915: Convention held in Seattle approved the formation of the National Bank Section. Its promoters had desired its creation since 1912.

September 25-30, 1916: Name of Standing Law Committee changed to State Legislation Committee.

The State Bank Section made its debut at the Kansas City convention as a natural development in the growth and expansion of the Association's sections.

September 24-29, 1917: Convention announced its pledge to cooperate with the Federal Government in

executing its war loan drives. For this purpose a war loan committee was created.

September 23-27, 1918: The Institute's *Bulletin* section was separated from the *Journal of the American Bankers Association* during the year 1918, and paid advertising was accepted to permit the expansion of the *Journal*.

A.B.A. became a member of the United States Chamber of Commerce.

Convention authorized the appointment of the Commerce and Marine Committee.

Administrative Committee was authorized to issue the *Journal* on a weekly basis. (This move was never considered advisable.)

July 1919: First edition of *Paton's Digest of Legal Opinions* was published with overwhelming success. It represented a composite of over 3,000 opinions expressed by the General Counsel since 1908 through the medium of the *Journal* and by letter to a multitude of bankers. (The fourth edition is now available in three comprehensive volumes supplemented with a loose-leaf service.)

The National Bank Section was granted the privilege of opening a branch office in Washington. (Now used principally by the Legal Department.)

September 29-October 2, 1919: The formation of a Public Relations Committee was authorized to take charge of all publicity, prepare advertising, and assist the various A.B.A. departments in their public relations work.

October 18-22, 1920: The Economic Policy Commission was created September 24, 1920; provision was made for the inauguration of an executive manager; Administrative Committee set up to serve between sessions of the Executive Council; the Trust Company, Savings Bank, National Bank, and State Bank Sections became divisions.

January 1921: *Publicity Bulletin*, issued by the Committee on Publicity in connection with national publicity campaign of the Trust Company Division. The *Bulletin* was devoted chiefly to trust advertising suggestions. In January 1933 the name was changed to *Trust Bulletin*, but its content was still devoted largely to trust advertising ideas. However, in September 1935 the content was converted to a different type of coverage and it became the recognized channel of communication between the Trust Division and its members. The *Bulletin* is now used to relay results of Division studies and surveys, important addresses delivered at trust conferences, and items of current interest to trust men.

October 2-6, 1922: Convention confirmed the appointment of the Agricultural Credits Committee. (Organized as the Agricultural Credit Department March

1. 1940, under the auspices of the Agricultural Commission.)

Agricultural Commission underwent a reorganization to place a representative in each Federal Reserve District. A director of the Commission was also added.

September 28-October 1, 1925: The Association celebrated its Fiftieth Anniversary by providing for the establishment of a \$500,000 Educational Foundation for economic research.

October 4-7, 1926: A stormy night session was called at the Los Angeles Convention to decide the issue of whether to endorse the McFadden bill with or without the Hull amendments. The question was simply that of restricting or becoming more tolerant toward the expansion of branch banking. (Tolerance was favored.)

September 30-October 3, 1929: The Clearing House Section, having addressed itself to commercial banking problems in the past few years, was theoretically dissolved and in its place was established the Commission on Banking Practices and Clearinghouse Functions. (Its name was changed May 5, 1930, to Bank Management Commission.)

Association vociferously opposed the over-expansion of banks, and called for laws to increase capital requirements.

Branch, chain, and group banking became a much discussed subject.

October 1931: The Trust Company Division was renamed Trust Division.

October 3-6, 1932: There arose a demand for the establishment of a study program to permit the 16,000 A.I.B. graduates to continue their work in the hope of strengthening the banking structure. Dr. Harold Stonier, then educational director of the A.I.B., took the lead in launching graduate courses for A.I.B. standard certificate holders during this critical period in banking history.

January 1934: *Protective Bulletin*, published by the Insurance and Protective Committee, became a separate A.B.A. publication. From July 1908 to July 1915 protective information was published in the *Journal*; from July 1915 to January 1934 the *Bulletin* was issued as Section Two of the *Journal*.

May 1934: The advertising functions of the Association were broadened and placed under the newly created Advertising Department, which offers advertising and direct mail campaigns to member banks.

October 1934: The name of the Association's *Journal* was changed to *BANKING, Journal of the American Bankers Association*.

January 1950

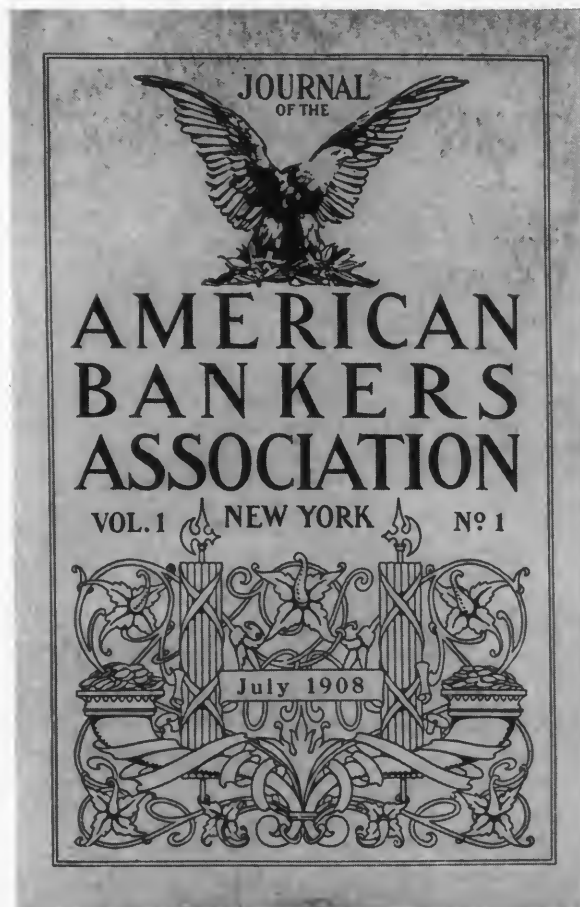
June 1935: The first resident session of The Graduate School of Banking was conducted by the Association on the campus of Rutgers University in New Brunswick, New Jersey, with 220 men in attendance. Attendance was restricted to bank officers, or the equivalent. The annual enrolment now approximating 1,000.

January 1, 1936: The Association inaugurated its Employees' Retirement Annuity Plan. (Revised January 1, 1940, to incorporate the supplemental provisions.)

December 1936-December 1937: *Present Day Banking*, containing proceedings of several management conferences in those years, was edited by *BANKING's* staff.

January 1, 1937: To bring about a better understanding of the scope and nature of trust business, the Trust Research Department was formed as an adjunct to The Graduate School of Banking.

Front cover of the first issue of the monthly publication which eventually became *BANKING*. (Actual size was 6 3/4" x 10".)





President Joseph M. Dodge at a press conference following the series of anti-inflation meetings held in the early weeks of 1948.

April 12, 13, 1938: The Executive Council began in earnest to effect a transposition in the Association's organizational framework from a politico-divisional structure to that of a functional organization.

The Public Relations Council was created to coordinate the various public relations activities of the Association.

The Research Council was formed to coordinate the research activity of the numerous A.B.A. departments. It was designed to be a service department for Association members, committees, and departments.

A News Bureau was organized as the publicity and press relations department of the Association.

September 25, 1939: The Association's By-Laws were amended to afford a consolidation of the Insurance Committee and the Protective Committee; the new name to be known as the Insurance and Protective Committee.

The Advisory Committee on Special Activities was created to assist in raising additional revenue to finance the Association's expansionary program. (Since that time it has been assigned various other duties.)

March 1, 1940: The Executive Council approved the creation of a Customer and Personnel Relations Department to stress the importance of maintaining cordial relations with bank employees in order to build a friendly customer clientele, and to make unionization of bank employees unnecessary.

June 1, 1940: Consumer Credit Committee was organized to assist banks engaged in consumer credit lending by outlining lending procedures.

December 1940: The National Defense Loan Committee was created to form a liaison between Washington officialdom and banks in matters of defense loan pro-

cedures. (Later renamed the National War Loans Committee.)

From March 4, 1941, to June 30, 1945, this Committee conducted semi-annual surveys on the volume of war production loans and commitments outstanding. In its final report, published in October 1945 *BANKING*, the Committee revealed that on June 30, 1945, 416 of the largest banks had war production loans and commitments outstanding totaling more than \$7.5-billion, as compared with a total of \$8.6-billion outstanding on December 30, 1944.

December 7, 1941-September 1, 1945: Other wartime or postwar committees appointed to assist both banks and Government in the sale of War Bonds and in other duties included: Food-for-Freedom Committee, which promoted interest in the production of food by farmers and bank financial assistance to farmers for production purposes during the war emergency period; Committee on Treasury War Borrowing, after the war renamed Committee on Government Borrowing; Committee on War Bond Drives, after the war called Treasury Savings Bonds Committee; and Savings and Armed Forces Leave Bond Redemption. The last three committees are continuing in peacetime to cooperate closely on national problems with the fiscal authorities in Washington.

September 30, 1942: Transportation and hotel facilities shortages made it necessary for the A.B.A. to curtail its 1942 convention. Instead a special meeting of the Executive Council in New York was by resolution declared a convention session. In lieu of the convention *BANKING* scored a journalistic first by publishing a special convention issue—"A National Conference on Wartime Finance—A.B.A. Convention in *BANKING*"—which included articles on topics of timely interest.

September 1942: Executive Council authorized the appointment of the Committee on Ration Banking to confer and cooperate with the OPA in planning for and carrying through ration coupon banking.

September 1943: The Association announced its new program for country banks by establishing the Country Bank Operations Commission to give attention to special problems arising in smaller banks.

The Credit Policy Commission was created to coordinate the Association's functions in the credit field.

State Secretaries Section was renamed State Association Section.

June 1944: Upon the recommendation of the Credit Policy Commission and the advice of the Advisory Committee, the Executive Council approved the formation of the Postwar Small Business Credit Commission (now known as the Small Business Credit

(CONTINUED ON PAGE 102)

Where Banks May Be Missing the Boat

JOHN N. GARVER

MR. GARVER, *president of the Financial Public Relations Association, is a vice-president of the Manufacturers and Traders Trust Company, Buffalo, New York.*

PRACTICALLY every method of communication—the speaker's rostrum, news letters, magazines, and other publications in the banking field—is being used to describe the good work of banks. An increasing number of bankers are recognizing the need for such a program and are exerting greater efforts to tell our story in terms that will be understood by the public. These endeavors will be successful only after a searching analysis of our public relations policies and attitudes—not in what we *are* doing, but in what we *ought* to do!

Let's take an inventory of our PR programs and consider 10 phases we may not be developing to their fullest extent.

(1) *Greater Participation in Community Affairs.* Is every member of our staff "community conscious"? Are they participating in community chest and other charity fund activities? Is our personnel active in various civic organizations, such as businessmen's groups and chambers of commerce? Representation by our banks in these efforts will do much to convince the public of our interest in the welfare of the community.

(2) *Emphasis of Employee Benefits.* Benefits now being provided for our personnel are greater in scope than at any time in banking history. Pension plans, incentive plans, hospitalization insurance, modern and comfortable working conditions are a few of these benefits. Are we using our house organs, the newspapers, and internal bulletins to emphasize what we are doing, not only to our personnel, but to the general public? A satisfied staff with full knowledge of the benefits it is receiving will create and sustain public goodwill.

(3) *Development of Employee Training Program.* There is a large, unexplored field in the training of our personnel. Are we taking advantage of the many available programs for improving the technique of the employee in his job? Courses in how to meet the public, which include the use of films and round table discussions, are a forward step and a valuable supplement to on-the-job training. Are we training the new employee? Is he being indoctrinated with the policies and history of the bank? Good public relations "begin at home," and employee training is a primary step.

(4) *Assistance to Farm Areas.* Are we participating in rural activities such as the 4-H and Future Farmers of America programs? Are we offering assistance at farm auctions and joining in county fairs activities? Does our PR program include such projects as soil conservation, pasture improvement contests and similar projects? Are we emphasizing the manner in which we can help the farmer finance his operations and,

through counsel, help him profit by a long-range plan of farm development? Our attention to these opportunities will win new friends for our business.

(5) *Creation of a Modern Approach in Selling Bank Services Through Advertising.* Will an inventory of our advertising methods reveal that we are not reaching the public because we have failed to use modern methods? That is, are we talking in terms of our interest—or that of the prospective customer? Are we attaching great importance to the fact that we have been in business a hundred years, or emphasizing that we have, for example, a checking account *service* that will save the customer's time and energy? "Less how this product came to be, more what the product does for me," probably echoes the thoughts of the public today.

(6) *Development of Bank Stockholders.* Every stockholder in our banks is a potential salesman of goodwill for us. Are we telling him about our services? Are we making surveys to determine ways we can serve him? Is he acquainted with the location of our offices? Does he understand our statement of condition? Does he know what we are doing to insure his investment in the company through our methods of operation? The stockholder is a partner in the enterprise. We have much to do in developing this connection.

(7) *Development of Press Relations.* A public relations inventory for 1950 would not be complete without considering how much we have accomplished in creating a mutual understanding and confidence with the press. Are we acquainted with the editors of our newspapers? Have they found us a reliable source of information when necessary? Are we publicizing those events of human interest which take place in our banks daily? Is our policy of press relations one of cooperation? We can contribute a great deal to our cause through greater attention to our relationship with the press.

(8) *Development of a Friendlier Atmosphere Within the Bank.* If we are to make progress in gaining friendships, we must make our bank's places people will want to visit. The era of the pompous banker with his frigid eye and marble castle is gone. Do our customers receive a friendly greeting, by name if possible, in surroundings designed for their comfort and convenience? Is every member of the staff alert to assist the visitor as a guest and not an intruder? There are literally thousands of people in every community who avoid a bank, because they are uncomfortable in a cold, formal atmosphere!

(9) *Publication of Bank Activities in Suburban and Neighborhood Press.* In many instances little or no attention is being given by bankers to the importance of the neighborhood newspaper in advertising and publicizing their activities. This medium is a splendid chan-

(CONTINUED ON PAGE 104)

METHODS *and* IDEAS

This department is edited by
JOHN L. COOLEY of BANKING's staff.

A Children's Bank

UNLESS you live in Westfield, New Jersey, or vicinity, you've probably never heard of the Columbus Trust Company.

This school bank, conducted by the fifth and sixth graders of the Columbus School in that town, may be rather short on cash assets (except on allowance day!), but it certainly has a generous, increasing supply of a perhaps more important resource, the thrift habit.

The "trust company" was the idea of the grades' teacher, Joseph Horan. He decided that his pupils' understanding of and interest in that old bugaboo, arithmetic, would be quickened if the youngsters could practice what the textbook preached. The sixth grade curriculum provided an elementary look at banking, and Mr. Horan saw his opportunity: he'd let the pupils study banking by being bankers and bank depositors. They'd not only get some realistic arithmetic, but they'd learn how to save and how to use a bank—knowl-

edge that would always be useful.

The sixth grade's first assignment was to learn what banks did for a community. That was covered in several class discussions that developed simple, basic facts about bank services. Mr. Horan also impressed on the little folks that a penny saved is a penny earned; he taught them the facts of life about thrift, emphasizing the importance of regular saving.

All that was very interesting. But "seeing is believing," especially when you're 10 or 11 years old, so Mr. Horan founded the "Columbus Trust Company." Deposit and withdrawal slips obtained from his own bank provided authentic tools for this thrift-arithmetic laboratory. One student is cashier, another teller, each serving for two weeks. Then others, chosen by class vote, take their places.

The young customers bring their pennies, nickels and dimes for deposit during the course of the arithmetic class, five days a week. At the end of each day the bank officers take their cash box and ledger to

the school's big vault for the night.

The "trust company," successful from the start, has now been extended to the fifth grade. Some of the pupils are veteran customers of the "big banks" in Westfield; to others the saving of spare coins is a new experience. Everybody agrees that the additions and subtractions incident to deposit and withdrawal put a new light on arithmetic. There's really some sense to it, after all!

When the school year is over Mr. Horan takes the children to see a real bank at work. Their accumulated savings—when the amounts come to at least a dollar—are deposited in the local banks selected by the youngsters.

The Plainfield, New Jersey, *Courier-News*, in its story of the Columbus Trust Company, said:

"It is hoped the experience gained in banking will develop a lasting habit of saving money, acquaint the students with proper banking procedures, and instill confidence when participating in a real life situation."

BANKING asked Mr. Horan whether the youngsters like the Columbus Trust Company.

"Like it!" he laughed. "Why, they want the arithmetic class to be all banking!"

Banking hours at the Columbus School



JOSEPH A. DeCARD

Thrift Ambassadors

Are there any "office mothers" or "office fathers" in your town?

In case you haven't heard of these good people, they're the folks in a factory, store, shop or office who encourage fellow employees to save. Their status is self-appointed and unofficial; their service as ambassadors of thrift gives them high rank among the friends of banking.

"Save something!" they counsel their colleagues. "Save part of each pay envelope. Put it away. You may need it."

The EAST RIVER SAVINGS BANK of New York decided that it was time to do something for the "fathers" and "mothers" in its business fam-

ily. A little research disclosed that more than 40 of these volunteers in the cause of thrift were working with firms near the bank's five offices. Not only were they encouraging others to save, but some of them were collecting the savings and bringing the cash to the bank each week for deposit in a Christmas Club or regular savings accounts.

So the East River invited the group to a party. There was a tour of the main office, a buffet supper in the trustees' room, and a welcome by President Joseph A. Broderick, who thanked the guests for their unusual, friendly service. Then everybody went to an uptown movie.

The office fathers and mothers ranged from a messenger to a vice-president, from teen agers to grandfathers and grandmothers. Bank officials learned, in conversation, that each had an unselfish motive in stimulating thrift; he or she was merely helping others start along the road to financial security.

The guests appreciated the party. Said one office father: "For 15 years I've been bringing from 30 to 50 accounts to this bank annually. This party is mighty nice, and I'm glad to meet others who do the same thing for their associates."

"Elementary, Dr. Watson!"

THE UNION & NEW HAVEN TRUST COMPANY of New Haven, Connecticut, takes a new approach to explaining a bank statement to the layman.

In its monthly publication, the *Journal*, the bank adapts a detective story writer's technique to its purpose. Recalling that a favorite producer of "who-done-its" pauses, about two-thirds of the way through his tale, to say that the reader now has the essential clues, and then challenges him to name the culprit, the *Journal* continues:

"On the opposite page [see cut] we have set up a similar test of your understanding of a commercial bank's financial statement. Now, in the manner of the master sleuth solving the crime, we propose gradually to unscramble the figures and explain where they came from and what they mean.

"In doing this we shall show something of what it means to be a banker: what a bank must do to earn a



The East River Savings Bank entertains "office fathers and mothers." President Joseph A. Broderick and Vice-presidents George O. Nodyne and Louis B. Alreuter were at the buffet supper, too

living; some of the restrictions, legal and economic, under which a bank operates, and how well a new bank might reasonably be expected to fare during its first year. Possibly we can also dispel some of the popular misconceptions about the banking business, including the old one that 'it must be easy to run a business when other people provide most of the money at little or no cost.'

The remainder of the issue takes the reader through the first year of

a hypothetical new bank's career, marking its progress with the scrambled figures which are, of course, put in their proper places in the story. The various items under "resources" and "liabilities" are noted as they occur, and the complete yearend statement is built up step by step.

"And that's," comments the *Journal* in conclusion, "how bank statements are born."

A Bank's Finance Forum for Women

The First National Bank of Minneapolis is planning to repeat a women's finance forum which was held over a period of six weeks late in 1949.

The forum is designed for women who want to know more about personal financial planning and investments. The Monday meetings are in two sections—one at 10 A.M., the other at 7:30 P.M., with attendance at each limited to 175 persons. A maximum registration of 350 was decided on to assure sessions of greatest value to the audience, but so numerous were the applications that the quota was raised to 450.

The bank was prompted to arrange the forum last fall because of women's increasing interest in financial affairs—an interest found in all groups, regardless of financial or family status. In planning the

(CONTINUED ON PAGE 97)

The scrambled statement figures

Test Your Understanding of A Bank's Financial Statement

Here are the figures—purposely scrambled—from a bank's "balance sheet" or statement of condition. Can you arrange them in their proper order, making Resources equal Liabilities?
 Reserve For Bad Debts, \$1,000,000. U.S. Government Bonds, \$500,000.00. Other Resources, \$2,700,000. Undivided Profits, \$200,000. Bank Building, Furniture, Fixtures, etc., \$12,500,000. Savings Deposits, \$250,000.00. Cash and Due from Banks, \$500,000.00. Reserve for Taxes, \$2,000,000. Commercial Loans, \$400,000.00. Capital, \$250,000.00. Installment Loans, \$115,000.00. Other Securities, \$20,000.00. Assets Segregated to Secure Savings Deposits, \$250,000.00. Surplus, \$250,000.00. Mortgage Loans, \$87,000.00. Demand Deposits, \$1,200,000.00.

RESOURCES	LIABILITIES
..... \$..... \$.....
.....
.....
.....
.....
.....
.....
.....
.....
Total \$.....	Total \$.....

Now check your results by referring to page 7.

The Big Little 3-Cent Stamp

Drawings by DICK ERICSON



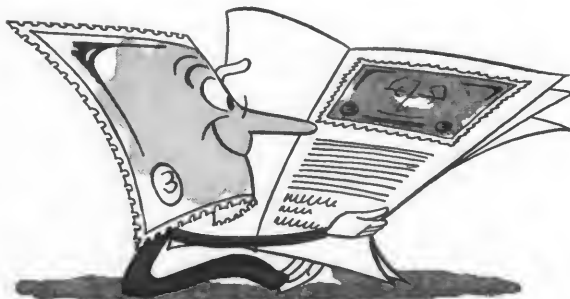
Seldom has an industry or business been given a greater recognition and stimulus to better community service than has banking, with the issue of the new American Bankers Association 75th Anniversary commemorative stamp. In honoring the Association, each bank is honored. This is anniversary year, and many press releases can well use this theme. Remember, that the local press is interested in community events, so let them know about any of these things you may do in connection with the 75th birthday of banking teamwork.

How old is your bank? Five, ten, fifteen, twenty? If 75 years old—or older—describe the bank as it was in 1875, and illustrate with pictures of old and new structures, and a picture of the stamp.



Have you many employees and officers who are stamp collectors? There may be good feature stories about individuals in your bank who have had interesting experiences collecting stamps. Use photographs of collectors in action.

Issue a story of the symbolism of the stamp (the broad character of bank service to the community), as explained by your president or some other official. Consult the story in the December issue of **BANKING** for full details, and use the whole story if possible.



Run newspaper ads picturing the stamp or its theme. The stamp may be reproduced at least one and one-half times its actual size.

Make lobby and window displays, using enlargements of the stamp, plus sheets of actual stamps.



Contact local stamp club and local stamp dealer. Arrange for lobby and window exhibitions of stamp collections, featuring the A.B.A. stamp. Your bank could conduct a luncheon for the stamp club on the opening day of the exhibit. Have a speaker talk about the A.B.A. and other stamps. Give the story to the local press. Have a local stamp dealer display the stamp in his window, with accompanying historical material.

Perhaps local officials would set aside a day to recognize banks for their work in building the community — its homes, industries, farms, etc. Have letters of commendation issued by chamber of commerce, board of trade and other local business groups.



Of course, use the stamp on all bank mail during the anniversary year.

Some bank customers might be encouraged to use A.B.A. stamps on all their mail. They could point out how the stamp emphasizes the American way of life, and free enterprise.



How to Hold Businessmen's Meetings

CARROLL A. GUNDERSON

The author is secretary of the Credit Policy Commission, and staff director and secretary of the Small Business Credit Commission.

For bankers interested in developing a local program such as is described here, additional information can be obtained from the Small Business Credit Commission, American Bankers Association, 12 East 36th Street, New York 16, N. Y.

BANKERS throughout the country, more than ever before, are becoming leaders in community affairs. That is why there has been an increased interest in the program of the Small Business Credit Commission of the American Bankers Association.

This Commission, organized during the war, was set up to aid existing smaller business concerns in readjusting their operations to a peacetime basis, and to assist new concerns, many of which would be started by veterans, in operating on a sound basis. Special departments, manned by experienced officers sympathetic to the problems of small business, have counseled smaller business concerns and veterans. Statistics prove that the banks generally have done an outstanding job in supplying the credit needs of these concerns.

The Commission has particularly stressed the fact that bankers should be the leaders in their community. Some have been responsible for conducting research for the purpose of determining ways and means of increasing the revenue of the community. Others have set up special departments to give advice to small business concerns and have operated lending libraries filled with helpful material on various types of business.

One phase of the Commission's program calls for the holding of conferences on management problems for the businessmen in the community. Several universities and colleges such as the University of Mich-

igan, University of Wisconsin, University of Chicago, University of Georgia, and Bard College are interested in this phase of business development. The Clearing House of Newark, Ohio, in conjunction with Denison University, Granville, Ohio, and the Citizens and Southern National Bank of Atlanta, with the assistance of the University of Georgia, have carried out these business clinics on a successful basis.

Several months ago the Commission outlined the following suggestions as to how these conferences could be arranged by banks.

Recommendations. It is recom-

mended that local banking groups consider the advisability of sponsoring meetings of this kind. No community is too large or too small for a conference.

Benefits. There are worthy benefits to be derived from these meetings, such as:

- (1) Establishing bankers as leaders in community affairs.
- (2) Increasing the revenue and the prosperity of the community.
- (3) Improving the management and the finances of local business concerns.
- (4) Increasing the number and amount of desirable bank loans.
- (5) Making better customers for banks.

(CONTINUED ON PAGE 111)



Above, a small business conference at Atlanta, sponsored by the Citizens & Southern National Bank. Below, luncheon session at the Newark, Ohio, meeting held at Denison University in nearby Granville



Afraid to Speak

LIONEL CROCKER

This is the seventh in a series of hints for public speakers by the head of the Department of Speech at Denison University.



1950



1850

UNTIL we learn better many of us decline invitations to speak by saying "I'm not an orator." The answer shows a misconception of what public speaking is.

Today we realize that public speaking has changed since the days of Daniel Webster. We say that today public speaking is more business-like. Today our public speaking is more on an interchange of ideas and not a display of oratorical ability. There is less acting in public speaking than there was in Daniel Webster's day.

Once we grasp the significance of the idea that public speaking is nothing more or less than conversation on the platform, we see that this pretext "I'm not an orator" is not valid for declining an opportunity to speak.

The speaker today converses with an audience about a problem or project that both have vital interest in. The audience does not come to admire a speaker but to listen to his solution of a matter that is pressing.

We all know how to converse with a few friends. The give and take of informal conversation is the delight of our existence. So a speaker who once captures the idea that he is going to converse with an audience about a problem close to his own interests does not decline opportunities to speak but accepts them and looks forward to them with pleasure.

Nothing to say

Another excuse for sliding out of an invitation is to insist that "I have nothing to say." This is not true and the individual who says it knows that it is deception. All of us who are earning our daily living have something to say that is of value. No one has ever seen the world through our experience before. We have important observations that are of value to our fellow men. Accept the invitation and then lean on your experience. After all you are being asked to speak because you are you and not somebody else. Give the audience yourself. Most beginning speakers think they have to run to the library to get something to say. This is a mistake. The thought of long hours in the library boning up for a speech paralyzes the will. We would like to speak, we say, but we do not have anything to say. What a mistake!

No time to prepare

In the pressure of daily work we just can not bear to think of taking time for preparing a speech. But the

best speeches are those that are prepared in odd moments as we reflect upon our experience and draw conclusions from that experience. As we ride the subway, drive our car, or awaken at night and cannot sleep, we can keep turning over in our minds the ideas for our speeches. Ideas can be crystallized from daily experience. Busy people have ideas. These generalizations may form the outline of your speeches. You need only to put these ideas into understandable order, to make them easy to follow, to go from the known to the unknown, and you will have the skeleton of your speech.

This skeleton can be clothed with illustrations gained from your own and other's experiences. The actual time a speech takes is when you sit down to write it out or dictate it. This does not take long once the thoughts have formulated, crystallized in the mind. There is a philosopher in all of us. We all make deductions about our life and work. The audience wants these.

I'll make a fool of myself

Many of us are stymied in our public speaking because we think we must have a "public speaking voice." Nonsense. We decline invitations because we think we do not know what to do with our hands. Remember that when an audience gets captured by an idea it forgets the speaker. Voice and gesture and posture are, of course, important but not so important as to keep your ideas from getting to the audience. Just as in ordinary conversation we think little of the manner in which ideas are expressed but of the thought, so in our public speaking our first concern should be about the ideas being set forth.

This excuse also is born of the fear of the audience. Look upon the audience as a group of friends. They are just that. They are not critical. Audiences are friendly. You build up in your imagination a bogey that just is not there when you say, "I'll make a fool of myself."

I've never had any lessons

Here is another refuge of the speaker who is afraid. Haven't you had lessons? You have listened to many speakers. You know what you like and what you do not like in speaking. What did please you? What ideas stimulated you? What do you remember? The best lessons surgeons ever have is in watching other surgeons work. There is such a school as the school of

(CONTINUED ON PAGE 105)



CORNER OF 13TH AND F—Three years after the war the National Capital is still a busy place

Harris & Ewing

Government Bond Support Policies

LAWRENCE STAFFORD

A CONSIDERABLE amount of the recent testimony before the Monetary Subcommittee of the Congressional Joint Committee on the Economic Report had to do with the kind of bond support policy which should be followed by the money-managers of the Government. The question was whether the Federal Reserve System should get greater powers over reserves or the bond support policy should be relaxed. Several authorities expressed opinions on this point during their testimony before the subcommittee presided over by Senator Douglas of Illinois.

Chairman Harl of the Federal Deposit Insurance Corporation, for example, felt that the Government had a firm moral commitment to support Government bonds at par. To do otherwise, he said, would be "breaking faith with the bankers of the country who invested 56 percent of their assets in the security of the Government."

Other outstanding persons in the banking world differed in varying degrees.

Allan Sproul, president of the Federal Reserve Bank of New York, declared there never had been and never could be a commitment to

support Governments at par at all times. Such a support program, he suggested, would "make credit policy look ridiculous."

Mr. Sproul said that under prospective inflationary circumstances "the Treasury should be receptive to rising rates—the same rising rates that would be required in attempting to hold in check any inflationary tendencies in credit expansion to the private sector of the economy."

He added: "The country cannot afford to keep money cheap at all times and in all circumstances, if the counterpart of that action is

inflation, rising prices, and a steady deterioration in the purchasing power of the dollar . . ." In his opinion "through judicious use of discount rates and flexible open market operations," we could avoid abrupt changes in interest rates, and the question of par support would shrink "to a relatively minor issue."

W. Randolph Burgess, chairman of the executive committee of the National City Bank of New York, advised against thinking exclusively in terms of pegging bond prices. He said there was also an obligation to support the purchasing power of Government bonds and that "the market price is one of the risks we have got to take if we are going to put the brakes on inflation."

Some Support Favored

On the other hand, no important witness seriously advanced the proposition that support should be withdrawn entirely from the Government bond market. Mr. Burgess felt this would be inadvisable, with the present Federal debt of \$256 billion. However, he believed that Government supports had a tendency to nullify the effects of increased reserve requirements, so that there resulted simply a change of ownership, the Federal Reserve banks acquiring the bonds formerly held by the commercial banks. Thus he felt that the increases in reserves were ineffectual "so long as the Federal Reserve stands there with a

basket to catch all the bonds dropped in."

Governor Eccles, in testimony submitted to the subcommittee, said:

"We have recited to Congress over and over again the dilemma we face. It is perfectly simple. So long as the Reserve System is expected to support the Government bond market and to the extent that such support requires the System to purchase marketable issues, whether sold by banks or others, this means the System is deprived of its only really effective instrument for curbing the expansion of credit. It means that the initiative in the creation of reserves which form a basis on which bank credit can be pyramided rests with banks and others, and not with those responsible for carrying out monetary policy."

Outside of Federal or Federal Reserve officials, the opinion prevailed that par Government bond price supports were nothing sacred. This opinion appeared in several of the replies to the subcommittee's questionnaire, as well as from witnesses who appeared in person.

Secretary's View

By implication, the Secretary of the Treasury, John Snyder, favored support of Governments at par. He discussed before the subcommittee at great length details of the problem of debt management.

"Uppermost in our minds in mak-

ing all of our policy decisions is the fact that the foremost responsibility of the Treasury is to maintain confidence in the credit of the United States," he declared.

After discussing statistically the wide distribution of the Federal debt and its importance to various classes of owners, the Secretary gave a strong defense of pegging.

Whole Economy Affected

"These figures are unmistakable evidence that the decisions which are made with respect to the public debt affect every segment of our economy," he asserted. "They indicate the compelling necessity for considering not only the effect of our decisions upon the financial structure of the Government itself, but their effect on the financial and economic structure of the whole country."

"Maintenance of stability in the Government bond market has been of tremendous importance to the country. It contributed to the underlying strength of the country's financial system and eased reconversion, not only for the Government but also for industrial and business enterprises, a situation in marked contrast with the era following the first World War."

The Secretary said he did not agree with those who believed that if the support prices of Government bonds had been lowered below par, sales of these securities to the

At the hearings before the Monetary Subcommittee of the Congressional Joint Committee on the Economic Report are, in the photo below, left, (left to right), Thomas B. McCabe, chairman of the Federal Reserve Board, and Winfield Riefler, special assistant to the chairman; in the photo below, right (left to right), Secretary of the Treasury John W. Snyder, Senator Ralph Flanders of Vermont, and Senator Paul Douglas of Illinois



Federal Reserve would have been stopped and inflationary pressures would have been lessened. It seemed to him that, under the circumstances which existed, the Treasury would have taken the risk of impairing confidence in the Government's credit if the prices of Government bonds had been permitted to go below par; and that as a result the Federal Reserve might have had to purchase more bonds below par than at a par support level.

"Inflation Groundswell"

Alfred H. Williams, president of the Federal Reserve Bank of Philadelphia, proposed that interest rates be allowed to rise to combat what he termed a "groundswell of inflation." A little element of uncertainty about the level of supports should prevail, he suggested. The objective of the Reserve System should be to "restore open market operations to their full former effectiveness as an instrument for achieving stability."

Edward E. Brown, president of the First National Bank of Chicago, and Chairman of the Federal Advisory Council, thought the Administration might state that it felt no obligation to support the Government bond market. Such a step, he said, would add flexibility to the market "and in the long run would

help out in the Treasury's financing."

Mr. Brown expressed the opinion that even if such an announcement were issued, governments would not fall below par.

J. Cameron Thompson, president of the Northwest Bancorporation, and a representative of the Committee for Economic Development, suggested that the Federal Reserve should feel free to reduce support price levels unless it finds a superior alternative method of monetary restriction when needed.

Chairman McCabe of the Federal Reserve Board ascribed to the Federal Reserve System the responsibility for going along with the former 2½ percent peg.

"They Were Right"

"It has been said that the Open Market Committee . . . did not wish to continue to support the 2½ percent level on long-term Treasury bonds but was induced to continue this policy under pressure from the Treasury. This is not true," the Federal Reserve Chairman said.

"In any case the decision taken and executed was the decision of the Open Market committee." He added that in his opinion, in retrospect, "they were right."

SUBSIDIES

Unless some day a Congressional committee with a staff of high grade accountants is set to the job of ferreting out the answer, no one will ever know how much the farm crop subsidies are costing the taxpayer.

A few facts stick out. Commodity Credit Corporation, alone, extended price supports to the total of \$3.5-billion on the crops grown in 1948. Currently the corporation is acquiring huge additional stores of commodities. Of its \$4,750-million of funds, the amount put out is at, or closely approaching, \$4-billion. And already it has been admitted that Congress will be asked for additional funds this year for Commodity Credit's price support operations.

During the fiscal year which ended last June 30, the corporation's reported operating loss on its price support activities was just a shade under \$600-million. Of this, two items stood out. One was a loss of \$247-million on purchases and sales. The other was the setting aside of \$336-million for anticipated losses.

What makes it difficult to "run down" the cost of farm commodity subsidies, is that the price support operations of the Commodity Credit Corporation are only one class of subsidy.

There are "Section 32 funds," for instance. Early in the New Deal, Congress provided that one-third of receipts from customs should go to payments to divert surplus commodities from normal markets, to subsidize new uses, and exportation.

Then there is the school lunch program, for which Congress is appropriating around \$75-million a year. Originally the idea was to dump into little tummies at lunch times, local or national surpluses of nutritious foods. There is still a lot of that, but the school lunch program buys milk as well as surpluses, and of course this provides an additional market.

To persons who are frightened of farm subsidy costs, the Department is fond of pointing out that, although total CCC price support operations resulted, from 1933 through mid-1949, in a loss aggregating only \$2.162-billion, on some of the big cash crops there were profits or small losses.



Former President Herbert Hoover with Mrs. India Edwards, an official of the Democratic National Committee, just before both spoke at the National Reorganization Conference in Washington on December 12. Mr. Hoover appealed for Government reform, warning of the dangers of higher taxes and inflation

Wide World

Operating Ratios for Small Business

JOHN H. BEACH

MR. BEACH is secretary of the San Diego, California, Chamber of Commerce.

PPOINTING to a stack of rejected applications for small business loans, the small loan department manager of a large mid-western bank said: "We know many of them are good risks, but they can't prove it and we have no basis for judging their stability."

What was lacking in this case was an acceptable standard of comparison for the "good risks" with other businesses of the same type and size. As a result, the bank is losing opportunities to expand its small loan service and the applicants are being denied credit to which they are entitled. But new statistics are on the way to help that banker and all others who are looking for something more assuring than a balance sheet concerning a borrower's ability to repay.

A San Diego company which keeps books by mail for thousands of small firms in all parts of the country by punch card methods sorts the cards by business and regional classifications after individual monthly statements have been prepared. The cards are then run through the accounting machines again to average out operating ratios for various types of business.

A banker considering an application for a loan from an appliance dealer doing an annual gross business of \$200,000 can check the applicant's cost of sales, wages, rent, profits, and any other or all items, against the national and regional average for like businesses. The operating ratios would give the desired standard of comparison. They would signal expenses, if any, that were out of line and by the same token would show whether the applicant was doing as well or better than the average.

Goodwill of those who are rejected on their loan applications frequently could be retained by pointing out the danger spots in their businesses with the advice to come back when they have been corrected.

Operating ratio statistics for small business, of course, are not new. The trouble has been that the available information is not up-to-date. Operating ratio figures for a year ago are not always a reliable guide for today, yet few in use are that current and in most instances are from 18 months to two years old. Accounting Corporation of America, the San Diego company which compiles the new statistics, says its monthly figures are approximately 60 days old. The company has been providing the statis-

tics to regular clients for its "Mail-Me-Monday" bookkeeping service, but now is arranging to issue a separate statistical service monthly to subscribers separately from the accounting service.

Companies in more than 100 business classifications have their books kept by the accounting firm. However, there are but 10 classifications at this time which are in sufficient number and spread to assure accurate cross-sampling results, the company says. The categories are: furniture and appliance stores; laundry and dry cleaning plants; bakeries; food stores; service stations; garages; drug stores; restaurants; cocktail lounges; and liquor stores.

THE statistics reveal many things when applied to a specific business. For instance, a service station operator without the going percentage of sales in accessories in relation to total sales can know one reason for below-average profits. He also can tell almost to the gallon of gasoline pumped per month whether he can afford additional help. Again, a restaurant owner who had high labor costs, according to the statistics, has figured how to add \$1,000 in profits a month by closing down on the slack day of the week. There are dozens of other ways to apply the new statistical tool to the analysis and operation of a small business.

The value of having small business statistics by type and size of business is recognized in the fact that a good profit showing in one type of business is not good for another and in the same field of business, one having twice the gross sales of another might also have varying operating ratios of items of expense to gross sales.

A loan officer might look favorably upon an application from the owner of a small business whose balance sheet shows a monthly net profit of \$700, and regard with less favor an application from the owner of another type of small business whose monthly net profit ran around \$450. However, with a standard of meas-

(CONTINUED ON PAGE 113)



Punch cards are sorted by machines such as shown here, and then run through accounting machines which produce the averages on small business operating ratios

A Customer Relationship File

FORDE STEELE

The author is assistant cashier of the Central National Bank, Cleveland.

A NUMBER of years ago the sheep and cattle in one section of Australia were dying at an alarming rate. It looked as though the raising of stock would have to be abandoned in this area until someone discovered that this soil had all the elements required for healthy plant growth except cobalt. It turned out that there is an obscure vitamin that needs cobalt salt in the molecule in order that the food supply obtained by the animals will be adequate for their needs. When a little cobalt salt was sprayed into the soil the problem was solved.

So it may be with your bookkeeping system, distribution system, or any other procedure or department in your bank. Perhaps all that ailing system needs is a little improvement, which will make a world of difference in the over-all results. On the other hand, a completely new system may be required.

Whether the remedy is small or great, it is important that an accurate analysis be made to determine what should be done. An example of a minor improvement resulting from an analysis was illustrated in the article, "How to Sharpen Operations," published in the October 1949 issue of *BANKING*.

It is the purpose of the present article to show how a department's entire operation was studied and analyzed, and a new system worked out and installed. As a result, five persons were made available for other work in the bank, and there has been a tremendous increase in accuracy.

PRIOR to the installation of the new system, the central information file of the Central National Bank of Cleveland was maintained on five by eight cards filed in conventional file cabinets. The information was transcribed to these cards by the central information file clerks from a new account report prepared by the teller or clerk who processed the new account.

The old system had become so inaccurate that most individuals would call the various departments direct to determine whether a customer had a relationship in that department, rather than depend upon the information in the central file. With 14 offices this was most wasteful of time and energy and a spot survey indicated that the file was incorrect in nearly 20 percent of the cases tested.

Realizing that this department was no longer serving its original purpose, management requested the methods planning division to make a survey and to recommend a system which would eliminate some of the difficulties.

Initial analysis disclosed the following faults in the existing system:

(1) A considerable number of errors resulted during the process of transcribing from the new account reports to the central information file cards.

(2) The blind filing made it exceedingly difficult to insert new cards accurately, and as a result many cards were often placed incorrectly. A spot survey indicated that some cards were separated from their proper place by as many as 30 intervening cards.

(3) References required as much as three to five minutes because of the blind filing and the inaccuracies.

(4) Many years had passed since the files had been checked with the original records. As a result errors had accumulated to the point of rendering the files almost useless.

(5) The results did not seem to be adequate for the amount of effort being expended.

(6) It was difficult to impress upon the clerks who prepared the original new account report the necessity for accuracy because they knew the information would be transcribed to another record.

Following are some excerpts from the original analysis report prepared by the methods analyst:

"The present system in central file is loaded with back-tracking, wasted effort and lost motion."

"In scanning through the various file drawers, I find that accessibility is definitely impaired."

"In my investigation so far, I find that every phase of work in central file is behind schedule."

THE record of activity indicated a turnover in relationships of approximately 2 percent per month. In addition, there was a monthly average of 1,800 title and address changes in the file. The same activity count disclosed an average of 4,000 telephone references to the file each month, and approximately 3,000 references as a result of checking written requests. From these figures it was obvious that a system should be developed which would enable the changes in the file to be handled with the greatest accuracy and the smallest amount of effort, and which would provide speedy reference.

The next step was to break the problem down into logical segments for easier analysis:

(1) The information to be recorded in the file.

(2) A method of producing the record in final form with increased accuracy and a cost saving.

(3) Design a record which would speed reference and make it possible to effect changes quickly and accurately.

(4) Retention time for closed records.

In an effort to find the solution to the first segment of the problem, a questionnaire was designed to determine the information required by the departments and individuals who made use of the central information file. Here are some of the questions included in this questionnaire:

"If we were to replace our present central file system, setting up new cards, what specific information would be necessary to maintain efficient operation in your department or office?"

"What percentage of your requests to central file are to locate an account?"

"What percentage of your requests to this department are to obtain information about an account whose location is known?"

"Do you or your staff members ever require information from the closed records of central file?"

"Do you use central file as a source of regular information or as a last resort?"

These and several other questions were circulated to each department which used the facilities of the central file department. The answers given by the department heads were very helpful in arriving at the final solution to the problem.

Consideration of the answers and the opinions expressed by the representatives of other banks and equipment companies and by management representatives of our own bank led us to conclude that our central information file should constitute an index to customer relationships and should contain only the name, address, type and location of relationships, and the date of opening and closing. This conclusion was based on the belief that it would be more efficient to maintain separate files for the special information required for a relatively small percentage of accounts and that the required speed of reference made it mandatory that a minimum amount of information be recorded.

After reaching this decision the next step was to prepare job methods breakdowns for each function in the department. A sample of breakdowns prepared for the old system is shown at right and is compared with the routine developed for the new system.

The methods analyst prepared progress reports on a weekly basis so that management would have a definite idea of how the program was progressing.

Several equipment companies were called in to study our filing problem. They were supplied with what information we had and in addition were permitted to make their own on-the-spot surveys. Their recommendations were studied and evaluated insofar as possible in terms of their effect upon the objectives we had in mind.

The analyst also made several trips to other banks in cities within 400 miles of Cleveland to study systems in effect and to check on equipment that might be useful. At each

bank visited, the analyst made every attempt to obtain accurate activity figures and per item costs for comparison with systems that might be considered for our bank.

Analysis of the job methods breakdowns led us to the conclusion that the greatest increase in accuracy and cost savings would be attained if the central information file records could be produced by the persons
(CONTINUED ON PAGE 104)

A sample of job methods breakdowns for the old system, below, compared with the routine developed for the new system, bottom

JOB METHODS BREAKDOWN SHEET

Operation Preparing Single Name Account Cards for Filing Product _____ Department Central Information File
Your Name William Flack Operator's Name Mary Doe Date June 15, 1947

List of All Details for <u>Present</u> Method	NOTES	IDEAS
Every single thing that is done—Every inspection—Every delay	Reminders—Tolerances—Distance—Time used—Etc.	Write them down—Don't trust your memory
1. Separate tear-apart sheets	One account on each tear-apart ticket — thin paper difficult to handle	Routine operation — not much improvement possible
2. Pick up first ticket		
3. Place on desk	Location according to beginning letter of last name	
4. Repeat steps 2 and 3 until all tickets processed	Necessary to put windows down to avoid small tickets blowing around	Could use sorting equipment
5. Pick up "A" file		
6. Fine sort	If large pile — lay out on table again	Smaller breakdown would make it possible to fan all
7. Repeat steps 5 and 6 until all piles sorted		
8. Pick up tickets		
9. Walk to file	30'	
10. Open Drawer		
11. Search for first name	Look several names in either direction to make certain card has not been misfiled	Blind filing makes this job difficult
12. If found—pull card and place on top of file		
13. If not found—pass on to next name		Never quite sure because of possible misfiling
14. Repeat steps 6 through 8 until all names processed		
15. Return to desk	15' - 30'	A more compact file would save walking
If new customer had a previous account, follow steps 16 through 20 or 21 through 24 as required.		
16. Place old card in typewriter		Steps 12 through 16 and 17 through 20
17. Enter information relative to new account	May require information on both front and back	Could be entirely eliminated if cards were prepared at point of incidence of account
18. Remove from typewriter		
Repeat steps 15 through 18 for all accounts in this category		
20. Read back for accuracy		
If new customer had not previous account:		
21. Select proper new card	Blue for individual - Buff for corporation	
22. Insert in typewriter		
23. Type information		
24. Remove card		
25. Repeat steps 21 through 24 for all accounts in this category		

JOB METHODS BREAKDOWN SHEET

Operation Preparation Single Name Account Cards for Filing Product _____ Department Central Information File
Your Name William Flack Operator's Name Jane Doe Date December 1, 1947

List of All Details for <u>Proposed</u> Method	NOTES	IDEAS
Every single thing that is done—Every inspection—Every delay	Reminders—Tolerances—Distance—Time used—Etc.	Write them down—Don't trust your memory
1. Separate chainindex cards	Heavy stock cards are easy to separate	
2. Place sorter in center of desk	Kept in desk drawer	
3. Pick up first chainindex card		
4. Place in proper sorter pocket		
5. Repeat steps 3 and 4 until all cards are processed		
6. Remove cards in first pocket of sorter		
7. Fine sort	Fan — in hand	
8. Repeat steps 6 and 7 until all completed		



Charles Phelps Cushing

European Recovery "Walking a Treadmill"

HERBERT BRATTER

ECA's last report to the Congress gives the impression that European recovery is walking a treadmill. In the second quarter of 1949, the ECA said, Western Europe "took further strides toward economic recovery and political stability" but "the dollar gap remained a basic problem." Europe must export more, ECA insists in a now familiar theme that hasn't greatly changed things. Not only more exports to the U. S., but more intra-European trade. Mr. Hoffman told OEEC that member countries must slash quantitative trade restrictions, end "dual pricing" in domestic and export sales (something we ourselves permit in Germany), and devise a new payments plan looking toward interconvertibility of European currencies. Without such steps "I don't see anything enduring about European recovery," ECA's chief told a press conference. So OEEC is rushing blueprints to show the Congress in 1950. Congress, however, would like to see something more than plans.

One result of Mr. Hoffman's lecture to OEEC is the news report that the five countries on the Continent

most active in the cooperation efforts—Benelux, France and Italy—are trying to work out 100 percent transferability of their currencies. These movements for self-help include, inevitably, some provision whereby the American taxpayer is to assist. For example, the "Fritalux" convertibility plan counts on the United States to agree to back all deficits arising in ERP trade. A variant proposal is for a pool of dollars to make European convertibility work.

IMPORTANCE OF IMPORTS

The movement to convince this country of the importance of imports is taking on the proportions of a drive. For this, Paul Hoffman, ECA Administrator, deserves a great deal of credit. Mr. Hoffman was not the first to realize that the only way to end the giving away of American goods abroad is for us to be willing to accept more foreign goods in payment. Economists have been saying this for years. Assailing the slogan, "Buy American," Mr. Hoffman holds it to be utter nonsense to say that importing goods means importing unemployment. The dollars we pay

for imports are back in this country within 60 days making new employment, he states.

RUBBER, FOR INSTANCE

Far Eastern rubber growers are pressing for American assurance of substantial purchases at substantial prices. According to Warren S. Lockwood, Washington representative of the Natural Rubber Bureau, increased U. S. rubber purchases from Asia are important in the interest of national defense. Rubber is vital to the prosperity of southeastern Asia, which is now imperiled by communism's advance; and a prosperous and contented southeast Asia will hold communism at bay, Mr. Lockwood maintains.

"For the sterling area rubber is as big a dollar earner as everything exported from the United Kingdom. If trade is to be a two-way affair, what better can we import than superior natural rubber?" Mr. Lockwood adds that he would not scrap or weaken the synthetic rubber industry of the United States. Before agreeing, Uncle Sam wants to be assured that he won't be caught again without adequate rubber supplies.

Even after devaluation, European goods are often out of reach of the average American who might like to buy them. E. E. Schnellbacher of the Commerce Department wanted to know why a case of French champagne selling at \$20 f.o.b. costs its New York retail customer \$73.41. He found: transportation \$2.25; import duty \$3.71; port dues \$0.90; Federal excise tax \$7.20; New York State tax \$0.98; importer's mark-up \$7; wholesaler's ditto \$6.68; retailer's ditto \$23.01. Mr. Schnellbacher quotes "20 difficult steps" which a European exporter had to take to effectuate a shipment to the U. S. A., steps made necessary by currency and trade controls, taxes and paper work in general.

STERLING'S STRUGGLE

Repercussions of the September devaluation are still being heard. India's Finance Minister told his Parliament how, at Washington, Sir Stafford Cripps had exceeded the "Commonwealth finance ministers' brief" and taken India unawares by devaluing sterling . . . In New York in November forward sterling dipped below the spot quotation; British bonds in this market also reflecting doubts . . . In London Cripps issues soothing views; reveals a delegation is in Washington talking about the "blocked sterling" problem . . . The Swiss see the future of the pound as "cloudy" and discuss as British alternatives scaling-down the government's internal debts or repeated devaluations . . . H. A. Stevenson of Barclay's Bank (Canada) calls sterling's September devaluation a "financial catastrophe" involving inflation without competitive trade gains.

STERLING BALANCES

Perhaps what we'll see as a device for taking up the slack when ERP tapers off will be large U. S. loans and grants to India and other countries holding sterling balances. Since Pandit Nehru's visit to Washington the World Bank has dispatched another mission to India and Eugene Black admits that it has in view more than three loans to that country already made or scheduled. The idea is being mentioned here that it may be a good thing for the U. S. to take over at least part of the sterling balances, Britain's war and postwar debt to various countries, totaling several billions.

Similar London views preceded the 1945 loan to Britain and the ERP for Britain and the Continent. Some are suggesting that, while we help India and other creditors of Britain, we ask them simultaneously to cancel some of their London balances.

EXPORT CONTROL; TRADE AGREEMENTS

Export control is no longer required because of shortage of supplies, but is retained solely as part of the cold war, Secretary of Commerce Charles Sawyer made clear in his report to the President and Congress. Mr. Sawyer did not use the term "cold war." What he said was "foreign policy and national security" . . . Next September, it is now announced, the U. S. will participate in a "third round" of tariff negotiations under the General Agreement on Tariffs and Trade (GATT) . . . The fast-disappearing world shortages of essential goods and the results of currency devaluations are reducing resort to intergovernmental bilateral barter deals . . . The Ford Motor Company has decided to hold directly, instead of through a British affiliate, the stock of its European and Middle-Eastern assembly and manufacturing companies. But it won't be able thereby to bring home any more earnings than heretofore.

MIDDLE EAST

More and more the Middle East is getting into the financial news. The youthful Shah of Iran, visiting the U. S. with an American public relations adviser, made no bones about his wish for American gifts; although his own officials have pointed out that Iran possesses the means to finance its seven-year plan.

As the Shah rode up Pennsylvania Avenue in Washington in President Truman's car, Mr. Truman raised his arm to point at the Treasury, but what he was telling the smiling Shah was inaudible to bystanders because of the noise of the motorcycle escort. At Ft. Knox the Shah didn't even ask to see the gold . . . The "Eximbank" has lent Afghanistan \$21-million. The United States Steel Corporation has sent its own Point IV mission to Pakistan for a two-month survey.

GERMANY

Plans have been readied for admitting Western Germany to the

happy family of international organizations in which the mid-century world cooperates. Between Russia and the Western powers there is now the keenest rivalry for German favor, and the Germans will know how to use it. The dismantling program has now been dismantled by the West; restrictions on German industry and shipping have been eased. It won't be long before the Germans have an army again; two, in fact, one in the East, facing West; the other in the West, facing east. And the New York Times brings us a documented picture of how the Nazis have returned to power already in Bavaria.

MONETARY MEMOS: PERU

Whoever drew up Peru's new monetary decree seems to have unconsciously revealed no confidence that depreciation of the sol can be checked. The decree provides for annual revaluation of the gold stock, envisaging only an annual "profit." In other words, each successive year the sol is expected to be worth less and less in terms of gold. The day after Peru promulgated its decree the World Fund announced that Peru had "consulted" and the IMF had consented. In fact, the IMF was taken by surprise by Peru's step and its press release read like a lecture to the errant member: "with the understanding that the Peruvian Government will remain in close consultation . . . Accordingly, the Fund expects . . . in consultation . . .", etc.

OTHER MONIES

The Japanese yen is not to be devalued soon, according to former Tokyo attache David Maynard. There is "a fair chance" that the rate will stay at 360 per dollar for the foreseeable future, he reports. . .

Before devaluing the schilling Austria, it appears, did consult the IMF in a vain effort to get the American demand overruled. Considering the USA's influence in that dollar-distributing organization, the attempt was foolish. ECA's idea about the schilling prevailed just the same.

Australia, Brazil, Ethiopia and Yugoslavia have been among recent recipients of Fund dollars. The London *Economist* wonders "how Australia has convinced the Fund that its dollar deficit is a result of 'short-term disequilibrium.'" . . . The Fund announced the loan to Brazil by quoting the *Washington Post*!

Job Studies to Aid Country Banks

RICHARD W. TREFZ

In recognition of the importance of the personnel problem existing in country banks, the Personnel Committee of the Country Bank Operations Commission of the American Bankers Association met in Chicago on December 8, 1949, to discuss personnel administration procedures which they have had under consideration since early 1948. MR. TREFZ, who reports on the meeting in this article, is chairman of the Commission and president of the Beatrice State Bank, Beatrice, Nebraska.

THE new minimum-wage requirements and the overall general increases in salary expenditures during recent years, coupled with high employee turnover, greatly emphasize the need for sound personnel administration in banks.

Many of the larger and medium-sized banks are meeting this need by adopting new or improved job classification and personnel performance rating programs. However, the small banks find they have a much more complex situation in this respect, due to the overlapping of employee duties.

The Country Bank Operations Commission, in cooperation with William Powers, deputy manager of the A.B.A., and director of Customer and Personnel Relations, has gathered information on the subject of job classification from hundreds of smaller banks with from two to 35 staff members. It is believed that the data obtained will provide the factual basis for the construction of a job classification program that can be adopted by banks which are operating on a nondepartmentalized basis.

The data were obtained from two basic surveys—a restricted survey in January 1949 and a general survey with an improved questionnaire in the fall of 1949. The object of the surveys was (1) to determine the principal activities performed by each individual in these banks and (2) to establish whether or not these activities under specific job titles could be fitted into a few major classifications, which in turn would require the greater percentage of that individual's time.

RESULTS of the first 352 returns processed are shown on the accompanying chart. The form is a duplicate of the second questionnaire. However, to illustrate the results, the figures shown in the vertical columns cover only four of the many jobs reported.

For the meeting in Chicago the committee had the assistance of Mr. Powers and Edward N. Hay, president of his own firm of personnel consultants, and one of the country's authorities on job classification, with 20 years of practical experience in banks.

Since this is the first attempt made in the field of country banks, the committee discussed a variety of job classification methods. They gave full consideration to



The Personnel Committee of the Country Bank Operations Commission, American Bankers Association, listens while Edward N. Hay, personnel consultant, discusses at the blackboard some of the points developed in the study. William Powers, A.B.A. Director of Customer and Personnel Relations, stands at the right of the board. The Committee's meeting was in Chicago

the personnel problems peculiar to the small bank. They were fully aware of the difficulty involved in attempting to work out a classification program that would clarify job duties and responsibilities and measure proficiency of staff performance, while at the same time maintaining the high degree of flexibility of work required in all small bank operations. In spite of these complications, analysis of the survey information led the committee to the conclusion that a practical classification program could be worked out.

FOUR definite steps were agreed upon, to be taken in the coming four months, leading to the publication of a handbook that would include a pattern of job classification, sample sets of graded salary tables, an outline of a performance rating procedure, and a step-by-step guide in the use of this material in actual country bank operation.

Much time, effort, and cooperation have been given by the country banks to this program, which clearly indicates their interest in obtaining help in this important field.

The results of this study will be given to the banks in the handbook designed to aid them in their efforts to offset rising operating costs and improve customer service in their communities.

The special committee is composed of: *chairman*, Joseph C. Welman, president, Bank of Kennett, Kennett, Missouri; D. L. Lawler, president, Crookston National Bank, Crookston, Minnesota; L. M. Schwartz, vice-president, Citizens State Bank, Paola, Kansas; P. A. Warner, executive vice-president, Knox County Savings Bank, Mt. Vernon, Ohio; and W. M. Willy, President, Security Bank & Trust Company, Madison, South Dakota.

JOB TITLE

JOB CLASSIFICATION FORM

Here is an analysis of results for 352 banks included in the A.B.A. Country Bank Operations Commission study (see next page), showing the over-all percentage distribution of time spent on each separate duty indicated, together with supplemental information. This is a condensation of the complete chart.

PERCENTAGE OF TIME SPENT ON:	JOB TITLE											
	453 ASST. CASH' S.			523 TELLERS			720 BOOKKEEPERS			192 SECY.-STENO'S.		
	A	B	C	A	B	C	A	B	C	A	B	C
1. Executive Duties (Pertaining to Commercial, Savings, Trust & Insurance Departments, Investments, Personnel, Loans and Discounts, New Business, Outside farm work, Income tax service, Purchasing supplies and equipment, etc.)	5	272	15.5%	14	17	1%	17	2	0%	14	3	0%
2. Head Teller Duties (Supervising tellers, Daily settlements, Vault cash responsibility—Ordering and shipping coin and currency, Cash and return items, etc.)	4	268	9.1	10	87	1.4	15	8	.1	15	1	.1
3. Auditing and Controlling Duties (Making periodic audits; Controlling asset, liability, income and expense accounts; Reconciling correspondent balances, cashiers checks, money orders, etc.; Compiling and completing reports, etc.)	3	284	7.1	9	114	1.6	12	41	.3	11	18	.6
4. Commercial Teller Duties (Receiving deposits, Cashing checks, Payrolls, Daily proof; Clerking auction sales; Handling collections, drafts, cashiers checks, certifications, money orders, sales and redemptions of savings bonds, travelers checks, coupons, etc.)	1	366	32.4	1	523	69.3	5	140	3.0	9	43	2.9
5. Savings Teller Duties (Receiving savings deposits, Christmas and/or Vacation club payments; Paying withdrawals, Daily proof, etc.)	7	194	3.4	2	302	6.4	7	93	.8	10	31	1.1
6. Note Teller Duties (Handling new and renewal notes, Accepting payments on notes and mortgages, Maintaining records and credit files, Collections, Daily proof, Custody of collateral, etc.)	2	317	14.8	4	186	3.5	11	42	.3	8	44	3.2
7. General Ledger Bookkeeper Duties (Proving and posting daily general ledger entries, Paying official and certified checks, Maintaining general ledger accounts and files, Preparing reports and statements, etc.)	6	209	6.1	8	121	2.8	10	48	.5	12	11	.6
8. Interior Proof and Transit Duties (Proving and distributing daily debits and credits, Photographing checks and deposits, Endorsing checks, Preparing outgoing transit letters and clearings, etc.)	12	68	1.2	5	153	3.5	2	337	7.7	7	45	4.2
9. Bookkeeper Duties (Posting commercial, savings, loan and discount, trust, mortgage ledgers and/or statements; Sorting, examining and filing checks and deposits; Paying or rejecting items; Verifying signatures, dates, amounts, etc.; Rendering statements, Cancelling checks, Account analysis, Computing and/or posting savings interest; Posting payments on Christmas, Vacation, etc. clubs and preparing club checks at maturity, etc.)	8	145	4.3	3	235	5.8	1	715	79.8	6	54	4.8
10. Secretarial Duties (Relieving executive of details, Answering correspondence, Dictation, Typing, Filing correspondence, Specialized office work etc., much of which demands independent judgment.)	11	75	3.0	12	48	.8	9	50	6	2	127	32.3
11. Stenographic Duties (Routine dictation, Typing, Miscellaneous clerical duties and Routine office work, etc. under supervision.)	13	25	7	11	51	1.1	8	86	1.1	1	151	38.4
12. Safe Deposit Duties (Serving vault customers, Recording entries to vault and boxes, Maintaining records of leases, contracts, keys, rentals, etc.)	9	126	.9	6	150	1.2	4	180	1.1	5	65	3.0
13. Telephone Operator (Operates telephone switchboard, Relays calls, etc.)	15	14	.1	13	29	.2	6	97	.6	3	79	4.1
14. General Clerical Duties (Handling mail, Typing, Operating office machines, Filing, Maintaining simple records, Supplies, etc.)	10	86	1.0	7	135	1.9	3	254	3.6	4	76	4.4
15. Trainee (Junior clerk, Office boy, Messenger, etc.)	17	3	0	17	4	1	14	9	.2	16	1	0
16. Janitor	16	5	.1	16	5	0	16	3	.1			
17. Miscellaneous Bank Duties (Guard, Messenger, etc.)	14	15	.3	15	119	3	13	15	.2	13	9	3
18. TOTAL			100.0%			100.0%			100.0%			100.0%
19. Average Number of Hours Worked Per Week		420	40.87		504	39.02		669	39.03		183	39.05
20. Basic Hourly Wage Paid. (Excluding overtime)		414	\$ 1.47		489	\$ 1.04		681	\$.83		180	\$.95

A - ORDER OF DUTIES, BASED ON NUMBER OF TIMES REPORTED
B - NUMBER OF TIMES DUTY REPORTED
C - AVERAGE % OF TOTAL TIME SPENT ON DUTY
 * - LESS THAN 0.1%

Bank Staff Members:

21. Present Number of Officers..... 3.45
 22. Present Number of Other Employees..... 7.31
 23. Present Total Number of Employees..... 10.76
 24. Present Total Number of Employees Includes 5.50 Women.

25. Please check the following special employee benefits in effect in your bank:
 38.0% HOSPITALIZATION 15.3% RETIREMENT 41.1% LIFE INSURANCE

70.4% BONUS 5.1% PROFIT SHARING

The Country Banker



Devaney

News for Country Bankers

Selling Services . . . Bank Operations . . . Legislation . . . Research . . . Better Farming

This selection of news dealing with various aspects of country bank management was compiled by MARY B. LEACH of BANKING's editorial staff.

Gains from 75 Farm Management Meetings

THE strong and weak points of 75 bank-sponsored farm management meetings held in Kentucky at the county level, attended by approximately 18,000 farmers, were appraised in a recent issue of the *Agricultural Bulletin* of the Kentucky Bankers Association. Here is a summary of the points brought out:

Meetings held this year more than doubled those held in any previous year, while the average attendance tripled. This increase is attributable to bank sponsorship.

Most of these farm management meetings were all-day affairs, with local banks treating the guests to luncheon. However, some of the most successful meetings were held in the afternoon, with the banks serving refreshments only. The consensus of Kentucky bankers is that it is not necessary to go to a great

deal of expense to have a successful meeting; that a light lunch, at a nominal cost, is just as effective as the serving of an expensive dinner.

In general, the meetings were successful in cases where the bankers took an active part in making the local arrangements, such as the selection of the farm, advertising, preparation, and participation in the program, and were present for the entire program, including the farm tour. Active banker participation is more important, says the *Bulletin*, than the serving of an expensive meal.

Statewide news coverage exceeded any previous association activity. Representatives of agricultural agencies, farm leaders, news editors, and farmers generally praised the bankers for their cooperation in these meetings.

Gains for the bankers were listed as: (1) First-hand information on sound farm practices that will be helpful in extending farm credit; (2) broader vision of the opportunities in further developing the state's agricultural resources; (3) more rapid acceptance by farmers of

sound practices that will strengthen the economy of the respective communities; (4) sounder agricultural credit risks; (5) closer cooperative working relationships between banks and farm customers; (6) better understanding in agricultural communities of the interest of banks in community improvement; and (7) breaking down of public apathy toward banks which has led good credit risks to turn to other sources of credit.

W. W. Campbell Honored

IN recognition of his many years of service to the agriculture and the farm people of his state, W. W. Campbell, president of the National Bank of Eastern Arkansas, Forrest City, was named "Arkansas Farmer of 1949" by *The Arkansas Farmer* magazine in its December issue. Mr. Campbell is chairman of the Agricultural Commission of the American Bankers Association. Selection of the Arkansas farmer of the year is made annually on the basis of a poll of key farm leaders in the state.

Mr. Campbell is widely known as a leader in both banking and agri-

culture. In citing Mr. Campbell, *The Arkansas Farmer* states:

"He has enthusiastically preached and promoted practical soil conservation and diversified agriculture. His interest in dirt-farming and farm people has rejuvenated many families. His efforts have played a significant part in the great progress his community has made in switching out of a row crop (mostly cotton) economy into livestock, pastures and feed, peaches, rice, corn, and truck crops, as well as cotton.

"Mr. Campbell... feels a deep responsibility for the welfare of his community. He believes strongly that 'rural communities develop and prosper, or wither and die, as soil productivity goes up or down.'"

Editorialized Ads Popular

WITH the opening of The National Bank of Bloomington, Illinois, 15 years ago, President Grover C. Helm began writing personal articles pertaining to economics, agriculture, farm legislation, community affairs, etc., which the bank has used in paid advertisements. On occasion, two or more topics are included in one ad, each topic appearing under a bold-faced head.

President Helm is given credit as the author of the articles. He expresses himself freely, frequently disregarding the fact that he is in the banking business. In recent months the bank has included an article a month on trusts, written by the bank's trust officer and cashier, Sheldon B. Leach.

Subjects covered in 1949 included various aspects of cattle raising and marketing; farm prices; government

spending; grain planting, uses, storage, and marketing; loans; rainfall; Federal legislation affecting the farmer; fruit raising; planning; the community chest; and trusts.

The bank has received many favorable comments on its editorialized ads and feels that they have created for it much community goodwill.

Farm Modernization Plan

HOW bankers view lending for farm improvements to modernize a typical Pennsylvania farm was indicated at the recent two-day annual farm management clinic at State College, Pennsylvania. A 150-acre farm in Centre County, with crop yields, income, operating costs, and actual investments, was "dissected."

Extension specialists, such as are available in every county, suggested improvements they considered essential to increase the farmer's income. Then the effect on investments and the credit aspects were analyzed by the bankers themselves.

This procedure was the first in which an actual operating farm was used as the basis of discussions for the annual sessions arranged jointly by the School of Agriculture and the agricultural committee of the Pennsylvania Bankers Association. Dr. Leonard Miller, agricultural economist at the Pennsylvania State College, presided.

Following several proposed improvements, Dr. William L. Barr of the college faculty on farm management, tabulated proposed changes, their effect on income and expenses, to show what would be needed in the way of financing. Then N. P. Morten-

sen, of the First National Bank of Greenville, analyzed the position of the average banker facing this set of conditions.

Mr. Mortensen's calculations stirred numerous comments from the bankers in terms of how such "typical" situations could be met in actual day to day transactions. He indicated the average bank would provide the funds for the proposed improvements, partly with a farm mortgage and partly through a chattel mortgage. The banker said that the \$17,000 improvements to a \$20,000 farm would require more than a single operation and that such transactions would take place over several years, rather than at one time.

Figures shown at the clinic indicated farm income to the operator, a young farmer, would jump from \$3,800 to \$6,300 a year, depending on general farm prices.

Jesse K. Cope, Jr., Lansdale, was chairman of a panel of bankers at the closing session to discuss "common practices in agricultural lending." Others on the panel included: Daniel Kerstetter, Hamburg; Wesley G. Reitze, Meadville; Morris H. Baker, Montrose; and Roy G. Shaull, Carlisle.

Charles F. Zimmerman, Huntingdon, former secretary of the Pennsylvania Bankers Association, representing the officers, closed the program with a summary of the two-day discussions.

Income Tax Return Service

PREPARING an income tax return ranks right along with drought, hail, and sick livestock in the impressive list of troubles that arise to harass the average farmer. A farmer expects to be a good mechanic, a competent veterinarian, and a skilled agronomist, but he usually draws the line at keeping a good set of books. This situation has given the Peoples State Bank of Plainview, Minnesota, an opportunity to create a large amount of goodwill among its farm customers.

"We prepare their income tax returns for a nominal fee," explains Assistant Cashier T. V. Zabel. "We've been rendering this service for several years and it has made a real hit with farmers. More and more of them are availing them-

(CONTINUED ON PAGE 60)

The Daily Fantagraph, Thursday, June 16, 1949

RAIN

As we are writing this article, we are receiving information from various sections of our Banking territory that a wonderful rain started to fall about 11 o'clock Monday night and rained steadily until 7 o'clock this morning. The indications are that it will continue during the day.

Several of our informants advised us there was no wind or hail in connection with this marvelous rain. This will certainly put a smile on the face of every farmer in this territory who has not been blessed with much, if any, rain the last three weeks. The clovers in the oats and wheat were looking pretty puny and needed moisture badly.

GRAIN STORAGE

We have checked with several sources and we find there are available three sizes of galvanized grain bins. The 1,000 bushel bin costs about 30 cents per bushel including the foundation; the 2,200 bushel bin costs about 28 cents per bushel and the 3,275 bushel bin costs about 26 cents per bushel.

The Government is talking about paying storage rental of 10 cents per bushel for wheat, 10 cents per bushel for corn and 8 cents per bushel

A portion of one of The National Bank of Bloomington's editorialized ads

What happens if transit letters are destroyed or lost enroute?



What happens if a depositor claims he never gave cash to a bank?

What happens if mistakes occur?



What happens if records disappear in the bank?



In any event
you're protected
when you have Recordak
microfilm records

Come loss . . . dispute . . . carelessness or mistake, it's reassuring to know that you have Recordak microfilm copies of all items handled by your bank.

It's reassuring—because these records are photographically accurate and complete . . . are on compact rolls of microfilm which can't be altered without detection.

Thus, all the information you need to put two and two together quickly is at your finger tips—*ready* to be reviewed in the Recordak Film Reader, which enlarges every item to convenient reading size; *ready* to be reproduced as large-size facsimile prints, if you wish. (Facsimile prints of lost transit

items are produced free of charge by Recordak.)

In this manner, Recordak microfilming provides unparalleled protection—protection that's a by-word in thousands of banks . . . that cuts time and dollar losses . . . often nips fraudulent activities in the bud—within banks, and depositor-organizations, as well.

Learn in detail how Recordak microfilming protects your bank while cutting operating costs in transit and bookkeeping. Write today for a copy of "In bank after bank after bank." It's free. Recordak Corporation (*Subsidiary of Eastman Kodak Company*), 350 Madison Ave., New York 17, N. Y.

RECORDAK

(Subsidiary of Eastman Kodak Company)

**originator of modern microfilming—
and its application to banking systems**

"Recordak" is a trade-mark



*The Recordak
Duplex Microfilmer*

selves of our offer to prepare the income report."

The bank sends a free copy of its farm record book to each one of its customers. The front cover page bears the message: "Compliments of Peoples State Bank. Come in and talk over your banking and farm problems with us. Our aim and effort is to give such service to our customers that they profit by our dealings and recommend us to their friends."

"We urge farmers to keep the book where it can be reached in a hurry," explains Mr. Zabel. "We impress upon them the importance of recording every deductible item. That means every time a farmer reaches for the book to record a \$5 purchase of fuel oil or a \$2 subscription order for a magazine, he reads our advertisement on the front cover."

As a result of sending the farm record book free of charge, the bank has been benefited also. Fewer and fewer farmers come into the bank with a mass of papers covered with figures. Instead they bring in the book in which all farm income and expenses have been neatly recorded.

"There's another angle to this business of preparing farm income tax returns," Mr. Zabel explains. "We get an accurate index as to a farmer's progress in his operations. The information we receive in this way often is valuable in considering credit risks."

Booklet Plugs Whole Community

THE staff of the Farmers State Bank of Ridgeland, Wisconsin, prepared a 44-page booklet advertising the Ridgeland business community which was mailed by the bank to 3,000 rural boxholders in the trading area.

About half of the booklet is devoted to display advertising of local industry and the other half is filled with news items about Ridgeland businessmen, written in the style of a county weekly.

Featured in the advertisements are farm machinery, automobile, hardware, feed and oil dealers, barbers, restaurants, auctioneers, dairies, insurance agents, groceries, livestock haulers, truckers, cobblers, builders, professional men, etc.



The agricultural committee of the Washington Bankers Association meeting in Seattle. This is the committee that placed a big red (Delicious) apple at every plate at the A.B.A. Agricultural Commission's agricultural breakfast at the San Francisco convention. *Left to right*, L. C. Smith, Marysville; C. B. Polly, Dayton; W. F. Skillern, Goldendale; F. H. Jenne, Yakima; A.B.A. Deputy Manager A. G. Brown, New York; WBA Agricultural Committee Chairman H. S. Van Tinker, Bellingham; WBA Executive Secretary Andrew Miller; R. H. Crowe, Puyallup; C. E. Carlson, Cathlamet; and C. R. Lee, WBA staff

Cashier Ralph E. Peterson reports that this project has created a bountiful harvest of goodwill for the bank and the other advertisers.

Farm Credit Manager's Duties

SINCE his appointment two years ago to the farm credit manager-ship of The First National Bank of Orange, Virginia, Charles E. Green has developed an active program.

Aside from his contacts and cooperation with the bank's adult customers, Mr. Green takes an active part in 4-H Club and FFA activities. "He attends all 4-H and FFA shows and sales," says President W. M. Early, "and makes visits to the homes of these boys with the club agent and helps to assist the boys with their projects. He started a 4-H and FFA poultry project under which the bank lends an electric brooder and 75 day-old chicks to 10 club boys and girls. At the end of 12 weeks the brooder is returned along with 10 cockerels. These are sold and the proceeds placed in a club account to buy the chicks for 10 more members the next year." The bank presents prizes of \$15, \$10, and \$5 checking accounts to the first-, second-, and third-place winners.

This project, Mr. Early explains, is designed for the younger club members and those who do not have the capital for larger investments. The bank also finances other youth projects, including the purchase of hogs, baby beeves, and dairy heifers.

The bank has a 90-member 100-bushel per acre corn club, which is open to all farmers in the county.

Mr. Green majored in agricultural economics and received his B.A. degree from the Virginia Polytechnic Institute in Blacksburg, Virginia.

Calf Financing Program

A CALF financing program is being offered to the Future Farmers of America and 4-H Club members in Fort Myers and Alva, Florida, by The Lee County Bank of Fort Myers.

Cashier J. A. Ansley reports that the bank finances the purchase of calves and other expenses and guarantees a market for the beef by sponsoring an auction on the final day of the Southwest Florida Fair. Insurance is carried on the calves during their ownership by the youthful purchasers.

J. C. Middleton, agricultural instructor, is directing the program. He buys calves from three to six months old and assigns them to students who wish to purchase them. F. E. Starnes, the school board attorney, handles all legal work and explains the technicalities to FFA members as part of their high school training.

One acre of improved pasture at the FFA building and two acres of unimproved land are available to the FFA participants. The cows are also to be fed on citrus and cane molasses.

Financing through the bank is being carried out under individual con-

tracts and the money is repaid after the animals are sold. A condition of the agreement is that all stock must be entered in the fair's cattle exhibit. Two \$75 prizes are offered for winners, one by the FFA, and the other by the state for 4-H Club entries.

Following exhibition at the fair, the animals are to be sold at auction.

Robert H. McGaughey

ROBERT H. MCGAUGHEY has been employed by the First-City Bank and Trust Company, Hopkinsville, Kentucky, as agricultural field representative. He will be primarily interested in the development of agriculture, assisting and advising farmers



in planning their overall farm program, and in the promotion of the farm loan program. He will also assist in general publicity for the bank.

Mr. McGaughey graduated from the University of Kentucky in 1933 with a degree in journalism. Later he took postgraduate work in law and agriculture at the same institution. For two years prior to World War II he was employed as a field representative by a Government agency at Hopkinsville. During the war he served two years as a training officer, being discharged with the rank of captain. In the field of publicity, he served as news editor with a Hopkinsville newspaper and held a similar post at the Hopkinsville radio station. Prior to coming to the bank, he edited and managed a weekly newspaper in Todd County, Kentucky.

Mr. McGaughey is a native of Christian County and was born and reared on a farm.

Gold Medal Calf Show

THERE'S hardly a cattle breeder operating within the 14-county area around Lafayette, Indiana, who isn't acquainted with the Lafayette Savings Bank. It's due to an unusual farmer-banker program called the Lafayette District Gold Medal Calf

Show and sponsored by the bank. The bank is the only one in Indiana—and possibly in the entire country—sponsoring a show of this type.

"It's designed to give publicity to the small cattle breeder," explains Ward E. Skinner, president of the Lafayette Savings Bank. "We furnish the show catalog as well as the show ribbons and premium money. Each of the ribbons has the bank's name printed on it as does the catalog. When you consider the catalog is sent to every breeder in our trade area, it gives you an idea of the advertising we receive."

Each new catalog features a brief history of different purebred cattle herds in the area. The 1949 catalog, for example, described the "Cradle of Purebred Beef Cattle," owned by M. W. Congleton & Son of Frankfort, Indiana. The catalog also is unique in listing the owner by name and address, including the county. The calf show is dominated by the large entries of Hereford and Shorthorn cattle although other breeds also are represented.

Assisting the Lafayette Savings Bank in sponsoring the show are the Indiana Livestock Breeders Association and Purdue University Animal Husbandry Extension Service. The cattle show has its own organization with officers and committeemen elected from within the group of beef cattle breeders in the Lafayette district.

The bank has a budget of \$500 set up to take care of the catalogs, ribbons and prizes. A novel feature of this show is that the bank gives a small cash prize to each exhibitor to help defray the cost of bringing calves to the show.

Champion calf at Lafayette District Gold Medal Calf Show, owned by Allison E. Stuart, Trustee of the Lafayette (Ind.) Savings Bank. Left to right, Noah C. King, secretary, Lafayette Savings; Ted P. Axton, bank treasurer; Mr. Skinner; and Garrett Kuipers, herdsman



Soil Testing Clinic

As a service to farm customers to determine soil deficiencies, a three-day soil testing clinic was conducted by the Greenville National Bank of Greenville, Ohio, in cooperation with Purdue University.

The clinic was publicized by the bank's sending out 6,000 postal cards addressed to 6,000 RFD boxholders in Darke County. On the same day that the cards were mailed, the bank ran a paid advertisement and a news item appeared on the front page of the local newspaper. This was followed up with additional publicity stories and advertisements, including a story on how to take soil samples on the farm.

Letters were sent to agricultural and high school teachers inviting them to bring their classes.

Results: Of the 1,800 soil boxes given out to farmers who called at the bank, about 1,200 soil samples were returned from 205 farms.

About 150 farmers and 60 students from three high school classes attended the test clinic; watched the analyses being made; and listened to lectures by Professor A. J. Ohlrogge, Department of Agronomy, Purdue University; E. F. Kuester, Darke County farm extension agent; and Assistant Cashier Gerald Detrick.

More than half of the samples were tested at the clinic, the Purdue staff returning later to complete the job.

All farmers in the county were invited to the clinic, regardless of whether they submitted samples.

Cashier H. L. Underwood reports that the soil samples returned and the interest shown far exceeded the bank's expectations.

Investing in Youth

HAROLD SEVERSON

ASK the young fry of Adams, Minnesota, to name the most popular man in town and it would be—no, not the high school coach or the home run slugger on the local baseball team. The overwhelming favorite with the youngsters is N. V. Torgerson, head of the Farmers State Bank.

What won him that distinction?

Well, take that June day during the last circus season. The big Shrine circus was scheduled to be held at nearby Austin. That meant little to the average youngster in Adams, however, for there was the problem of scaring up the admission price. Moreover, who would furnish the transportation? Most of the parents were too busy to take time off to run the children over to Austin, spend two or three hours in the city, and then return them to Adams. Too much responsibility.

But over in his office, Mr. Torgerson was studying the problem. He had 25 tickets for underprivileged children in his hand. But who would qualify for the tickets in the prosperous little village where real poverty is practically unknown? He thought it over and then acted.

Circus Day

On circus day, a big group of eager, excited youngsters tumbled into special buses bound for Austin. They were the guests of Mr. Torgerson, who paid all the expenses. After the performance was over, they were taken downtown and treated to soft drinks and ice cream.

It was a wondrous day for over 200 youngsters. And when it was over it was difficult to say who was happier—the young sleepy heads going home on the buses or the man who made it possible.

Then take last Hallowe'en. Adams youngsters are no different from those in other American villages and towns. They will get into mischief. They will do some damage. That is, they had on previous Hallowe'en nights. But something happened on the last night to upset the local traditions. All the masked youngsters were invited over to the Torgerson home. There they found a big screen had been erected on the garage doors.

"Those kids knew why we were giving them a free movie that night," Mr. Torgerson chuckles, "but they came over by scores to watch us screen pictures I had made of local events. I also showed some comedy films that went over with a bang. It was a two-hour performance and when it was all over, the boys and girls went home without indulging in any cut-ups. That was a very peaceful Hallowe'en night, for a change."

Dividends from Photography

Mr. Torgerson's interest in photography has paid good dividends for the bank. Equipped with an excep-



Mr. Torgerson is shown snapping a picture of G. A. Ames, one of his bank's growers of tall corn

tionally good group of lenses and cameras, he is ready to take both moving pictures and still shots. For example, when a school play is held or a class of young children is confirmed at the Little Cedar Lutheran church, Mr. Torgerson is there to film the event. Taken in color, the moving pictures are later shown at church, school or community gatherings. A large crowd is always present to listen to Mr. Torgerson's commentary and to watch their youngsters appearing on the screen.

During World War II the Farmers State Bank featured a large lobby display of pictures showing the group of boys from the Adams trade territory serving in the various branches of the Armed Forces. Parents or relatives were urged to bring in photographs of their family representatives in the Army or Navy. Those who were unable to furnish a photograph would notify Mr. Torgerson and on the soldier's (or sailor's) first return trip home, he would be photographed by the banker. This, of course, made a very strong impression upon both the relatives and the boy.

Interest in Farm Affairs

Since Adams is essentially a community catering to farmer trade, Mr. Torgerson overlooks no opportunity
(CONTINUED ON PAGE 114)

Seasonal Swings in Commercial Loans

DOROTHY LUCILLE SONNTAG

Miss Sonntag is in the research department of The Chase National Bank of New York, where this study was prepared.

FOR more than a decade the Chase National Bank of New York has divided the business loans of its head office into some 50 industrial categories. The fact that this has been done permits a study of the basic reasons for the seasonal swings in total commercial loans.

There are only four categories with definite seasonal fluctuations large enough to affect the seasonal in total commercial loans: "Foodstuffs," "Tobacco," "Finance, Acceptance, Credit and Small Loans," and "Department Stores." The fluctuations occurring in these categories determine the seasonal pattern of commercial loans.

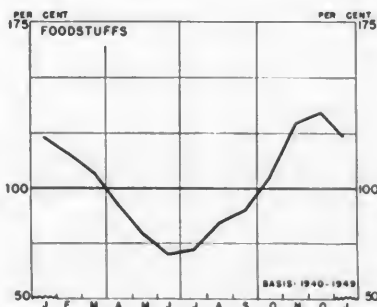
During the war, because of the abnormal situation in credit requirements, seasonal fluctuations were absent from total current commercial loans and, as would be expected, are absent at all times from term loans. However, beginning in 1945, the bank's current commercial, industrial and agricultural loans¹ have reflected seasonal swings in their month-to-month fluctuations. The index of seasonal variations is shown in the charts.

There is little change in the seasonal index of total current commercial loans during the first three months of the year. From March until June there is a decline of 16 percentage points and from June to December an increase of about 23 percentage points.

Foodstuff Loans

The seasonal in foodstuff loans, computed from data from 1940 to 1949, is the most important of the underlying seasonal indexes. The amount of borrowing in this category, which includes loans to manu-

¹ Current commercial, industrial and agricultural loans are determined by subtracting commercial, industrial and agricultural term loans from commercial, industrial and agricultural total loans. For the purpose of brevity, commercial, industrial and agricultural loans have been called commercial loans throughout this study.

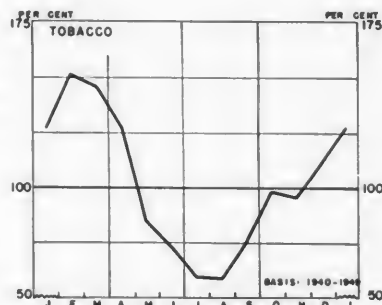


facturers, producers, processors, distributors and sellers of foodstuffs, is consistently very large.² The rise in the index during the late summer and the fall of the year is attributed to heavy borrowings from customers to purchase harvested farm products. In the late winter and spring, as inventories decline and borrowers start paying off their indebtedness, the index falls rapidly until it reaches its low point in midsummer. This index is very similar to that in total current commercial loans, indicating the important effect that seasonal borrowings in this category have on total current commercial loans.

Tobacco Loans

Another loan category, which because of its size affects the seasonal in current commercial loans, is "Tobacco." The seasonal in current tobacco loans, computed from data from 1940 to 1949, is caused by heavy borrowings resulting from the purchase of the two tobacco crops.

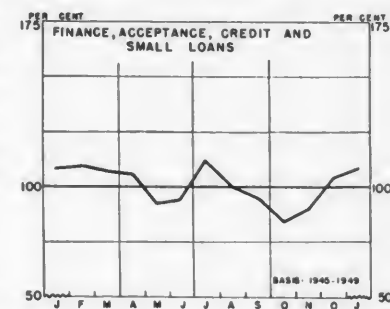
² The seasonal in foodstuff loans was not affected by wartime credit requirements, in consequence the war and postwar periods are both included in computing the seasonal index.



The market in one crop opens in August and continues until the middle of November and the other opens in December and continues until March. Particularly in regard to the low point in midsummer and the rapid rise in the fall of the year does the seasonal in tobacco loans influence the seasonal in current loans.

Finance Loans

Still another important category and one which is becoming even more significant because of its recent rapid growth is that of "Finance, Acceptance, Credit and Small Loans." In computing this seasonal the war years were omitted. These were not considered representative because of credit controls covering these loans and because of the lack of durable goods.



"Finance, Acceptance, Credit and Small Loans" is a category composed largely of loans to sales finance and personal loan companies. Both types show approximately the same seasonal, rising in the spring and summer and again in the winter. The seasonal rise in loans to the small loan companies during the spring and summer is attributable to the Easter trade and vacation loans. The seasonal rise in such loans in the winter is caused by the Christmas trade. In the case of the sales finance companies, the spring and summer increase results from automobile purchases while the winter increase results from the accumulation of stocks by dealers.

The upward trend in the total volume of loans in this category has

(CONTINUED ON PAGE 112)

The Investment Market

Governments — Other Securities

Government Bonds

MURRAY OLYPHANT

MR. OLYPHANT, a Government bond and money market expert, is on the faculty of The Graduate School of Banking.

The Government Market

BY the middle of November the market for Government securities, which had backed and filled since the previous high point early in September, again registered peak prices for 1949. Both the "tap" issues and the partially tax-free bonds outperformed the bank 2½s of September 15, 1972/67. The former appeared to find an increasing demand attributed to the growth of pension funds, to some possible enlargement of dealer positions, and to the continued refusal of the Open Market Committee to make any of the Federal Reserve bank holdings available. The firmness of the PTE's seemed to indicate acquisition by dealers and trading banks who benefit from an income tax standpoint by the sizable amortization of high premiums.

With the approach of December the market atmosphere changed and quotations dropped to the extent of a half to five-eighths of a point for most of the "taps" and the bank 2½s. The PTE's held better, confirming the belief that previous purchases had been made for a definite purpose and would be retained.

December is ordinarily a month in which the floating supply of money shrinks to a low level. Income tax payments reduce member bank deposits and swell the Treasury deposits in the Federal Reserve banks.

Calls on war loan accounts follow each other in rapid succession. On the 15th the Treasury must not only provide for interest payments on issues with June and December coupons, but last month needed to allow for a 5 or 6 percent cash turn-in of the \$4,800 bonds and certificates due for payment if not exchanged. There is a tendency on the part of banks to make as few changes in their investment portfolios as possible prior to the preparation of year-end statements. Federal funds are usually scarce and if available at all only at the maximum of 1⅞ percent.

The net effect of all these factors was quite naturally to bring about a cessation of buying interest. With such a cessation dealers are hesitant to increase their positions and likely to mark quotations down to a greater extent than usual when it is necessary for them to make bids for whatever may be offered.

Slightly Disturbing Factors

Two other developments tended to reverse temporarily the course of prices: one, the willingness of the Open Market Committee to let the 91 day Treasury bill rate rise to the approximate equivalent of the 1¼ percent rate for one-year Treasury certificates and the sale of token amounts of long term bonds from the portfolio; and two, the somewhat confusing and contradictory testimony before the congressional Economic Committee in Washington.

This committee propounded a set of 20 questions ranging across the

whole field of credit and fiscal policies. As might have been expected testimony from the top echelons of both Reserve and private bankers, as well as from the governmental agencies concerned with the supervision and examination of banking and credit institutions, simply served to emphasize the differences of opinion which were well known to exist. Nevertheless, some of the news headlines were of a character to raise questions in the minds of government bond holders who failed to recognize not only that the committee hearings were purely exploratory but that the differences of opinion were so sharp as to indicate a stalemate in the possibility of any early legislative action and to emphasize the desirability of the appointment by Congress of a Monetary Commission to carefully and temperately survey the relationship between the Treasury Department and the Federal Reserve System in all its phases.

When, however, the Open Market Committee of the Federal Reserve System became reluctant to acquire Treasury bills except at a rate almost equivalent to that for one-year Treasury certificates comment was to the effect that such action might indicate the end of easy money policies, although it was quite clear that there had as yet been no signs on the business front to justify any apprehension of a return to inflationary conditions. Business loans of the reporting member banks had tapered off after rising less than \$1-billion from August 3 to Novem-

ber 16. The average of economic forecasts could be described as cautiously optimistic that the level of business for 1950 might be held close to that of 1949. It was quite clear that no change whatever was at all likely in Treasury financing policies. Nevertheless, rumors were rife that the rate for the Treasury one-year certificates might be raised to 1¼ percent by January 1 on the assumption that a rate for bills of nearly 1½ per cent was more than a temporary reflection of the prospective scant supply of available funds during December as indicated above.

Treasury Refinancing

A sharp reversal of sentiment and prices followed the announcement of the terms of the December and January refinancing by the Treasury Department at the close of business on November 30. The note offered to holders of the called 2 per cent, 2½ percent and 3⅞ percent bonds had the expected 1⅜ percent coupon. The maturity—March 15, 1954, —although a little shorter than expected, had in consequence better premium possibilities which assured an excellent reception. The small issue of 1¼ percent certificates (\$519-million) due December 15 was eliminated as holders of that issue were offered the 1⅜ percent notes in exchange. To clear up any lurking doubt as to the one-year rate the Treasury stated that the \$5,695-million 1¼ percent certificates due January 1 would receive a 1⅜ percent certificate in exchange.

With any uncertainty about the Treasury refinancing out of the way quotations for the longer bonds both eligible and ineligible were quickly marked up. Again, as was the case on the previous mark-down, no real volume of actual transactions took place. In fact the most marked characteristic of the Government market for some months had been the relatively small volume of actual transactions which had led to the frequent characterization of price changes as merely "professional," and not a true measure of a preponderance of buying over selling orders or the reverse.

Federal Reserve Portfolio Adjusts Money Supply

During the period from July 1 to November 30 the Government port-

folio of the Federal Reserve banks declined \$1,835—representing changes in the various maturity categories as follows:

	June 29	Nov. 30	Change for Period
Maturing in 1 year or less	11,979	10,550	-1429
" " 1 to 2 years	—	—	—
" " 2 to 5 years	2,090	1,709	- 381
" " over 5 years	5,448	5,423	- 25
	<u>19,517</u>	<u>17,682</u>	<u>1835</u>

The drop in the two to five-year sector was the result of the reclassification of the 2 percent bonds when called for payment in December and March, respectively, so that practically all the operations were merely of a money market nature consisting of sales and purchases from week to week of Treasury bills and certificates. Additions were usually made over the month-end periods with some declines in subsequent weeks. The decline of \$25-million in the longer bond holdings over a three-week period in November excited some comment as perhaps indicating a change in the previously announced policy of leaving the long market to its own devices but was stated to have merely resulted from a special situation which was cleared up. It is, however, quite possible that an increased demand for the longer bonds which may develop early this year would find that the supply of these issues still remaining in the Federal Reserve portfolio would become available.

Treasury Cash Position

The budget deficit for November totaled \$782.5-million, bringing the October and November shortage to

over \$2-billion. For the fiscal year to November 30 expenditures exceeded receipts by nearly \$3¼-billion. In December 1948 receipts just about equalled the outgo. It seemed likely that December 1949 would make a less favorable showing.

The usual heavy tax receipts in the first quarter of the year should serve to provide sufficient funds to postpone any new cash financing until the April-June period. However, if any substantial part of the \$2,800-million to be paid to the holders of Government life insurance policies should go out in January to March, a cash offering in connection with refinancing the \$1,963-million 2 percent bonds which have been called for payment on March 15th might be made.

January Market Prospects

Normally January is a month in which investment demand increases. It seems probable that this year will be no exception. The year-end outflow of money in circulation returns to bank deposits. The volume of new offerings of corporate and municipal bonds may not be sufficient to meet the requirements of the larger investing institutions. The total volume of bank loans is very likely to begin to develop the usual seasonal decline. Surplus investible funds might need to turn again to Government securities. Under such conditions any marked price improvement could conceivably once more persuade the Open Market Committee to meet the demand by making available the approximately \$5-billion of "tap" issues still remaining in the Federal Reserve portfolio.

As this is written conditions favoring a firm market in January seem to be in the ascendancy.



"This job is only temporary . . . all you have to do is erase 1949 from the letters until the girls get used to the new year"

Other Securities

H. EUGENE DICKHUTH

The author is a financial writer on the New York Herald Tribune.

THE American airline industry has concluded its best and most profitable year since 1945, when rationed gasoline and overcrowded railroads proved a veritable bonanza. Whether 1950 will prove equally beneficial financially remains to be seen, however. Opinion on that subject is divided among the experts.

The prospects that the new year will see further progress are excellent, though. The eastern railroads just received a 12½ percent rate boost and, if past experience repeats itself, this is likely to divert more traffic from the rails. Thus the airlines are bound to benefit, at least to some degree.

A second important development in scheduled air transport has been the institution of so-called air coach travel. It proved to be a great stimulant for the first two lines which started the experiment, but airline executives are not certain what the economics of this mode of transport will be after it has been generally adopted by all lines.

Rates charged for air coach travel are about 40 percent below the luxury or first class service. This service was adopted originally to compete with non-scheduled carriers, but on certain routes it has now become competitive with rail service, as well, so far as fares are concerned.

The first domestic air carrier to start air coach service was Capital Airlines. Beginning in November 1948, the company commenced to show a profit from February and March 1949 on. The second concern to embrace this principle was Northwest Airlines, which almost immediately improved its load factor as a result of the move and showed in the six months ended September 30 that its air coaches flew at an average capacity load of 88 percent. This did much to produce a net profit in the first three quarters of 1949, totaling about \$2-million, against a deficit of \$2-million in the first nine months of 1948.

What makes the industry uncertain about the profitability of air coach service is that unless passen-

ger traffic increases appreciably earnings may reflect the substantially lower fares. One element pointing in this direction has been the surveys made by some companies. These show that passengers probably would have flown the luxury service anyway, if no air coaches had been available.

However, there is still a vast segment of the population which is unfamiliar with air travel, and cheap rates are likely to attract them.

The increase in revenue in 1949, compared with 1948, has been substantial with many companies. Transcontinental and Western Airlines, for example, reported earnings of 98 cents a share in the first nine months of last year, against a deficit of 90 cents a share in the comparable period of 1948. In the same period United Airlines showed earnings of \$1.16 a share, against a deficit of 27 cents the year before.

Operating Record

Another important element in favor of scheduled airlines and their future has been their improved operating record, against that of other modes of transport. Improved scientific equipment has made possible instrument landings in poor weather and near-schedule performance even in winter climate when surface transport may bog down in snow drifts as it did last winter out in the West.

It is safe to predict that there will be no radical changes in flying equipment on American lines in 1950. Executives have been following with detached interest developments in the propulsion field, but the industry's investment in conventionally propelled aircraft is so substantial that the present equipment is unlikely to be scrapped for some time.

Experts admit, however, that, eventually, jet propulsion will offer lack of vibration, economy in maintenance and greatly increased speed, which would constitute another advantage over surface transport particularly on the long hauls possible on this continent and overseas.

Judged by the criterion that lower prices are a stimulant to any business, air coach travel statistics will bear close watching in 1950, espe-

cially because rate increases among other transport media have been the rule rather than the exception.

Securities Markets

Investment response to all types of securities' offerings has remained relatively satisfactory. The volume of bond issues in November was the lowest since May, but stock sales reached a five months' high at the same time.

New bonds offered publicly in November aggregated \$287,250,000, against \$312,274,000 in October and \$397,208,000 in November 1948. Bond offerings in the first 11 months totaled \$4,527,334,000, divided among 631 issues. This compares with \$4,885,013,000 among 549 issues in the like period of 1948. The corresponding 1947 figure was \$4,294,043,000 in 400 issues.

Stock issues floated in November totaled \$62,076,000, against \$13,323,000 in November 1948, but it was only about half the corresponding 1946 figure of \$135,288,000.

Equity financing in the 11 months ended November 30 totaled \$491,384,000 for 96 issues, against \$421,088,000 for 92 issues in the like period of the preceding year.

State and municipal obligations again constituted the bulk of the bond financing offered in November, representing \$187,365,000 out of the \$287,250,000, mentioned above. This compares with \$169,473,000 in November 1948 out of a total of \$397,208,000.

Large refunding operations by several public utility corporations lifted the total of bonds called before maturity for payment in November to \$132,468,000, the largest monthly total since September 1947. Out of the aggregate, public utility redemptions were \$110,058,000.

In the 11 months ended November 30, a total of \$399,688,000 in bonds was called for redemption before maturity. This compares with \$390,761,000 in the corresponding period of the preceding year.

It's never too late for some people to keep an appointment.

New Issues · 1949

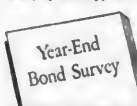
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Amount of Issue	Municipal	Amount of Issue	Corporate	Underwriting Interest
\$13,760,000	ALLEGHENY COUNTY, PA., 2 & 2½% Bonds, Due 1950-79 (2 issues)	\$ 8,300,000	ARKANSAS POWER & LIGHT COMPANY 3¾% Sinking Fund Debentures, Due 1974	\$ 4,450,000
25,000,000	BOSTON, MASS., CITY OF Various rates Notes, Due 1949 (5 issues)	9,000,000	ASSOCIATED TELEPHONE COMPANY, LTD. First Mtge. Bonds, Series F, Due 1979, 2½%	5,450,000
11,250,000	Var. rates Bonds, Due 1950-79 & 1994 (2 issues)	10,665,000	ATLANTIC COAST LINE RAILROAD EQUIPMENT TRUST SERIES J, 2½% Equip. Trust Cfts., Due 1950-64	3,315,000
†30,000,000	CALIFORNIA, STATE OF 2¼% Veterans Bonds, Due 1951-70	7,000,000	THE CALIFORNIA OREGON POWER COMPANY First Mtge. Bonds, Series due 1979, 2½%	4,750,000
1,750,000	CHATTANOOGA, TENN., CITY OF 2¼, 2½ & 4% Bonds, Due 1950-74	10,000,000	CENTRAL ILLINOIS PUBLIC SERVICE COMPANY, First Mtge. Bonds, Series C, 3½%, Due 1979	4,000,000
6,480,000	CONNECTICUT, STATE OF 1½% Bonds, Due 1950-79	9,140,000	CHESAPEAKE AND OHIO RAILWAY EQUIPMENT TRUSTS OF 1949 (2 issues) 2½% Equip. Trust Cfts., Due 1950-64	3,790,000
6,420,000	DADE COUNTY, FLA. Various rates Bonds, Due 1950-69	6,600,000	CHICAGO AND NORTH WESTERN RAILWAY COMPANY SECOND EQUIPMENT TRUST OF 1949, 2½% Equip. Trust Cfts., Due 1950-64	3,600,000
10,000,000	DENVER, COLO., CITY & COUNTY OF Various rates Bonds, Due 1954-78	13,000,000	THE COLUMBIA GAS SYSTEM, INC. 3% Debentures, Due August 1974	5,850,000
† 5,000,000	DETROIT, MICH., CITY OF Various rates Bonds, Due 1950-78	6,930,000	DELAWARE, LACKAWANNA AND WESTERN RAILROAD COMPANY EQUIPMENT TRUSTS, Series H & I, 2½% Equip. Trust Cfts., Due 1949-64	4,230,000
† 8,000,000	EAST BATON ROUGE PARISH CON. SCH. DIST. No. 1, LA. 2½% Bonds, Due 1950-68	40,000,000	DUKE POWER COMPANY First & Refg. Mtge. Bonds, 2½%, Series Due 1979	9,500,000
2,000,000	HEMPSTEAD, N. Y., TOWN OF 2.60% Bonds, Due 1950-89	12,000,000	EASTERN GAS AND FUEL ASSOCIATES First Mtge. & Col. Trust Bonds, 3¾% Series Due 1974	2,100,000
† 9,196,000	HOUSTON IND. SCH. DIST., TEX. 2¼, 2½ & 3% Bonds, Due 1955-78	11,920,000	ILLINOIS CENTRAL EQUIPMENT TRUSTS SERIES BB & DD 2¼% Equip. Trust Cfts., Due 1949-59	5,520,000
8,750,000	IOWA, STATE OF ¾% Service Comp. Bonds, Due 1949-53	8,000,000	INDIANAPOLIS POWER & LIGHT COMPANY First Mtge. Bonds, 3% Series, Due 1974	3,250,000
1,500,000	LANE CO., ORE. SCH. DIST. No. 4 (Eugene) 2¼ & 2% Bonds, Due 1949-68	7,500,000	IOWA POWER AND LIGHT COMPANY First Mtge. Bonds, 2¾%, Series due 1979	5,450,000
†50,000,000	LOUISIANA, STATE OF Var. rates, Veterans' Bonds, Due 1953-64	41,000,000	LOUISVILLE GAS AND ELECTRIC COMPANY First Mtge. Bonds, Series due 1979, 2¾%	14,050,000
3,251,000	5 & 2.30% Bonds, Due 1952-68	7,500,000	MISSISSIPPI POWER & LIGHT COMPANY First Mtge. Bonds, 3½%, Series due 1979	5,800,000
1,500,000	MIDDLETOWN, O., CITY OF 2 & 2¼% Water Rev. Bonds, Due 1950-79	35,000,000	NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY, 25 Year 3% Debs., Due 1974	14,650,000
3,415,000	MILFORD, CONN., TOWN OF 1.70% Bonds, Due 1950-69	32,145,000	NEW YORK CENTRAL RAILROAD EQUIPMENT TRUSTS OF 1949 (3 issues) 2½ & 2¾% Equip. Trust Cfts., Due 1950-64	11,145,000
5,000,000	MISSISSIPPI, STATE OF Highway Bonds, Var. rates, Due 1958-71	10,425,000	NORTHERN PACIFIC RAILWAY EQUIPMENT TRUSTS OF 1949 (2 issues) 2½ & 2¾% Equip. Trust Cfts., Due 1950-64	5,325,000
5,000,000	NASHVILLE, TENN., CITY OF 4 & 1½% Elec. Rev. Bonds, Due 1952-59	10,000,000	NORTHERN STATES POWER COMPANY (WIS.) First Mtge. Bonds, 3% Series due 1979	3,550,000
1,645,000	NEW HAVEN, CONN., CITY OF 1.40% Bonds, Due 1951-69	10,000,000	OKLAHOMA GAS AND ELECTRIC COMPANY First Mtge. Bonds, Series due 1979, 3%	2,500,000
4,000,000	NEW ORLEANS, LA., CITY OF 2½ & 2¾% Bonds, Due 1951-89	80,000,000	PACIFIC GAS AND ELECTRIC COMPANY First & Refg. Mtge. Bonds, Series S, 3% due 1983	21,250,000
2,060,000	NIAGARA FALLS, N. Y., SCHOOL DISTRICT 1.60% Bonds, Due 1950-69	11,000,000	PENNSYLVANIA ELECTRIC COMPANY First Mtge. Bonds, 2¾% Series Due 1979	2,750,000
27,000,000	NORTH DAKOTA, STATE OF 1.40% Veterans' Bonds, Due 1950-58	9,990,000	PENNSYLVANIA RAILROAD EQUIPMENT TRUST, SERIES W 2½% Equip. Trust Cfts., Due 1949-63	3,990,000
3,000,000	OKLAHOMA CITY, OKLA., BOARD OF EDUCATION 4, 1¾ & 2% Bonds, Due 1952-74	10,000,000	POTOMAC ELECTRIC POWER COMPANY First Mtge. Bonds, 2½% Series due 1984	5,350,000
3,000,000	OREGON, STATE OF 1¾% Veterans' Welfare Bonds, Due 1962	7,500,000	ROCKLAND LIGHT AND POWER COMPANY First Mtge. 3½% Bonds, Series C due 1978	5,000,000
30,000,000	PENNSYLVANIA, GENERAL STATE AUTHORITY Var. rates Bonds, Due 1952-74	7,500,000	SOUTHERN RAILWAY EQUIPMENT TRUST, SERIES RR, 2½% Equip. Trust Cfts., Due 1949-64	2,550,000
15,000,000	PENNSYLVANIA, STATE HIGHWAY & BRIDGE AUTHORITY 1 & 1¼% Bonds, Due 1953-61	28,260,000	SOUTHERN PACIFIC COMPANY EQUIPMENT TRUSTS, SERIES BB & CC, (2 issues) 2½% & 2¾% Equip. Trust Cfts., Due 1950-64	6,960,000
5,000,000	PHILADELPHIA, PA., SCHOOL DISTRICT 2% Bonds, Due 1951-74	12,000,000	WESTCHESTER LIGHTING COMPANY Genl. Mtge. Bonds, 3% Series due 1979	5,650,000
6,600,000	PITTSBURGH, PA., CITY OF 1.80% Bonds, Due 1950-69	10,000,000	WEST PENN POWER COMPANY First Mtge. Bonds, Series N, 2½%, Due 1979	7,900,000
30,000,000	PORT OF NEW YORK AUTHORITY Air Terminal Bonds, 2½% Due 1979	6,870,000	WHEELING AND LAKE ERIE RAILWAY COMPANY, Genl. & Refg. Mtge. 2¾% Bonds, Due 1974	4,870,000
2,450,000	PROVIDENCE, R. I., CITY OF 2% Bonds, Due 1952-73	53,595,000	ADDITIONAL RAILROAD BONDS AND EQUIPMENT TRUST CERTIFICATES, VARIOUS ISSUES	32,185,000
2,678,000	ROANOKE, VA., CITY OF 1¾ & 2% Bonds, Due 1950-79	44,400,000	ADDITIONAL PUBLIC UTILITY BONDS, VARIOUS ISSUES	42,150,000
†15,000,000	THE SANITARY DISTRICT OF CHICAGO 2½% Const. Bonds, Series 13, Due 1969			
6,525,000	1½% Tax Anticipation Warrants			
9,000,000	SEATTLE, WASH., CITY OF 2¼% Mpl. Lt. & Fr. Bonds, Due 1954-74			
5,000,000	SOUTH CAROLINA, STATE OF 1.90% Hwy. Cfts. of Indebt., Due 1951-59			
42,935,000	ADDITIONAL MUNICIPAL BONDS, VARIOUS ISSUES			

Descriptive circulars or prospectuses and current quotations will be supplied for any of these securities upon request.

* To Dec. 12, 1949

† Issues headed jointly by Halsey, Stuart & Co. Inc. and others. All other issues were headed, or purchased and offered alone, by Halsey, Stuart & Co. Inc.



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Hurdles in Irrevocable Trusts

EARL S. MacNEILL

MR. MACNEILL is a vice-president of the Irving Trust Company, New York City.

A LAWYER friend said recently, "I'm sick and tired of hearing about 'Spiegel-Church!'" We didn't blame him.

The trouble began a year ago when the Supreme Court handed down the *Spiegel* and *Church* decisions. For the present we will forget *Church*, which was a rattling of old bones; *Spiegel* matters most to the current generation of monied people.

By "monied people" in this context we mean people with assets sufficient to justify the immediate creation of a trust for some such purpose as splitting taxable income among lower-bracket members of the family, but gaining thereby—"accidental-like"—a substantial estate tax saving as a not-to-be-sneered-at by-product.

Such a one was Spiegel. He set up about \$1-million in an irrevocable trust; the income was to be paid to his children during his life or, if they died before him, to their children. Upon his death the principal was to be distributed proportionately among the income beneficiaries. When Spiegel died he was survived by three children and three grandchildren.

Spiegel died thinking that the \$1 million was safely outside of his taxable estate, since he had kept no strings on the property. No visible strings, at least. But the Internal Revenue man had a sharper eye. "There was the possibility," said he, "up to the moment Spiegel died, that all of his children and grandchildren might die before he did, in which case, having no other place to go (since Spiegel failed to provide specifically for this contingency), the principal would 'revert' by operation of law to Spiegel. Therefore the whole of the trust fund must be included in Spiegel's taxable estate."

"But, please," said Spiegel's executor, "it is provable that the actuarial value of that possibility, as of the moment of Spiegel's death, was only \$70. Surely you won't impose a tax of \$450,000 on that!"

Yet it was done; and the Supreme Court of the United States upheld the tax for the above—and another—reason.

Absurdity Piled on Absurdity

Other cases followed suit. In one the actuarial value of the reversionary interest was reported to be a fraction of a cent! Lawyers talked of the most farfetched ways of avoiding the remotest possibility of reversion. The necessity of congressional action appeared obvious; and it was taken last October. This now is the law:

As to gifts made on or before October 7, 1949, there will be no Federal estate tax simply because a reverter is attributable to the donor by operation of law, regardless of the reverter's value; and even if there should be an *express* reverter, that is, one "arising by the express terms of the instrument of transfer," there will be no tax provided the value of the reverter, actuarially determined, does not exceed 5 percent of the value of the transferred property.

As to gifts made after October 7, 1949, this test (the "other" reason for the *Spiegel* decision) is prescribed: Donated property will be subject to tax if possession or enjoyment of it by a beneficiary can be obtained only by surviving the giver. It is immaterial, in the application of this test, whether or not the giver retained a reversionary interest.

Examples are supplied by the congressional committee which sponsored the amendment; such as: Mr. X now creates a trust. The income is to be paid to Mrs. X for life; upon her death the principal is to be returned to her husband, if living; otherwise it will be divided among the children. When X dies, his wife is still living; and it is clear that the children will eventually receive the principal of the trust fund. The fund (less the present value of the wife's life interest in it) nevertheless is includible in X's taxable estate since the children, under the terms of the trust agreement, had to survive their father in order to be entitled to it.

As a guide for future gifts, the statute presents few problems. The trusts cited as examples are not unusual ones. The statutory rule is something to watch for in planning and drafting; but is relatively easy to avoid.

A Word as to Church

The rule of *Church*, as we indicated, is another story. It had nothing to do with *Spiegel*, save that the decision came down on the same day; and the same statute happened to correct both of the judicial "injustices."

The word is quoted because neither was precisely an injustice, but rather a spinning of fine theories to logical, though harsh, conclusions. *Church*, in effect, pronounced a certain rule as *always* the rule even though an earlier Supreme Court had laid down a contrary rule. Before March 3, 1931, one might make an irrevocable gift in trust, reserving the income for life; and the transferred property would not be taxable in his estate—according to the old decisions. On March 3, 1931, Congress made such a transfer taxable, provided it was made after that date. In *Church*, the Supreme Court reversed the old decisions; in effect, gave retroactive application to the congressional action.

Congress has the final word, however, and it has spoken plainly. Where a donor retained a life estate in property he transferred prior to March 4, 1931, his estate will not be taxed if his death occurred prior to January 1, 1950. If he dies after that date, the property will be fully taxed in his estate unless he released his retained interest prior to January 1, 1951. Provision for taxfree release is made.

The statute is important in its implications as well as in its direct results. For it implies, we believe, that Congress has a mind to protect the estates of taxpayers who acted in good faith under the law as good authority held it to be at the time an irrevocable action was taken.

*A healthy
curiosity
never hurt
anyone*



The apple that fell before Sir Isaac Newton was just an apple. It was his inquiring mind that uncovered the laws of gravity.

The inquisitive mind is just as valuable in banking.

That's why our officers so frequently find themselves away from Philadelphia, learning first-hand about some industry.

That doesn't make us experts, but it does enable us to talk your customers' language, to understand their needs. As a result, we can figure out ways to be more helpful and make our services to you more valuable for them!

This policy must work—else why would we have correspondent banks both large and small located in all parts of the country?

If that kind of banking appeals to you, why not get in touch with us now?



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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

The CONSUMER CREDIT DIGEST



How to Gauge the Local Consumer Credit Market

WILLIAM J. BOYLE

The author is vice-president of the Franklin National Bank of Franklin Square, New York, and is a member of the class of 1950 of The Graduate School of Banking. He is preparing a thesis on "Providing a Secondary Market for Instalment Loans."

THE basic yardstick used in measuring a bank's consumer credit market is primarily found in an analysis of the sale of merchandise eligible for financing, within a bank's immediate trading area. An estimate of the annual sale of automobiles, appliances, home improvements, and miscellaneous products and services, which constitute the major classifications of instalment credit loans, can be secured from various sources in any area. Against these estimates must be weighed the usual percentage of merchandise sold on a cash basis and the amount that is financed. In addition the aggressiveness and strength of competitors, and the sales approach and efforts of a bank to capture its share of the market must be considered.

The ability to develop each type of consumer credit loan varies according to the area that a lender serves. The consumers' need for credit is different in a metropolitan, industrial, suburban, rural, or agricultural area. In one area the majority of loans may be personal loans; whereas in another the majority will be automobile, or appliance, or farm equipment loans. The average lender knows what types of loans can be developed in his immediate area. However, frequently it is found that one lender will develop and specialize in one type of loan at the expense of other lenders and frequently unknown to them. The surest way of developing a large and profitable instalment loan portfolio is to test the market. By using a proven yardstick a lender can at least judge

what business is available even though he does not develop it.

AUTOMOBILES

In analyzing a particular automobile market a count of passenger cars and commercial vehicles can be obtained from many state motor vehicle bureaus. Reuben H. Donnelly Corporation and R. L. Polk are private listing companies which will furnish listings of all the automobiles registered in any county and city in the United States. From past experience it is estimated that the normal turnover in automobile ownership is three to four years and that about 60 percent of all sales are financed. In a theoretical area of 10,000 automobile owners with the normal turnover and percentage of sales financed, the number of cars available for financing is 1,500 to 1,800 annually. With an average unpaid balance of \$1,000 per car there exists a potential automobile finance market of over \$1,500,000. What part of this market is financed by the banker depends on his ability to solicit and attract the business.

Automobile ownership listings are used by automobile manufacturers who require accurate forecasting of sales in order to arrange production schedules months in advance. A manufacturer will determine how many cars of his manufacture are registered in an area. He then estimates that one-third of the total number of cars registered of his make will result in new car sales and expects the dealers in that area to produce in that proportion.

APPLIANCES

There are several methods by which a lender can judge the amount of appliance business (which includes television) that is available in a particular area. One method is to poll the local distributors of appliances. Part of their business is to know how many items will be sold during the current year as well as the next year. Usually 4 or 5 distributors handle 90 percent of the appliance products in an area and a little polling effort will reveal the number of items or dollar volume for the area. Another method is to poll the consumers. This is an "educated guess" and must be weighed in the light of several other economic factors. A market can become saturated and, in order to avoid errors, sales in the area for the previous years must be considered. Then again there is the question of population shifts that have occurred in the postwar years. It is important to know if an area is growing or shrinking in population. The one factor most difficult to measure is the psychological factor. While a buyer's intention survey can be a good yardstick a recession or falling off in business will cause people to defer purchasing items even though they have the cash or credit.

Surveying the retail market has



become such an important factor for merchants that many organizations are specializing in it. In addition to organizations marking private surveys, any given market is continually being surveyed by large magazine publishers, newspaper chains, and local newspapers. These surveys are being made because the information is very necessary in the developing of advertising income. Many advertisers desire information as to the number of job holders, income by groups, number of families, number of home owners. In addition they may want to know how many refrigerators, television sets, washers, etc., can be sold. Any advertiser wants to know what the potential in a market is before he spends money for advertising. In most cases this information is available for the asking.

Developing appliance business today is not so much measuring what business is available but rather what rates or plan a lender offers.

HOME MODERNIZATION

The volume of modernization business to be done in a locale during the next year can be established by selecting the leading merchants or dealers in the many fields comprising modernization work. Business men in their respective fields can estimate the number of oil burners to be installed, roofing and siding applications, combination storm window sales, painting, plumbing, renovating, etc., that will be done. In most cases these estimates will be on the basis of past experience plus the businessman's estimate of the increase or decrease in the volume of business. These estimates are surprisingly accurate and can be checked by the surveys mentioned above. Trade journals reporting on the activities in the building and modernization fields are also a good source of information.

MISCELLANEOUS

Many consumer instalment borrowers purchase services instead of articles. A review of personal loan applications will reveal that the money is to be used for medical or dental services. Other reasons listed are educational purposes, purchase clothing, vacations, funerals, etc. It is difficult to measure how much personal loan business is available in

any area. The figures released every month by the Boards of Governors of the Federal Reserve System serve as a guide. These figures portray the national picture. For the past three years the personal instalment cash loans represent about 25 percent of all the instalment credit of commercial banks.

Within a bank itself lies a wealth of information on market analysis. A review of check clearings for a 30-day period will reveal how many depositors are making payments to personal loan companies, finance companies, and other credit grantors. Such a survey will reveal the amount of consumer credit business that is available to a bank from among its own depositors.

The local credit bureaus have a valuable insight on the credit requirements of a given trading area and probably know how much loan business is being serviced by out of town financing agencies. By the nature of the business credit bureaus have access to statistical information or surveys that can be made available to the local banker. In addition the local credit bureau can shop a local market and establish what competitors are doing as to rate, maturities and down payments. This service in most cases is rendered free.

CONCLUSION

Each lender has available a yardstick to measure the potential loan business in his vicinity. Measuring a market is a continuing process and should be done at regular intervals in order to obtain maximum results. It is not any more difficult to measure the market for farm equipment, dairy equipment, furniture, etc., than appliances or automobiles. However, in addition to surveying existing markets banks should continually look for new items and services that can be rendered to the public. By providing every possible financing service a bank will perform its proper function and not allow outside financing agencies to capture any market profitable to a bank.

A limited amount of consumer instalment loan business will come to all banks but volume only comes to those who go after it. It must be reached out for and it is necessary to go to the source of the business. The dealers, contractors and the men who take the orders are the ones who must be appealed to. It requires sales ability and managerial skill to obtain the maximum in volume.

Surveying a market will allow a lender to get maximum volume in consumer instalment paper.



Consumer Credit News

"78ths" Method for Instalment Loan Earnings Accrual

This selection of news and opinion was compiled by THEODORE FISCHER of BANKING's editorial staff.

WHEN the volume of instalment loans was low, it was common practice for banks to absorb the discounts into earnings on a cash basis. The volume of loans began to increase, and bankers began to seek a method for crediting earnings as they were earned, rather than credit amounts which wouldn't be earned for many months to come.

One method, the "Seventy-Eight Yield Basis System," was explained to a recent meeting of the St. Louis Conference of Bank Auditors and Comptrollers by Edmund T. Finnegan, assistant auditor, Manchester Bank of St. Louis.

"This system derives its name," said Mr. Finnegan, "from the method used to compute earnings. The theory is that the greater portion of discount is earned in the early months of the loan."

A 12-month loan would have 78 parts; that is, there would be 12 monthly payments outstanding the first month, 11 the second month, plus 10 the third month, etc.

"Since the largest amount of discount is earned the first month," Mr. Finnegan explained, "the greatest fractional portion should then be taken into earnings, or 12/78ths the first month; 11/78ths the second month; 10/78ths the third month, and so on down until the final month of payment absorbs the remaining discount, which will be within a couple of cents of 1/78th of the total discount received.

"Now this seems like a rather cumbersome system—and would be, but for the reason of short-cuts adopted through using decimal equivalents for the fractional problems involved. This eliminates 50 percent of the work because only one calculation is required. We have the decimal equivalents set up on charts for easy reference.

"In the case of a \$6 discount on a 12-month loan for \$150, the fractional portion for the first month would be 12/78ths and the decimal

equivalent .1539. The calculation would be \$6 multiplied by .1539, giving an earnings figure of 92 cents for the month. This amount is then subtracted from the unearned discount figure in the 12-month classification in the maturity control, leaving a balance of \$5.08.

"The figure 78 is used for loans with 12 months maturity only. In the case of longer or shorter maturities, the fractional portion is entirely different, although the method is the same."

This "78ths" method is not entirely new. Many banks have used this system for some years for computing rebates where loans are paid off in advance of maturity. But fewer have adopted it because of the detail work involved.

This system, however, is thoroughly discussed, along with other methods, in the booklet, *Know Your Earnings on Instalment Loans*, published by the Committee on Consumer Credit of the American Bankers Association. One copy of the booklet is available free to any A.B.A. member bank. Additional copies are 25 cents each.

So far as auditors are concerned, they always like this system since it shows a true figure on earned and unearned discount. Many banks with a large consumer credit operation, however, feel that the mechanics of the system require too much time. They take the position that regardless of the method used, it is still a bookkeeping system and has no bearing on the actual profits.



"You want the money to live on? I'm afraid you'd have to put it to better use than that, Mr. Gibson!"

COPYRIGHT 1945 CARTOONS OF THE MONTH

"Card Tricks"

The First National Bank of Philadelphia is using "card tricks" to stretch its advertising dollar.

The bank is promoting four key loan services (FHA, appliance, auto, personal) with a budget which at first seemed big enough to handle only one at a time.

The bank is using car cards which are identical in format and black background. The cards for each loan service vary in copy and color—red for FHA, green for appliance, coral for automobile, and yellow for personal.

"Because the basic format is retained throughout we are able to cut costs," says Alexander Gunther, First National vice-president in charge of the consumer loan department.

"The strong family resemblance of the cards permits the public to recognize a First National ad immediately. Each card promotes a certain interest in the others and thus all the cards have a greater visibility.

"At the same time, the variety of identifying color creates an element of difference and newness which is attractive."

Each service is advertised by car cards in the area or areas in and around Philadelphia where the need is known to be greatest and the prospects best.

It is possible, Mr. Gunther said, for a suburban commuter to see all four cards and thus the whole four-fold loan story all in one day on a suburban train, a bus, a trolley, and finally the subway.

The campaign was developed and directed by Gray & Rogers of Philadelphia, the bank's advertising agency. To keep the cards new and interesting, the design is to be changed every three months.

Don't Be Stampeded

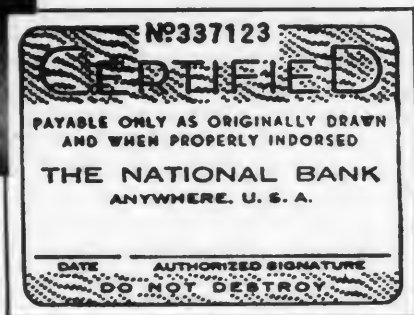
Robert D. Kerr, vice-president of the First National Bank in St. Louis, at a correspondent bank conference said that banks should not be stamped

(CONTINUED ON PAGE 74)



new!

Now available for the first time -



The check certifier that meets the recommendations of the ABA

Here is the most important new development in check-handling equipment for banks since the invention of the Todd Protectograph checkwriter and check signer! Here is the long-awaited method of check certifying that meets *every* recommendation of banking authorities. Here is greater *safety* for banks...certification that defies rubber stamp or machine duplication...guaranteed by *insurance!*

This new Todd Certifier indelibly certifies with a 4-color impression that does not obliterate other writing on the check. It pro-

fects the drawee bank from liability because the bank does not write in the amount of the check. It features *dual locks* and a tamper-proof, non-resettable numbering meter that assure positive internal control at all times!

Assure SAFETY with the new Todd Protectograph Certifier! It is made by bonded employees and is sold only to bona fide bank purchasers. It provides insurance against loss by counterfeiting of your certifying plate!

Find out *now* about this new Todd Certifier. Just clip and mail the coupon below for full information. MAIL TODAY!



ROCHESTER SALES OFFICES IN

 NEW YORK PRINCIPAL CITIES
 DISTRIBUTORS THROUGHOUT THE WORLD.

THE TODD COMPANY, Inc., Rochester 3, N. Y.

Please give me full information about the new Todd Certifier, without cost or obligation to me.

Bank _____
 Address _____
 City _____ Zone _____ State _____
 By _____

B-1-50

(CONTINUED FROM PAGE 72)

ped into no down payment and 24 months to pay on television simply because of dealer pressure.

"Dealers, too," he said, "are often disposed to pit one bank against the other, telling us that X bank down the street will take the paper on much more liberal plan. A checkup at the X bank probably will reveal that such is not the case.

"One consumer bank man told us the other day that one of his good customers, a neighborhood dealer in appliances, asked him to take some paper without down payment and for longer terms than the bank officer felt justified. When the bank declined, the dealer screamed that the bank was putting him out of business, that his customer threatened to go downtown to a store which would make the sale of the refrigerator with no down payment and 36 months to pay.

"The same dealer came back to his bank a few days later with the same deal on a 15 percent down payment and 18 months' terms, and explained that the housewife had decided after all that she would prefer to trade with a neighborhood dealer than the big downtown store. The facts are that some of the ballyhoo and even some of the advertisements are not always true.

"Some large lenders on television paper, I understand, have switched from nonrecourse on the dealer to full recourse; and, strangely enough, dealers have been only too willing to comply, when six months ago there would have been a terrific hue and cry at such a suggestion."

Profitable Borrowing

Corn Exchange National Bank and Trust Company, Philadelphia, is using television to dramatize "how easy and how much more profitable it is to borrow money at a bank."

From the Press

The "persistent sharp rise in consumer indebtedness has given rise to more and more uneasiness in some quarters," says the *New York Journal of Commerce*. "It is being asked whether consumer debt has not given a fillip to demand which is only temporary in character. Will not business activity contract when consumer debt has reached a saturation point and no longer expands? Will

not the ensuing business recession be more severe because consumers will have to repay debt at that time?"

The paper finds no cause for worry. "While consumer debt outstanding is at a new peak, its amount cannot be considered excessive in relation to the present national economy," it asserts.

"Disposable personal income after taxes, out of which consumers meet their instalment and other debt payments, will approximate \$195-billion this year. This is 280 percent of the 1939 total. But consumer debt at \$18-billion would be 225 percent of the 1939 figure. Income has thus increased considerably more than debt of consumers during the past decade.

"The volume of consumer credit outstanding may also be related to aggregate consumer buying. Consumer debt was 12 percent of all personal consumption expenditures in 1939. It is about 10 percent of such spending today.

"The rise in the price level alone accounts for most of the expansion in consumer credit which has occurred. For example, instalment credit granted for the purchase of automobiles is a little more than double the 1939 total. The bulk of this increase is accounted for by the higher prices now being paid for automobiles."

The Wall Street Journal takes a similar view. It is estimated, the paper says, "that of every five cars bought, about three are now paid for on time, and that is about the pre-war ratio. The dollar volume is expanded only because cars are higher priced today.

"In New York City, bankers report a great spurt in their instalment loans to consumers. Their volume is running about 50 percent ahead of last year and is expected to go even higher in 1950. They say a large group of workers who used to go to personal loan companies are now considered excellent risks by the banks because of climbing wages and job stability.

~~~~~  
*There is no such thing as an average man. Just ask one to admit it.*

A man is known by the company he keeps and avoids.

*A dialogue occurs when one barber cuts another barber's hair.*  
~~~~~

"Consumer debt," declares this newspaper, "becomes dangerous only when people can't afford to meet their payments."

Refunds Mandatory

The section of California's Civil Code relating to automobile conditional sales contracts has been amended to make refunds mandatory where a contract is paid in full in advance of maturity.

"Any provision," the amendment states, "in any conditional sale contract for the sale of a motor vehicle to the contrary notwithstanding, the buyer may satisfy in full the indebtedness evidenced by such contract at any time before the final maturity thereof, and in so satisfying such indebtedness shall receive a refund credit thereon for such anticipation of payments."

Rules are fixed governing such refunds which are designed to protect both the buyer and the seller (or assignee). The amendment does not apply where the amount of refund is less than \$1.

Something to Watch

The Consumer Credit Bulletin of the Mercantile-Commerce Bank and Trust Company, St. Louis, always a fertile field for items of interest and importance in consumer credit matters, notices a new hazard in automobile financing.

"A definite trend is now apparent among insurance companies to crack down on youthful drivers of automobiles," editor Tim J. Gallivan reports. "Special high premiums are now charged on car operators under 25 years of age. Some companies are flatly refusing to insure automobiles where any driver in the family is under 25. This attitude on the part of the insurance companies creates a brand new credit hazard for banks financing automobile transactions at retail. Since insurance is so vital in protecting the bank's collateral, it is now important for every lender to know whether the car being financed will be driven by anyone under 25 years of age. Check carefully into all such transactions before advancing your money, and as another precaution, make arrangements with your insurance carrier to provide single-interest coverage to protect your interest only, in case of cancellation of the debtor's coverage by them."

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her desk is a Safe!

... How the Marquette National Bank of Minneapolis, Minn., Protects Commercial Ledger Records and Signature Cards from Fire at the "Point-of-Use."

What if a fire broke out during business hours in your bank? In the panic and confusion, who would carry your ledger records and signature cards to safety?

Here's how the Marquette National Bank solved the problem: They've protected these vital records from fire *right where they're actually used*, in insulated desks that combine perfect working convenience with the protection of a modern safe.

Remington Rand Safe-Ledger Desks provide this "point-of-use" protection . . . protection that's *certified* by both the Safe-Cabinet Laboratory and the Safe Manufacturers National Association. And the desks are really easy to work with! A special over-sized top provides extra roomy sorting space. Ledger records are right beside the bookkeeper, and signature cards are housed just below—all within easy reach.

Remington Rand has helped thousands of banks solve their record protection problems—is always ready to provide *your* bank with expert advice on this vital subject. Just call the office nearest you or write to Systems—Photo Records, Management Controls Division, 315 Fourth Avenue, New York 10.

Remington Rand THE FIRST NAME IN RECORD PROTECTION

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SAFE-LEDGER TRAY

SAFE-DESK

SAFE-FILE

SAFE-CABINET

SAFE-KARDEX

Tax Consolidation Can Profit Banks

MANY commercial banks are actively soliciting the large deposit business now available in social security tax payments under the revised Treasury Department procedure effective January 1. The new regulations permit remittances for social security taxes to be consolidated with the withheld income taxes heretofore payable through a bank.

Beginning January 1, employers will file a single quarterly return covering both social security and withholding taxes. The monies are deposited into the "Treasury Tax and Loan Account," the new title also effective January 1, for what was formerly the "War Loan Account."

Amount Is Large

Social security taxes last year totaled \$1,690,000,000. This was at a rate of two percent of wages—one percent from employee and a like amount from employer. Assuming unchanged conditions, the taxes would be at the annual rate of nearly \$2.5-billion under the increase to three percent on January 1.

The Differences

The new procedure decrees that direct payments to the Collector may no longer be made, either for social security or withheld income taxes. They will be made henceforth either to a commercial bank or to the Federal Reserve Bank of the district.

While banks will be permitted to deposit into their Treasury Tax and Loan Accounts payments made directly to them by employers, the new plan also provides a method whereby qualified banks may receive deposits in an amount equal to the total of checks drawn on them by employers and forwarded directly to Federal Reserve banks in payment of the taxes.

Must Qualify

If payment is made through a qualified bank, that bank gets the deposit regardless of what bank the check is drawn on. If the check is sent directly to a Federal Reserve

bank, the deposit is made in the bank on which the check is drawn—provided the bank has qualified as a depository for such funds. Many are qualifying so as to preserve bank-customer relationships in handling these transactions.

Deposits Monthly; Returns Quarterly

While the returns for taxes are filed quarterly, deposits must be made monthly, within 15 days after the close of the first and second months of each quarter, and any time during the month following the close of the third month of the quarter. It will be necessary for employers to deposit their third month's taxes in sufficient time to obtain a validated receipt to be attached to the return to be filed with the Collector of Internal Revenue.

This procedure was worked out through cooperation of the Treasury Department and the committee on Federal Tax Payments Into War Loan Accounts of the Bank Management Commission, American Bankers Association. C. Edgar Johnson, vice-president, The First National Bank of Chicago, is chairman.

Seeking Business

Mr. Johnson's bank has sent to its customers a letter which covers the subject very thoroughly. The letter is addressed "To Our Customer" and is signed by President Bentley G. McCloud. The letter follows:

"The United States Treasury Department is issuing a notice to employers of a change in reporting and depositing of income tax withheld and employers' tax and employees' tax under the Federal Insurance Contributions Act on wages paid on or after January 1, 1950.

Forms Enumerated

"A new combined form #941 will be substituted for form W-1 and form SS-1a presently used for reporting taxes, and employers may use one check in payment of both taxes if they so desire. A special Federal depository receipt form #450 is to be sent to employers for

use in making tax deposits, and all such deposits must be accompanied by this form properly inscribed with the employer's name, address, identification number and total amount of each tax deposited. Employers will use their present social security number as an identification number. These depository receipts will be in tabulating card form, and will be validated by the Federal Reserve Banks and returned to the respective employers, together with a blank receipt for their use in making the next tax deposit.

"Employers who are liable for more than \$100 of income tax withheld from wages and social security taxes per month, will be required to deposit these taxes by the 15th day of the next month following the first and second month of each quarter of the calendar year. Tax payment for the third month of the quarter may be deposited at any time during the next month. It will be necessary for employers to deposit their third month's deposit in sufficient time to obtain a validated receipt, to be attached to their quarterly return, filed with the Collector of Internal Revenue.

"We invite you to deposit your tax payments with us in the event you are not using the facilities of the bank in your community, since we, as a qualified depository under the new procedure, will accept such payments. We believe it will be advantageous to you to deposit your taxes with us in that we will provide a memorandum receipt which can serve as a permanent office record. A specimen copy of our receipt form is enclosed herewith. The new procedure, developed by the Treasury Department, is a simplification in the payment of withheld and social security taxes and if you have any inquiries about the new tax payment service, we will expect you to call on us.

"We are anxious to serve you in this depository capacity if we are not presently doing so, and will greatly appreciate it if you will designate us to act for you."

Wherever your bank is located . . .
one of our offices is near you!



planners designers, builders of
America's most efficient banking quarters!

During the past seven years alone we have averaged one new bank project *every three days!* These include banks of all sizes and types—large banks in metropolitan centers . . . small ones in rural communities . . . foreign banks in Mexico, Cuba and Central America. And we expedite these many assignments with smoothness, efficiency and precision control *on every job.* This is made possible by the strategic location of our six key offices. Wherever you are one of our control centers is nearby to give personal attention to your project. The reason for our nation-wide acceptance is this: We design a bank from a *banker's point-of-view!* This means increased speed of service and the *highest possible degree of operating efficiency for your entire bank.* We have created time-saving, step-saving, functionally efficient—and beautiful—quarters for over 2,000 banks. We offer the same skilled services to you.

- New York**
103 Park Avenue, N. Y. City
- San Francisco**
Mechanics Institute Bldg.
- St. Louis**
Ninth & Sidney Sts.
- Denver**
Chamber of Commerce Bldg.
- New Orleans**
Carondelet Building
- Ft. Lauderdale**
South Andrews Ave. Bldg.

If you're contemplating
 new quarters for your bank—

*Write or phone us today. Get the
 facts on our organization, its ex-
 perience, abilities and services.*



AMERICA'S MOST EXPERIENCED BANK DESIGNERS - BUILDERS

BANK LAW NEWS

A Summary of New State Legislation

Here is the conclusion of the "Summary of New State Legislation," the first instalment of which appeared in this department last month.

THERE was a sign of the times in a Connecticut law providing that reservations to the United States of fissionable materials shall not be deemed encumbrances under laws restricting banks to mortgages on unencumbered property.

Other signs of the times: Restrictions on total deposit liabilities eased in Minnesota and New Jersey; larger savings accounts permitted in Washington; larger deposits in two names in Maine. New laws permit more banks to qualify as public depositories in seven states (Ala., Cal., Fla., Idaho, N. H., Ohio, S. D.). At least two states (Cal., Ind.) showed interest in getting public depositories to pay interest.

CONVERSIONS

California now permits national banks to convert to state banks while New Jersey again permits state banks to convert to national banks.

Georgia provided an "orderly method" for conversion of state banks to national banks. North Dakota no longer requires state permission for such conversions. Arizona provided for succession of trust powers upon consolidation, merger or conversion into either system. Connecticut now permits industrial banks to become state banks and trust companies. In New York the rights accorded stockholders dissenting to a merger were limited to stockholders of the bank to be merged.

Oregon and Wyoming permit the FDIC to act as liquidating agent or receiver of closed banks.

Pennsylvania limited purchases of stock of other banks to 10 percent of the unimpaired capital and surplus of the purchasing bank. Texas now

A BOOKLET discussing in detail the applicability to banks of the new Federal wage-hour laws and regulations will be issued shortly by the Customer and Personal Relations Department of the American Bankers Association.

Prepared for distribution to all member banks, the booklet will deal with the Fair Labor Standards Amendments of 1949, which become effective on January 25, 1950, and regulations of the Wage-Hour Administrator, issued in compliance with the new law.

permits up to 35 percent of the stock of any FDIC insured bank to be held by insurance companies. New Jersey now permits bank stock to be voted in such manner as the board of directors of the corporation holding it shall determine.

Missouri and Indiana now permit savings and loan associations to call themselves "savings associations." California made their shares legal investments for trust funds and put them on a par with "securities which are a legal investment for savings banks." New Hampshire made their shares legal collateral for savings bank loans. Connecticut now permits them to open branches; Massachusetts has endeavored to restrict the opening of branches by Federal associations. New Hampshire now permits conversion between state and Federal associations; Minnesota between state and Federal associations, and state savings banks. Massachusetts withheld permission for its cooperative banks (savings and loan associations) to convert to Federal associations. Connecticut now permits Federal associations to become state associations.

Maine increased the maximum discount rate for industrial banks from

8% to 12% per year. Laws regulating small loan licensees were revised in seven states (Cal., Conn., Fla., Ill., N. H., N. J., N. Y.). California and Connecticut increased the size of loans covered by these laws from \$300 to \$500.

Ohio enacted a retail instalment sales law. Existing instalment sales laws were tightened in California, Connecticut and Pennsylvania.

Only a few of this year's tax changes affected banks directly. Minnesota raised its excise-income tax. The way was cleared for an increase in Massachusetts when the maximum permissible bank tax rate was raised from 6 percent to 8 percent and in California where a 15 percent tax credit was ended.

TAX FOR BONUS

Minnesota also placed an annual tax of \$5 on all banks to help finance its veterans' bonus. Maine levied a tax on all office furniture and equipment, and revised its bank deposits tax law. Iowa granted an exemption from its Money and Credits Tax, which applies to bank deposits, of \$5,000 to each taxpayer; Michigan exempted the personal property of banks from taxation. Assessment dates of bank deposit taxes were changed, from July 1 to September 1 in Kentucky, from November 30 to December 1 in Oklahoma.

New Jersey revised the method of determining the value of common stock for its bank share tax.

Tennessee will discontinue its state ad valorem tax after this year; Texas after 1951; Oregon has a legislative committee studying the advisability of restricting its state levy.

Indiana, Nebraska and New Mexico taxed production credit associations. Municipal taxes continued to be authorized and imposed; for example, a one mill tax on receipts of

(CONTINUED ON PAGE 80)

Did you know?

... that in 1861 the first federal income tax was imposed on all incomes at the rate of 3% on excess of \$800, later increased to 5% on incomes between \$600 and \$5,000 and 10% on amounts over \$5,000? This "Civil War" income tax was highly productive and remained in effect until the year 1872.



Standard FEDERAL TAX REPORTS

New law? Old law? Speed? Accuracy? Convenience? Completeness? Whatever the need, whatever the question—if it involves federal taxes for revenue, the accepted reporter of the federal tax specialist, the first choice of the man "who must have everything" is STANDARD FEDERAL TAX REPORTS.

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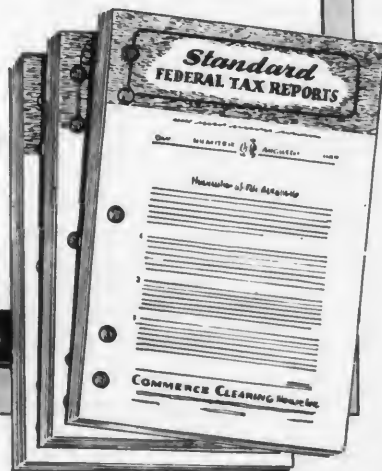
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**this is no time for your
customers to gamble
with their receivables**

**American Credit
Insurance Pays
Your Customers
When Their
Customers Can't**

AHAPPY NEW YEAR? Whether or not 1950 proves to be just that for your customers depends largely on their customers. Depends on how much they buy . . . how they progress . . . and most important, whether they pay their bills promptly or pay at all.

An increasing number of Bankers are advising their commercial depositors to be less dependant on the fortunes or misfortunes of their customers . . . by completing their protection programs with American Credit Insurance. Some banks insist on this protection before granting commercial loans. *The bank may*



now be included as a named assured in our policies without charge.

For full information, phone the American Credit office in your city or write AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK, Dept. 49, First National Bank Bldg., Baltimore 2, Md.

J. F. Fadden
PRESIDENT

AMERICAN CREDIT INSURANCE

AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK EST. 1927

GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

(CONTINUED FROM PAGE 78)

businesses, including banks, in Philadelphia.

Charitable trusts, which have figured in the news as possible refuges from tax liability, were placed under the supervision of a state official in New Hampshire, while Rhode Island appointed a committee to consider regulatory legislation. Three more states (Neb., Okla., Ore.) repealed community property laws which had been adopted as tax relief measures.

Laws permitting banks to furnish pensions, health insurance, group life insurance and the like were passed in six states (Conn., Ind., Me., N. Y., Okla., Wash.). State sickness and disability payments plans for employees of all businesses, supported in part by employer contributions, have been adopted in New York, Rhode Island and Washington and are under study in Massachusetts. Wisconsin now permits indemnification of officers and employees of corporations for expenses incurred in defending unwarranted suits.

SAFE DEPOSIT LAW

California, Oklahoma and New York have new safe deposit laws; New York now has uniform provisions for banks, savings banks and safe deposit companies; steps may now be taken to open boxes for non-payment of rent after six months in California and 90 days in Oklahoma. Requirements for departmental banking were repealed in Oregon. Regulation of money forwarders was undertaken in Massachusetts and Delaware.

In New Hampshire a married woman may now be surety for her husband, provided that she signs as such before a notary and out of her husband's presence.

Delaware, Pennsylvania and Texas passed rather liberal laws removing disabilities of minority. These go beyond the scope of the familiar laws, passed in many states after the war, to enable minors to contract for GI loans.

Alabama made it a crime to distribute advertising matter which appears to be a bona fide check, draft, or bill of exchange and is not such in fact.

Michigan has a new escheat law again. This one provides that property "may be given" to the state board of escheats. Maine extended its dormant accounts law to cover national banks.

Making a friend of the small business man



The Newark, Ohio, Clearing House, Denison University and The American Bankers Association recently sponsored a joint Small Business Conference to discuss problems facing the small business man in light of today's rapidly changing conditions. Dr. Leland J. Gordon (above) was a principal speaker.

**HERE'S HOW SOME BANKS ARE
BUILDING GOOD PUBLIC RELATIONS
AND FUTURE BUSINESS WITH PROGRAMS
THAT ARE SIMPLE AND INEXPENSIVE**



Many banks like the Tupper Lake, N. Y., National Bank (above) regularly make hundreds of calls a year on farmers and small business men in their territory, offering expert counsel on their problems and explaining how various bank services can be of help.



The Bank of America's Small Business Advisory Service issues helpful bulletins like the one shown at left . . . giving highlights of retail operations in many fields for the benefit of present and prospective store owners. Similar booklets are also issued by The American Bankers Association.



Another simple and inexpensive way to make friends for your bank is to put your checks on Hammermill Safety. Your customers, both small and large, know Hammermill papers. They use Hammermill paper in their business. The name itself means reliable service to them. Send coupon for sample book of Hammermill Safety in all its variety of colors and three pleasing backgrounds.

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School Tours

The Connecticut Bankers Association is so well pleased with the results of school teacher reaction to bank tours that a "Youth Education Supplement" has been published with the CBA monthly *People and Banking*. The supplement says, in part:

"Teachers of junior business training courses in the state's secondary schools *overwhelmingly want CBA member banks to provide guided bank tours* as integral parts of the study of money and banking services. On the basis of a survey now in progress, replies from approximately half of the teachers using CBA-sponsored Posterama study material last year show that over 95 percent would welcome such tours. Of the 44 teachers answering to date, only

two indicated "no interest" in such tours. This almost unanimous response in favor of showing students *modern commercial banking at work* is both surprising and gratifying. It does much to refute intimations of left-wing sentiment in the ranks of public school faculties. It also should come as a revelation to those inclined to deprecate the caliber of instructors in tax-supported schools.

"Even more to the point, however, is the fact that it constitutes both a rare opportunity and a straightforward challenge to commercial banking. No matter whether, or how much, replies from the still outstanding questionnaires might tend to lower the percentage of teachers requesting bank tours, the evidence in hand makes it imperative that our member institutions in every community in the state come forward

with an invitation to their local high school's business training teachers.

"On the chance that a number of the affirmative replies might have been more automatic than considered, we made inquiry among teachers and department of education officials. Without exception the reaction was the same. The sincerity of teachers and education department officials, their appreciation of our CBA-sponsored Posterama study material and their desire to present the story of private banking... was beyond question."

SBASNY Secretary

E. Henry Powell, member of the law firm of Oliver & Donnally, became executive secretary of the Savings Banks Association of the State of New York effective January 1. He succeeds Walter R. Williams, Jr., who joined the Union Dime Savings Bank as treasurer on the same date.

Multi-Purpose Machines Study

A subcommittee of the Committee on Bank Management and Research, New York State Bankers Association, has completed a study of the use of multi-purpose machines.

Summarizing the study, the association's publication, *The New York State Banker*, says the committee found that several vital records in every bank's operation were still handled by manual methods described as "antiquated" and "costly."

"Chief among these," the publication continues, "are said to be loan

(CONTINUED ON PAGE 84)

Newly elected officials of the Kentucky Bankers Association are, *left to right*: members of the executive committee—Winn Davis, president, Citizens National Bank, Glasgow, and L. M. Campbell, president, Second National Bank, Ashland; vice-president—Marshall Barnes, president, Beaver Dam Deposit Bank, and vice-president, Owensboro National Bank; president—Marvin L. Underwood, president First-Hardin National Bank, Elizabethtown; treasurer—John A. Polin, president, First National Bank, Springfield



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and discount ledgers, as well as various kinds of mortgage records, the general ledger and journal, and the daily statement. It was further pointed out that multi-purpose machines are now generally available on the market. . . .

"Regarding multi-purpose machines, a wide selection as to columns, information required, etc., is obtainable, no matter how varied the institution's needs. Whatever the requirements, they usually can be met, it was said.

"The committee described as 'important' the fact that this equipment need not be limited to the discount department, especially in the small bank. General ledger accounts also

may be posted on the machine, neat and legible descriptions of entries being made by means of the typewriter attachment. Furthermore, the daily statement may be produced showing all items generally used."

Western Secretaries Elect

R. C. Wallace, secretary-treasurer of the Montana Bankers Association, has been elected president of the Western Secretaries Conference.

The new vice-president is Howard E. Fletcher, secretary-treasurer of the Arizona Bankers Association. S. Walter Guthrie, secretary of the Idaho Bankers Association, is secretary-treasurer.

The election was held at a meeting during the San Francisco convention of the American Bankers Association.

Movies for Meetings

The Minnesota Bankers Association has prepared a list of available movie and sound slide films for better public and personnel relations.

"To the best of our knowledge," says the association, "this catalogue of films dealing with banking, farming, employee training and subjects of general interest is the most complete one of its kind in existence."

The films are listed in three major categories: 16 mm. sound motion pictures for staff training; 16 mm. sound movies for public information; and sound slide films for employee training.

Banking School of the South

Norfleet Turner, president of the First National Bank, Memphis, has been selected as seminar section leader of the School of Banking for the South, which is to open June 5 on the campus of Louisiana State University. The school is a cooperative effort by seven southern state banking associations to make available to bank officers a more advanced form of banking education.

The seminars, a major feature of the curriculum, will comprise a series of eight evening lectures and discussions conducted by nationally prominent banking and financial experts.

Rudolph G. Zepeda, vice-president of the Valley National Bank, Phoenix, is the new president of the Arizona Bankers Association



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MM Visionlined Design Gives Operator Better Vision for Careful Crop Tending

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BANKING NEWS

Saratoga Springs Plans Gala Program to Greet Diamond Birthday Stamp

Advertising-Publicity Kit Sent Member Banks

Postmaster John T. Bryant, Mayor Mallory, and a group of leading citizens of Saratoga Springs, New York, are planning an impressive program on January 3 in connection with the first day issue of the American Bankers Association's 75th anniversary Commemorative stamp.

It was at Saratoga Springs, on July 20-22, 1875, that the first meeting of bankers was held to found a nationwide bankers organization, which later became the American Bankers Association.

The high school band will be on hand to play airs appropriate to the occasion, such as songs that were popular around 1875. There will be other similar touches in connection with the ceremonies reminiscent of the period when the Association was founded.

Distinguished guests

Bankers from the surrounding area have been invited to attend and it is anticipated that a group of distinguished guests will be on hand. A.B.A. President F. Raymond Peterson will be there to receive from Postmaster General Jesse M. Donaldson, or his representative, a special block of the commemorative stamps autographed by Mr. Donaldson. There will be a few short speeches, plenty of pictures, and perhaps a radio program.

The program will be followed by a reception given by civic leaders at the New Worden Hotel, which was standing at the time the bankers first met in Saratoga Springs. In fact, the Town Hall, where the first meeting took place, is still an important edifice on Main Street and is still used by various city offices.

Many banks throughout the country are making plans for using the stamp in various ways. Some of them have had their own cachet, or il-

(CONTINUED ON PAGE 89)



Edgar E. Mountjoy

Mountjoy Retires After 30 Years With A.B.A.; Long Occupied National Bank Division Post

The retirement on December 31 of Edgar E. Mountjoy as deputy manager of the American Bankers Association in charge of the National Bank Division and of Retirement Pension Plan Studies has been announced.

Elected in 1919

Mr. Mountjoy was elected secretary of the National Bank Division of the A.B.A. on December 1, 1919, shortly after this office was established in Washington, D. C., where he had previously held several administrative and legislative posts. He continued to represent the Association in Washington until December 1937, when he was transferred to the New York headquarters. Because of the increased bank interest in employee pension plans, he was also put in charge of a new department of Retirement Pension Plan Studies. After his transfer to New York, the A.B.A.'s Office of General Counsel established a Washington office.

A native of Wakarusa, Indiana, Mr. Mountjoy attended the public schools in Elkhart. After receiving his LL.B. from George Washington University in Washington, he returned to Indiana, was admitted to the bar and to practice before going to Washington again.

He served with distinction in World War I and was discharged from service with the rank of first lieutenant. Thereafter for several years, he was a member of the Officers Reserve Corps of the U. S. Army. He was appointed field representative of the Federal Board for Vocational Education, later organizing and directing the placement vocational training for physically handicapped war veterans throughout several Middle Atlantic states.

Division Gives Praise

In anticipation of Mr. Mountjoy's retirement, the officers of the National Bank Division, through the then president of the Division, W. W. Campbell, president, National Bank of Eastern Arkansas, Forrest City, presented him with a testimonial tribute at the Division's meeting in San Francisco. It praised his faithful and conscientious service to the welfare and progress of national banking and expressed the officers' warm esteem and appreciation of his services through three decades.

During his 30 years of service with the A.B.A. Mr. Mountjoy has made many warm friends throughout the banking world who will regret his retirement from active service.

Present Day Banking 1950 Scheduled for Publication Early in New Year

The American Bankers Association is publishing, on or about February 1, *Present Day Banking 1950*, a ready reference book on business and banking.

This volume, edited by the staff of BANKING, provides factual and statistical material of interest and importance to all banks. Like its predecessors in this series, the new book reviews events and trends of the past year affecting national banks, state banks, trust and savings business, bank legislation and taxation, banking education, public relations, insurance and protection, and the work of the state associations.

There is an important chapter on the year and the outlook. Another section reports highlights of the Association year.

NEW A.B.A. MEMBERS

Forty-four banks became members of the American Bankers Association during October and November, reports T. J. O'Brien, vice-president, Second National Bank, Houston, Texas. Mr. O'Brien is chairman of the Association's Organization Committee.

These new members are: *Alabama:* Farmers and Merchants Bank, Arifton.*

Arkansas: Jacksonville State Bank.*

California: El Cerrito and Oakley offices of the Central Valley Bank of California; First State Bank of Lynwood*; Stanislaus County Bank, Oakdale; and Magnolia Center Branch, Citizens National Trust & Savings Bank, Riverside.*

Connecticut: First National Bank of Manchester*; and First National Bank of Thompsonville.*

Illinois: Canton State Bank*; DuQuoin National Bank; First National Bank, Evergreen Park; Odell State Bank*; and Bank of Yates City.

Iowa: Mediapolis Savings Bank; Farmers and Merchants State Bank, Winterset; and First National Bank of Dayton.

Kansas: Bison State Bank. *Kentucky:* Citizens Bank, Cold Spring.

(CONTINUED ON PAGE 88)

McElvare Announces Savings and Mortgage Conference Speakers

National Authorities to Cover Wide Area

Rowland R. McElvare, president of the Savings and Mortgage Division of the American Bankers Association, has released an incomplete roster of speakers at the Division's Annual Savings and Mortgage Conference at the Hotel Statler in New York on March 13 and 14, 1950. Mr. McElvare is senior executive vice-president of the Bank for Savings, New York.

Besides serving as presiding officer at the opening session of the conference, J. R. Dunkerley, deputy manager of the A.B.A. and secretary of the Savings and Mortgage Division, will speak on the status of the savings and mortgage business. Mr. McElvare will speak on bank public relations, and W. A. Braunschweiger, executive vice-president, Bank of America N.T.&S.A., San Francisco, will talk on bank policies for people of small means.

Personal Problems

The second session of the conference will be devoted largely to bank personnel problems. Mr. McElvare will preside at this session. Speakers will include: Holgar Johnson, president, Institute of Life Insurance, New York, who will speak on the human element in pension plans; and William Powers, deputy manager of the A.B.A. and director of Customer and Personnel Relations, who will discuss aptitude testing in the banking business.

William A. Reckman, vice-president of the Savings and Mortgage Division and president of the Western Bank & Trust Company, Cincinnati, will preside at the second morning session. Various aspects of mortgage financing will be discussed at this session by outstanding authorities in this field. Harry R. Templeton, vice-president, The Cleveland Trust Company, Cleveland, the only speaker thus far announced for this session, will talk on opportunities and responsibilities in the coming decade.

Dr. William A. Irwin, economist of the A.B.A., will speak on economics at the final session.

London Trust Man to Speak at 31st Mid-Winter Trust Meeting

Will Hold Conference in New York, Feb. 6-8

R. W. Jones of the Westminster Bank Limited, London, England, will be one of the featured guest speakers at the 31st Mid-Winter Trust Conference in New York, according to John W. Remington, president of the Trust Division. The conference will be held at the Waldorf-Astoria Hotel on Feb. 6-8, 1950.

Mr. Jones is recognized as an outstanding trust authority in England and is a distinguished lecturer at the University of London.

Popular Features

The "Get Acquainted Hour" and "Shop Talk Sessions," popular features of last year's conference, will appear on the program again this year. The New York Clearing House Association will be host at an informal luncheon for all registered delegates on Wednesday, February 8. In addition, the program for the conference will include discussions and addresses by guest speakers on trust subjects.

Because of the acute hotel situation in New York, each member of the Trust Division has been sent an application for hotel accommodations along with the advance registration form. Hotel reservations are to be cleared through the New York Convention and Visitors Bureau.

The Program

Here is the program:
First Session, Feb. 6, A.M.:
Presiding, Merle E. Selcman, secretary, Trust Division; addresses by Division President Remington and
(CONTINUED ON PAGE 88)

Wage-Hour Law Booklet Is Nearing Completion

An analysis of the amendments to the Wage-Hour Law which will become effective on January 25, 1950, is being made by the Customer and Personnel Relations Department of the A.B.A.

This analysis will be published in booklet form soon after the first of the year. It will include detailed discussion of the application of the Wage-Hour Law and the Administrator's regulations.

Fairfax Leary Engaged to Complete Work on Model Banking Code

Ask Secretary Opinion of Commercial Code

Fairfax Leary, Jr., member of the Pennsylvania Bar, Philadelphia, has been engaged by the Model State Banking Code Committee of the American Bankers Association to complete the work on the Model Code, according to Chairman William R. White, vice-president, Guaranty Trust Company, New York. Mr. White was formerly Superintendent of Banks for the State of New York.

Many suggestions and comments on the present code draft have been submitted by the state association secretaries and state bank supervisors, after a thorough study of the code, and Mr. Leary will include these suggestions, together with several A.B.A. recommended statutes, in a new draft of the code.

"The National Association of Supervisors of State Banks, through the work of its special committee on the code, greatly furthered its development," said Mr. White.

Commercial Code

Mr. Leary was the draftsman of that part of the Uniform Commercial Code, now being perfected, dealing with bank collections.

The draft of the Uniform Commercial Code was sent recently to the secretaries of the state bankers associations by the American Law Institute with a follow-up letter by Hayes Picklesimer, chairman of the A.B.A.'s Committee on State Legislation, inviting suggestions before the code is put into final form.

This code is the joint project of the National Conference of Commissions on Uniform State Laws and the American Law Institute. Although not one of its sponsors, the A.B.A. together with the state bankers associations and several other groups have the opportunity of criticizing the draft and making suggestions.

Mr. Picklesimer is president of the Kanawha Valley Bank, Charleston, W. Va. Thomas B. Paton, A.B.A. assistant general counsel, is secretary of the Committee on State Legislation and of the Model Code Committee.

A.B.A. MAILINGS

Mailings by the American Bankers Association in recent weeks included the following material:

ADVERTISING: Proofs-in-Advance Plan—a newspaper subscription service for member banks—and an offering to the new "packaged set" poster plan. To member banks and state secretaries.

AGRICULTURE: *A Program for Country Banks, 1950 and Farm Land Prices on Downswing.* To county agricultural agents, key bankers, state secretaries, A.B.A. Agricultural Commission, and Subcommittee on Agricultural Credit.

BANKING: Special folder *1949 Advertising by BANKING Magazine*, illustrating how the banking profession promotes all business, community, and individual interests. To 2,500 business and bank executives and A.B.A. official family.

BANK MANAGEMENT: *Accrual Accounting for Medium Sized Banks; Revised Comments on Form No. 10—Assignment of Life Insurance Policy as Collateral; and Form No. 10.* To entire membership and state secretaries.

PERSONAL RELATIONS: Information on wage-hour regulation amendments and job classification and evaluation study material. To state secretaries.

MORTGAGE FINANCING: Letter describing legislation passed by 81st Congress affecting housing and mortgage lending, summary of new Title VIII of the National Housing Act, and Summary of S.J.R. 134. To 1,600 bank mortgage officers, state secretaries, and A.B.A. Savings and Mortgage Division officers.

STATE LEGISLATION: Report of Committee on State Legislation and summary of 1949 state banking legislation. To members of Committee and state secretaries.

Revision of A. I. B.'s Savings Banking Text Available Spring 1951

Savings Authorities on Drafting Committee

In order to provide students of the American Institute of Banking with a textbook on savings banking which gives an overall knowledge of operations and management and yet recognizes differences in state laws and banking practices in various sections of the country, the Savings Text Committee of the Savings and Mortgage Division of the American Bankers Association has undertaken a revision of the A.I.B. textbook, *Savings Banking*. A first meeting of the Committee was held in New York recently with Joseph A. Broderick, president of the East River Savings Bank of New York City, as chairman. It is expected that the new text will be ready for use in the spring semester of 1951.

The Savings Text Committee includes outstanding savings bankers, several of whom were authors of the original text; instructors of savings banking from various A.I.B. chapters; and other members qualified by experience and training to contribute toward the writing of a text on savings banking.

The present edition of *Savings Banking* used by A.I.B. chapters, study groups, and correspondent students was published in 1946. It has been widely used, and its revision at this time will reflect changes in laws, regulations of supervisory bodies, and banking practices.

Besides Chairman Broderick, other members of the Savings Text Committee who will assist in the revision of the text are: Clyde S. Casady, executive vice-president, Savings Bank Life Insurance Council, Boston; Hans C. Christensen, vice-president, Society for Savings, Hartford; Stuart C. Frazier, executive vice-president, Washington Mutual Savings Bank, Seattle; Hilda M. Hoffman, assistant secretary and statistician, The Bowery Savings Bank, New York; Arthur E. Kroner, assistant vice-president, East River Savings Bank, New York; Everett J. Livesey, assistant controller, The Dime Savings

New A.B.A. Members

(CONTINUED FROM PAGE 86)

Louisiana: Sterlington Bank.*

Massachusetts: Norfolk County Trust Company, Needham Heights Office.

Minnesota: Waldorf State Bank.

Mississippi: Merchants & Farmers Bank, Winona.*

Missouri: Farmers Bank, Walker.

Nebraska: Farmers State Bank, Avoca.

Nevada: First National of Nevada, South Virginia Branch, Reno.

New Hampshire: Lancaster National Bank; and Valley Trust Company, Penacook.*

New Jersey: Elizabeth Savings Bank.

New Mexico: First National Bank of Las Vegas.*

New York: Rochester Savings Bank, Franklin Street Office.

North Carolina: Bank of Carolina Beach.*

Pennsylvania: The Merchants National Bank, Tilghman Street Branch, Allentown; First National Bank, Jessup; and Kutztown National Bank.

Tennessee: Memphis Bank & Trust Company.*

Texas: Donie State Bank; First National Bank, Depot; First National Bank of Edna*; and First State Bank, Hawkins.

Washington: National Bank of Commerce of Seattle, Northgate Branch; and Prudential Mutual Savings Bank, Seattle.*

Wisconsin: River Falls State Bank.*

Alaska: Anchorage Title & Trust Company.

* Newly organized institutions.

Bank, Brooklyn; Charles J. Lyon, president, Society for Savings, Hartford; James A. McBain, Chase Safe Deposit Company, New York; Ralph W. Matteson, vice-president-treasurer, The Savings Bank of New London, Conn.; Thomas H. Norwood, Federal Deposit Insurance Corporation, Washington; Philip A. Perkins, Savings Banks of Massachusetts, Boston; Joseph E. Perry, president, Newton Savings Bank, Newton, Mass.; Elmer C. Phillips, Society for Savings, Cleveland; F. Burley Smith, secretary, Maine Savings Bank, Portland; Milton Tichy, secretary and assistant treasurer, Meriden Savings Bank, Meriden, Conn., and J. R. Dunkerley, deputy manager of the A.B.A. in charge of the Savings and Mortgage Division, New York.

Mid-Winter Trust Meet

(CONTINUED FROM PAGE 87)

A.B.A. President F. Raymond Peterson.

Second Session, Feb. 6, P.M.:

Presiding, Joseph W. White, vice-president, Mercantile-Commerce Bank and Trust Co., St. Louis; "Then and Now," Gilbert T. Stephenson, director, Trust Research Department, The Graduate School of Banking; "Trust Business in England," Mr. Jones; "Recent Trends in Trust Legislation," Austin W. Scott, Harvard University Law School faculty.

Economic Subjects

Third Session, Feb. 7, A.M.:

Presiding, Raymond H. Trott, president, Rhode Island Hospital Trust Company, Providence; "Economic Developments Affecting Trust Departments," Prof. Marcus Nadler, New York University; "Looking Ahead at Our American Economy," Thomas W. Phelps, assistant to board chairman, Socony-Vacuum Oil Co.; "Revision of Trustees' Fees in Boston," Robert Cutler, president, Old Colony Trust Co., Boston.

Shop Talks

Shop Talk Sessions, Feb. 7, P.M. (with names of leaders):

"Cost Accounting Procedure," Robert A. Wilson, The Pennsylvania Company for Banking and Trusts, Philadelphia; "Estate Planning," Earl S. MacNeil, vice-president, Irving Trust Co., New York; "Investments," Philip P. Nolte, vice-president and treasurer, First Wisconsin Trust Co., Milwaukee; "Smaller Trust Departments," Gilbert T. Stephenson.

Final Session

Fifth Session, Feb. 8, A.M.:

Presiding, Evans Woollen, Jr., chairman, Fletcher Trust Company, Indianapolis; "Whither American Trusteeship?" Mayo A. Shattuck, attorney, Boston; "Trustees as Conservators," Louis B. Headley, president, First Trust Co., St. Paul.

Mr. White, who presides at the second session, is chairman of the Trust Division's Executive Committee. Mr. Trott, chairman of the third session, is vice-president of the Division.



R. W. Jones

Winter Edition of School Saver Is Ready

The winter edition of the *School Saver*, the student newspaper designed by the American Bankers Association for distribution by individual banks in elementary and junior high schools, is now being distributed by the A.B.A. Committee on School Savings Banking, in cooperation with the Association's Advertising Department. The new edition was announced by R. W. Matteson, chairman of the Committee, which is a working group of the Savings and Mortgage Division. Mr. Matteson is vice-president of the Savings Bank of New London, New London, Connecticut.

4-Page Paper

The *School Saver*, published by the A.B.A. three times during the school year, is a four-page publication imprinted with the name of the issuing bank. It will have a total distribution during the current school year of over 500,000 copies, an increase of over 150,000 from last year. The substantial increase in distribution reflects the return of many banks to the school savings field. During the past year, the number of banks conducting school savings programs rose to over 400. These banks serve more than 4,000 schools with an aggregate of about 2,500,000 school savings accounts totaling \$45,000,000.

In addition to the usual *Saver* features, the winter edition includes some new ones, among which is a group of shadow pictures. There are also editorial features on thrift, hobbies, Americanism, inspirational topics, crossword puzzles, quizzes, cartoons, a picture strip, etc.

The *Saver* is printed in colored ink, typifying the seasons—green for spring, brown, fall, and purple, winter.

A.I.B.'s 50th Jubilee Committee's Named By President Taylor

General Committee Is Headed by C. R. Chaney

Committee chairmen and vice-chairmen for the 50th Anniversary Convention of the American Institute of Banking, to be held in Minneapolis, June 11-16, 1950, are announced by Hartwell F. Taylor, president of the Institute and assistant vice-president of The Bank of Virginia, Richmond.

In the following list, the committee chairmen are given first, followed by their vice-chairmen. All are Minneapolis bankers.

Debate — Joseph B. Mulcahey, Lake Street Office, Northwestern National Bank; Ronald B. Harrison, Marquette National Bank.

Entertainment & Clubs — Clifford C. Sommer, Midland National Bank; Earl A. Carlson, First National Bank.

Halls and Meeting Places — Arthur W. Johnson, Federal Reserve Bank of Minneapolis; A. M. Blood, First National Bank.

Hospitality — Ralph F. Spearing, Midland National Bank; Mary K. Cunningham, Lincoln Office, Northwestern National Bank.

Personnel — John K. Ewing, First National Bank; Royal

Wells, Northwestern National Bank.

Hotels — D. E. Crouley, Northwestern National Bank; Zeldon Pelland, Federal Reserve Bank of Minneapolis.

Information — P. W. Colbert, First National Bank; Anthony O. Dokken, Northwestern National Bank.

Publicity — W. A. Kramer, Farmers & Mechanics Savings Bank, and Goodrich Lowry, Northwestern National Bank (Co-chairmen); Marion A. Mattsen, Northwestern National Bank.

Utility — Charles A. Cells, First National Bank; Donald D. Conner, Northwestern National Bank.

Finance — O. S. Powell, Federal Reserve Bank of Minneapolis; Arnulf Ueland, Midland National Bank.

Public Speaking — Sumner G. Sinclair, Northwestern National Bank; F. Mariner Clark, Federal Reserve Bank of Minneapolis.

Registration — Emmett J. Erickson, Farmers & Mechanics Savings Bank; William C. Bronner, Federal Reserve Bank of Minneapolis.

Transportation — Paul W. Petterson, Marquette National Bank; Maurice G. Carlson, First National Bank.

Women's — Genevieve M. Nevin, Northwest Bancorporation; Genevieve Howe, Marquette National Bank.

Advertising-Publicity Kit to Member Banks

(CONTINUED FROM PAGE 86)

Illustrated envelope, made and will use it as a public relations medium.

A kit containing material prepared by the A.B.A.'s Advertising Department and News Bureau has been sent to member banks. It included a special advertisement featuring membership of individual banks in the Association. The ad carries a banner head reading "Honoring America's Banks"; a reproduction of the stamp; and appropriate copy. The kit also contained mats of a special anniversary emblem, made up in two sizes, for use during the year in such ways as banks may wish in connection with their advertising and promotion material.

A memorandum of publicity suggestions on how the banks might utilize the commemorative stamp, together with a glossy print of the stamp, and a suggested news release for adaptation to local use, was also included in the kit.

All committee chairmen will serve as members of the General Convention Committee. This committee will be headed by Clarence R. Chaney of the Northwestern National Bank, with William R. Chapman, Midland National Bank; Christian Ries, Federal Reserve Bank of Minneapolis; and Ashton Carhart, First National Bank, as vice-chairmen.

Founders Day Meetings Are Held by 10 A.I.B. Units; More Planned

National Office Aids With Program Ideas

Ten chapters of the American Institute of Banking have already held Founders Day meetings as part of the Institute's 50th anniversary commemoration, and 35 others have definite arrangements under way for similar meetings, according to Institute President Hartwell F. Taylor.

The purpose of the Founders Days, according to Mr. Taylor, is to honor the founders and past presidents of individual chapters along with others who contributed to their development.

To aid chapters in planning their Founders Day Meetings, the national office of the A.I.B. sent a detailed memorandum to all chapters, Mr. Taylor said. Included in this memorandum are suggestions for arranging the program and setting up the meeting, arranging for speakers, press contacts, etc.

The memorandum also gives instructions for making use of the Speakers Bureau, which was set up by the 50th Anniversary Committee several months ago to aid chapters in obtaining speakers for the Founders Day celebrations. Under the Speakers Bureau plan, the A.I.B. Executive Councilman in each district acts as a clearinghouse for obtaining outstanding speakers in his area.

CALENDAR

American Bankers Association

Jan. 23-25	Second National Credit Conference, Sherman Hotel, Chicago, Illinois
Feb. 6-8	Mid-Winter Trust Conference, Waldorf-Astoria, New York, N. Y.
Mar. 13-14	Annual Savings and Mortgage Conference, Hotel Statler, New York, N. Y.
Apr. 23-25	Executive Council, French Lick Springs Hotel, French Lick, Indiana
June 11-16	50th Anniversary Convention, A.I.B., Nicollet Hotel, Minneapolis, Minnesota
June 19-21	The Graduate School of Banking, Rutgers University, New Brunswick, N. J.
Sept. 24-27	Diamond Anniversary Convention, New York, N. Y.

State Associations

Jan. 5-6	Eastern States Secretaries Conference, Hotel Commodore, New York, N. Y.
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Mar. 29-31	Florida, Belleview Biltmore Hotel, Belleair
Apr. 19-20	Georgia, General Oglethorpe Hotel, Savannah
Apr. 23-25	Louisiana, Roosevelt Hotel, New Orleans
May 3-5	Missouri, Hotel Statler, St. Louis
May 8-10	North Carolina, The Carolina, Pinehurst
May 10-11	Indiana, Claypool Hotel, Indianapolis
May 10-12	Kansas, Wichita
May 15-16	Maryland, Traymore Hotel, Atlantic City
May 15-16	Texas, Texas Hotel, Fort Worth

Other Organizations

Feb. 18-19	Financial Public Relations Association, Mid-Year Meeting, Hotel Statler, Buffalo, N. Y.
May 4-6	National Association of Mutual Savings Banks, Hotel Commodore, New York, N. Y.
May 11-13	New York Safe Deposit Association, Queensbury Hotel, Glens Falls, N. Y.

National Conference Looks at Business

THE international and domestic credit outlook will be thoroughly explored and analyzed by leading industrialists, bankers, economists, retailers, and Government officials at the Second Annual Credit Conference of the American Bankers Association at the Hotel Sherman in Chicago on January 23-25, 1950, according to President F. Raymond Peterson in an announcement of final program arrangements. This conference is sponsored by the Association's Credit Policy Commission, of which Kenton R. Cravens, vice-president of the Mercantile-Commerce Bank and Trust Company of St. Louis, is chairman.

Pointing to the paradoxical situation prevailing today in our national economy, President Peterson said that "during the past year our economy has been subjected to stresses of both inflationary and deflationary character, and these pressures are still exerting forces that make the outlook for the future uncertain."

"The situation is not one easily understood nor can it be simply stated," Mr. Peterson said, "because in every industrial and business classification it is different, as it is also different in the various communities and geographical sections of the country. To meet these problems requires constant and careful study on the part of each individual banker."

The purpose of the National Credit Conference, he said, is to provide information which may be useful to banks in determining their 1950 policies.

Secretary of Commerce Charles Sawyer, speaking from the vantage

Three principal A.B.A. credit group chairmen inspecting the Small Business Credit Commission's model Small Business Credit Library. Left to right, William F. Kelly, chairman, Consumer Credit Committee; Mr. Cravens (chairman, Credit Policy Commission); and Everett D. Reese, chairman, Small Business Credit



point of his Cabinet post, will discuss the broad industrial outlook, including the Commerce Department's program of aid to small business. The Credit Policy Commission will give a private luncheon for Secretary Sawyer on Monday, January 23, preceding his conference appearance.

W. A. Roberts, executive vice-president, Allis-Chalmers Manufacturing Company, Milwaukee; Q. Forrest Walker, economist, R. H. Macy & Company, Inc., New York; and R. A. Peterson, president, Allied Building Credits, Inc., Los Angeles, will share with the conference views on the outlook in their respective fields.

Mr. Roberts will include in his address an appraisal of agricultural prospects for 1950. Mr. Walker, out of his experience with the far-flung Macy chain, will review the retail price picture and offer information that will be valuable to bankers in arranging credit commitments in the retail field. Mr. Peterson, a commer-

cial banker for several years, now devotes his entire time to mortgage lending. He will speak on "Housing Construction in 1950" and is expected to make a valuable contribution to the overall credit discussion.

Other speakers who will present the industrial viewpoint include: Mr. Cravens; Joseph A. Erickson, president, Federal Reserve Bank, Boston; Darryl R. Francis, vice-president, National Bank of Commerce, Memphis; William A. Mitchell, president, Central Trust Company, Cincinnati.

The international credit situation will be appraised by Wilbert Ward, vice-president of the National City Bank of New York, who is in charge of his bank's foreign department. George S. Eccles, president, Security Bank of Utah, N. A., Ogden, who recently returned from an European inspection trip for ECA, will talk on *Europe Today and the ECA*.

The outlook for veterans' credit in 1950 will be covered by Walter T. Robinson, loan guaranty officer, Vet-

(CONTINUED ON PAGE 92)

F. Raymond Peterson



W. A. Roberts



Q. Forrest Walker



R. A. Peterson



MORE THAN 500 BRANCHES ACROSS CANADA

BANK OF MONTREAL

FOUNDED 1817

Statement of Condition, October 31st, 1949

ASSETS

Cash on hand and due from banks and bankers	\$ 268,151,423.47
Notes of and cheques on other banks	117,878,643.26
Government and Other Public Securities (not exceeding market value)	1,044,968,842.21
Other Bonds, Debentures and Stocks (not exceeding market value)	122,917,348.16
Call Loans	48,174,652.91
	<u>\$1,602,090,910.01</u>
Commercial and Other Loans	487,352,653.41
Bank Premises	17,850,169.22
Customers' Liability under Acceptances and Letters of Credit	
(as per contra)	28,820,653.02
Other Assets	3,573,877.78
	<u>\$2,139,688,263.44</u>

LIABILITIES

Notes of the Bank in Circulation	\$ 3,621,916.00
Deposits	2,019,142,697.65
Acceptances and Letters of Credit Outstanding	28,820,653.02
Other Liabilities	2,947,186.16
Capital	\$36,000,000.00
Rest or Reserve Fund	48,000,000.00
Undivided Profits	1,155,810.61
	<u>85,155,810.61</u>
	<u>\$2,139,688,263.44</u>

If you desire information on Canadian conditions, your inquiries will receive prompt and thorough attention from our Business Development Department at the Head Office in Montreal or from any of our offices in the United States.

Head Office: Montreal

B. C. GARDNER, M. C., *President*

GORDON R. BALI, *General Manager*

NEW YORK: 64 Wall Street, New York 5, C. T. Aulph,
A. St. C. Nichol, F. W. Hunter, Agents

CHICAGO: 27 South La Salle St., Chicago 3, L. E.
Tritschler, Manager.

SAN FRANCISCO—Bank of Montreal (San Francisco),
333 California St., San Francisco 4, G. T. Eaton, President.

LONDON, ENGLAND: 47 Threadneedle St., E. C. 2.,
A. D. Harper, Manager; 9 Waterloo Place, S. W. 1.,
T. E. Roberts, Manager.

"MY BANK"

TO A MILLION CANADIANS



CANADA'S FIRST BANK



Head Office Building on Place d'Armes, Montreal

(CONTINUED FROM PAGE 90)

erans Administration, Des Moines.

Various aspects of bank and Government credit and credit policies will be presented in addresses by leading bankers, most of whom have been previously announced.

The program, in its entirety, is as follows:

Morning session, January 23: Presiding, Kenton R. Cravens, chairman, Credit Policy Commission and vice-president, Mercantile - Commerce Bank & Trust Company, St. Louis.

Speakers and their topics: F. Raymond Peterson, A.B.A. president and chairman of the board, First National Bank and Trust Company, Paterson, New Jersey—*Objectives of the Conference*; Chairman Cravens—*Business Conditions Today*; W. A. Roberts, executive vice-president, Allis-Chalmers Manufacturing Company, Milwaukee—subject to be announced; and Q. Forrest Walker, economist, R. H. Macy & Company, Inc., New York—*The Retail Outlook*.

Afternoon session, January 23: Presiding, C. W. Bailey, president, First National Bank, Clarksville, Tennessee.

Speakers and their topics: Joseph A. Erickson, president, Federal Reserve Bank, Boston—*Industry in New England in 1950*; Darryl R. Francis, vice-president, National Bank of Commerce, Memphis—*Agric-*

culture in 1950; William A. Mitchell, president, Central Trust Company, Cincinnati—*Machine and Machine Tool Industry in 1950*; and R. A. Peterson, president, Allied Building Credits, Inc., Los Angeles—*Housing Construction in 1950*.

Evening session, January 23: Presiding, President Peterson.

Speakers and their topics: Rowland R. McElvare, senior executive vice-president, Bank for Savings, New York—*New Factors in Mortgage Credit*; and Dr. Willard E. Atkins, chairman of and professor in the Department of Economics, Washington Square College, New York University, New York—*Economic Trends*.

Morning session, January 24:

Speakers and their topics: Walter T. Robinson, loan guaranty officer for Iowa Veterans Administration, Des Moines—*Veteran Credit in 1950*; Milton J. Drake, president, Robert Morris Associates and vice-president, The Detroit Bank—*Loan Administration Policies*; George S. Eccles, president, First Security Bank of Utah, N. A., Ogden—*Europe Today and the ECA*; and A. C. Simmonds, Jr., president, Bank of New York and Fifth Avenue Bank, New York—*Social Demands and the Common Good*.

Afternoon session, January 24: Presiding, Everett D. Reese, presi-

dent, The Park National Bank, Newark, Ohio, and Chairman, A.B.A.'s Small Business Credit Commission.

Speakers and their topics: William F. Kelly, vice-president, Pennsylvania Company for Banking and Trusts, Philadelphia—*Consumer Credit in 1950*; Honorable Charles Sawyer, U. S. Secretary of Commerce, Washington—subject to be announced; E. A. Mattison, executive vice-president, Bank of America, N.T.&S.A., San Francisco—*Small Business—Mid-Century Challenge*; W. A. McDonnell, president, Association of Reserve City Bankers and president, First National Bank, St. Louis—*The Credit Outlook*.

Morning session, January 25: Presiding, Mark A. Brown, executive vice-president, Harris Trust and Savings Bank, Chicago.

Speakers and their topics: Earl R. Muir, president, Louisville Trust Company, Louisville, Kentucky—*Government in Finance*; Wilbert Ward, vice-president, National City Bank, New York—*Foreign Credits in 1950*; Chester A. Rude, vice-president, Security-First National Bank, Los Angeles—*Factors to Consider in Establishing a Sound Loan Policy*; E. C. Sammons, president, United States National Bank, Portland—*Bank Credit Policies, 1950*; and Mr. Cravens—*Summary of Conference*.

Darryl R. Francis



William A. Mitchell



Walter T. Robinson



Rowland R. McElvare



Dr. Willard E. Atkins



Milton J. Drake



A. C. Simmonds, Jr.



E. A. Mattison





The Home of John Bowne

"He suffered much for truth's sake"

IMPRISONED and banished from the country because of his allegiance to the "abominable sect called Quakers," John Bowne steadfastly refused to act contrary to his conscience. His earnest pleas for tolerance won the first official proclamation of religious freedom in America outside of Maryland.

Migrating to this country from his native England, John Bowne eventually settled in Flushing, Long Island, in 1651. With his wife Hannah he roamed through the woods selecting timber for their home which he built in 1661 and which reflected his position as a prosperous farmer. The house is still standing. Now a part of Greater New York, the farm was bought by Bowne from the Indians for eight strings of wampum valued at about fourteen dollars.

It was Hannah Bowne who first became a member of the Friends. Then out of curiosity John attended one of their meetings which had to be held in the woods because of the violent opposition to the sect. He was so much impressed by the beauty and simplicity of their faith that he allied himself with the group, invited them to meet at his house thereafter, and soon became one of their leaders.

As a result, Bowne was thrown into a dungeon at Fort Amsterdam, was kept in solitary confinement on a bread-and-water diet, and ordered to pay a fine, but he refused to do so or to renounce his beliefs. Because of his "contempt of the authorities," he was deported to Holland. However, the Amsterdam Chamber of the West India Company in whose hands his case was put, released him, finding him a discreet man and steadfast in his religion. Moreover, they wrote a firm letter to the officials here: "Let everyone be unmolested as long as he is modest, as long as his conduct in a political sense is unimpeachable,



The Quakers held forbidden meetings in this kitchen where they sat on rows of benches before the fireplace



Portrait of George Fox hangs beside an early 18th century highboy in dining room

as long as he does not disturb others or the government." This official statement ended the persecution of the Quakers.

By the time Bowne at last reached home, the province had passed into British jurisdiction

and for many years he held meetings at his home. Two famous Quakers, William Penn and George Fox, were guests there. So many gathered to hear the latter that he was obliged to conduct his services out of doors under the sheltering branches of two huge oaks which afterwards came to be known as the "Fox Oaks."

For a number of generations Bowne's home remained in the possession of his

descendants. It is now maintained by the Bowne House Historical Society as a shrine to freedom and tolerance.

* * *

The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

☆ THE HOME ☆ Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

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On the wall behind the Central Hanover's 34th Street Branch switchboard is the mirror reflector which enables the operator to check quickly on the availability of officers

First in

CANADA'S OIL FIELDS



The Royal Bank of Canada can answer your customers' questions about Western Canada's fabulous oil development whether they are interested in oil financing in any of its aspects or wish sound advice on establishing business connections in Canada.

The Royal Bank has had branches in Canada's oil fields since the earliest days. Our branch in Turner Valley was opened in 1928 — in Leduc, we opened just one day after the first producing well was completed — in Devon and Redwater, our branches opened last spring. So closely identified has this bank become with Canada's oil development that it has become known as the "R-Oil."

Please address your enquiries to—

*E. B. Durham, Supervisor,
The Royal Bank of Canada
Calgary, Alberta*

CANADA'S "OIL" BANK

See the Royal about Canada's oil

55 Branches in Alberta, the "oil" province. Over 720 branches in Canada, the West Indies, Central and South America. New York, London, and Paris. Head Office, Montreal.

ASSETS EXCEED \$2,222,000,000

THE ROYAL BANK OF CANADA

New, Useful Features in Renovized Bank

A MIRROR reflector in the telephone exchange room which enables the operator to check quickly on whether an officer is at his desk on the platform, and shallow change pockets in the marble tellers' counter plates that make it possible for customers to pick up their change easily are among the many customer goodwill features included in the newly modernized offices of the 34th Street Branch of the Central Hanover Bank and Trust Company in New York.

Another feature of the new office that is certain to create goodwill for the bank is a conference room on the same level as the vault and safe deposit department that will accommodate 30 to 40 people. This room is available to the bank's customers, clubs, and civic groups that need a place to hold meetings. Besides several enclosed cubicles, facilities for safe deposit customers include a smaller conference room.

The telephone switchboard is located on an enclosed mezzanine overlooking the banking room and the officers' platform. It is anticipated that telephone service to customers will be stepped up appreciably by the mirror reflector.

Ample provisions have been made on the mezzanine for the bank's employees. Two lounges, one for men and one for women, are connected by a kitchenette where the employees may prepare and eat their own lunches. The walls of the lounges, as well as all other plastered surfaces, are covered with a plastic material resembling leather. The furnishings and the walls are harmonized in attractive color schemes.

Ambition means working yourself to death in order to live better.

When everyone arrives after everyone else is there, it's fashionable.



Your Office Manager—"You wouldn't believe the *space* it saves. One handful of Burroughs microfilm takes the place of 24 full drawers of files!"



Your Employees—"You wouldn't believe the *time* it saves. Why—with checks, for instance—I photograph *both* sides as fast as six per second!"



Your Treasurer—"You wouldn't believe the *money* it saves. Pays for itself in no time by savings in labor, rent, filing equipment and grief."



Your Auditor—"And Burroughs Microfilming saves me headaches too. That's because it records everything with *photographic accuracy*."



Your Lawyer—"Don't forget the protection Microfilming gives. It's the best possible safeguard against documents being altered, lost, stolen or misfiled."



Smartly styled recorder—one of the units in a modern line of microfilm equipment built by Bell & Howell, sold and serviced by Burroughs.

Everybody benefits from Burroughs Microfilming!

Yes, Burroughs Microfilming saves space, time, money. It gives you accuracy and protection. But that's not all.

Burroughs' 60 years of solving business problems by machine assures you businesslike recommendations. If Microfilm won't fit into your overall office operation—we'll say so. If we say it will—you can know it's a sound recommendation.

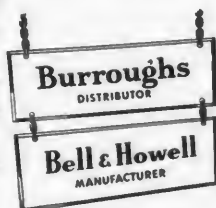
Burroughs nationwide service organization will make sure

your microfilm equipment gives you the utmost service. Microfilm can be processed quickly at any of 22 convenient laboratories, or in your own office.

Burroughs Microfilm equipment is built by Bell & Howell, the leader in quality photographic equipment. It is sold outright—saving you lease charges. See for yourself how it can help your business. Give your local Burroughs office a call, or write—

BURROUGHS ADDING MACHINE COMPANY
DETROIT 32, MICHIGAN

TWO IMPORTANT NAMES IN MICROFILM



WHEREVER THERE'S BUSINESS THERE'S

Burroughs



The Mid-Continent Trust Conference

UPWARD of 700 trust men representing banks in 19 mid-western states attended the 18th Mid-Continent Trust Conference of the American Bankers Association in Chicago on December 1 and 2, 1949, according to Trust Division President John W. Remington.

Authorities on many phases of trust operations and services appeared on the conference program. (The complete program may be found on page 78, November BANKING.)

"The quality of the addresses and the interest of delegates in the program combined to make this one of the finest conferences in Trust Division history," said Mr. Remington, who is vice-president and trust officer, Lincoln-Rochester Trust Co., Rochester, New York.

The greetings of the Corporate Fiduciaries Association of Chicago, host to the conference, were extended by President William P. Wiseman.



Conference leaders, left to right, Mr. Wiseman, President Remington, Trust Division Secretary Merle E. Selecman, and Joseph A. White, chairman, Division's Executive Committee



Speakers at the second Conference session. Left to right, William Powers, A.B.A. deputy manager and director, Customer and Personnel Relations; W. C. Eddy, captain, USN (retired) Television Associates, Inc., Michigan City, Indiana; Robert A. Wilson, vice-president, The Pennsylvania Company, Philadelphia; Trust Division President Remington; and Division Secretary Selecman

Conference speakers hold the attention of this group of trust men



Another audience view during one of the sessions

Methods and Ideas

(CONTINUED FROM PAGE 41)

agenda it held preliminary conferences with groups of women carefully selected to represent diverse occupations, interests, and means.

A different subject is presented at each meeting by an authority in the field; the speakers are mostly local men. Here are the topics: "Personal Financial Planning"; "Life Insurance and Social Security"; "Investing in Bonds and Preferred Stocks"; "Investing in Common Stocks and Investment Trusts"; "Investing in Income Real Estate, Mortgages, or a Home"; "Wills and Estates."

Registrations were accepted well in advance of the series opening, and in two weeks the bank had applications from twice as many women as it could accommodate. Applicants who missed the first series will get priority in the distribution of tickets for the second, scheduled to start January 16. There is, of course, no admission fee.

Applications for the fall series were acknowledged with personal letters enclosing enrolment cards. A few days before the first meeting registrants received strips of tickets covering each meeting.

At the first meeting a loose leaf binder containing the program, index sections for each session, blank



A session of the Minneapolis women's finance forum

pages for notes, and perforated question slips, was given to each woman. Her name was printed on the cover. Outlines of each talk were distributed.

The forum takes place in the auditorium of a local insurance company.

The bank plans to resume the forum on an annual basis next autumn. It is also considering the possibility of holding more advanced seminars for women who want to pursue further the subjects discussed in the earlier meetings.

Malcolm B. McDonald, vice-president of First National and director

of its public relations, is in charge, assisted by Oliver S. Aas, assistant vice-president.

"Banking—New Style"

The present advertising campaign of THE ROCKLAND-ATLAS NATIONAL BANK of Boston is developing the idea that a bank can and will help the businessman with almost every type of financial problem, and that this bank believes its customers are, in the words of President H. Frederick Hagemann, Jr., "entitled to something beyond routine service on the part of the bank's officers."

One of the ads caught the eye of the *Christian Science Monitor* which, in an editorial headed "Banking—New Style," took note of the "revolution" in banking and the improvement in its public relations.

Without mentioning the bank by name, the editorial quoted a recent ROCKLAND-ATLAS ad which, in the newspaper's words, "invited the perplexed businessman to consider whether a good banker might help him and if so to telephone the bank." Expressing surprise at the last line in the ad: "One of our officers will be glad to come to your office," the *Monitor* exclaimed: "Shades of Anthony Drexel, J. Pierpont Morgan, and George F. Baker! Or, at least, the tradition built up around them. Where is the quaking would-be borrower held off by ranks of receptionists, secretaries and flunkies from seeing the august, frock-coated, solemn-mannered gentleman in the mahogany-paneled office?"

The editorial went on to point out

Banking was one of the activities covered by Indianapolis school teachers in the course of a Business-Industry-Education Day tour sponsored by the chamber of commerce. The picture shows a group visiting the vault of The Indiana National Bank which took the tourists through 10 of its departments, explaining, with the aid of charts and equipment demonstrations, the operations of each. At the conclusion of the tour the teachers said they'd like to have their pupils visit the bank, too



that not only has banking changed but that all of it was never quite as popularly pictured; the small community banker has generally been approachable, open-minded . . . , and concerned with the welfare of others.

"In short," asserted the editorial, "the change is more in the facade than in the essence of banking." Small loan departments, drive-in windows, and financial advisers for women are "only part of the revolution"; the best of the banks "have been keeping up with the times during the last couple of decades."

Commenting on the Rockland-Atlas program, Mr. Hagemann said:

"A lot of businessmen, we felt, would be glad to obtain the financial counsel that a good bank can give, and avail themselves of the multitude of extra services that a modern bank can provide—if those businessmen were only invited to do so. Our ads therefore are invitations, direct and friendly, to make use of Rockland-Atlas's experience, contacts, specialized information, and the like. We make specific suggestions covering ways in which we may be of

real service. Merely to say 'your account is invited' or 'we will be glad to accommodate you' is not enough."

Mr. Hagemann reported that the advertising had met with a favorable response from customers and prospects alike.

"Of course," he added, "this editorial says many fine things which, despite their accuracy and truthfulness, would no doubt be discounted if written or signed by a bank."

Birthday Features

The COMMUNITY SAVINGS BANK of Rochester, New York, spread the story of its 80th birthday in a variety of ways.

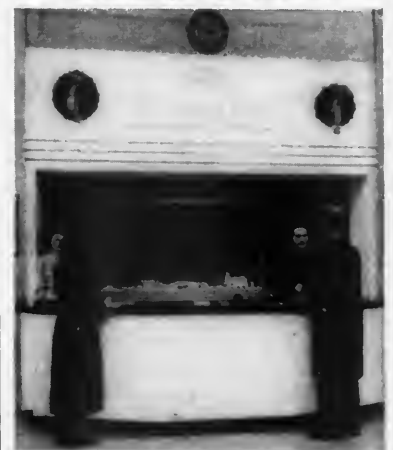
In addition to publishing an anniversary booklet, the bank distributed imprinted match books and pocket calendars, set up a customer register for the historic day, gave an apple to each registrant (it was Apple Week), and advertised the occasion in newspaper, bus, and radio spots. There was also a dinner party for trustees and staff.

The bank is the successor to the Mechanics Savings Bank and the East Side Savings Bank which united in 1944. The East Side was founded in 1869, the Mechanics in 1867.

Flower Show in Bank

The lobby of the FIRST NATIONAL BANK OF NEW ROCHELLE, New York, was the scene of a flower show staged by the city's Garden Club and Garden Circle. Sixty-five exhibitors contributed more than 170 displays and arrangements.

The Continental Illinois National Bank and Trust Company of Chicago installed this lobby booth to receive 1950 Christmas Savings Club members



LEVEL-UP Your Time Payments with ALLISON'S NEW PAYMENT COUPON BOOK

An increase of 30% in LEVEL payments was reported by Mr. E. L. Moffett, writing in "Time Sales Financing." He is using Allison's NEW Coupon Books, which accentuates Perforations. "We find" he writes "that having the exact amount of payment on each coupon has a marked effect on the percentage of exactly level payments received. After the system had been in operation for six months it was found that the average percentage of exact payments was 91 per cent as compared to 70 per cent prior to the use of coupons."

7 WAYS TO PROFIT

- Faster Window Service
- Ideal for Mail Payments
- More Level Payments
- Lower Follow-up Costs
- Reduced Loan Acquisition Costs
- Increased Accuracy
- Reduces Posting Time

5/16" BLACK CIRCLED PERFORATIONS



Immediate profits, proven in so many cases, are so great that it is unwise to delay learning all about the NEW improved payment book. Write for samples and full information. No obligation. No cost.

ALLISON COUPON COMPANY, INC.
INDIANAPOLIS 6, INDIANA

GEORGIA'S EXPANDING, SUH!



1939
BUSINESS INDEX 100%
1949
BUSINESS INDEX 258%
AN INCREASE OF 158% IN THE
LAST TEN YEARS!!!

...and the best way to obtain quick service and assure prompt advice and counsel on business problems in this rapidly expanding area, is through the excellent correspondent facilities of the Friendly Ful-ton. We invite your inquiry.

The **Fulton** NATIONAL BANK
CORPORATE OFFICE AT 2 SPRING ST. METROPOLITAN AREA OF ATLANTA

FAST • DEPENDABLE • COOPERATIVE

It is expected that the show, which attracted wide attention, will become an annual event.

700 at Correspondent Meeting

More than 700 bankers from 35 states attended the third annual conference of bank correspondents sponsored by THE FIRST NATIONAL BANK OF CHICAGO.

Four panel discussions were conducted covering public relations and savings, managing a country bank, operations, and government and municipal securities.

Members of the bank's operating department were available to discuss operating problems with the correspondents, and the comptroller's staff assisted on tax matters.

Clarence B. Randall, president of Inland Steel Company, was a speaker at the conference dinner.

New Branch Promotion

THE BANK OF VIRGINIA provided a number of novelties for the 5,000 persons who visited its new office in Norfolk during the two-day open house festivities.

Miss Betty Lewis, who was "Miss Norfolk" and "Miss Virginia" of 1949, welcomed guests and sang at intervals during the ceremonies. With a radio announcer she interviewed visitors, presented them with gifts for their appearance on the program, and autographed piggy banks for children. New Christmas Club customers were invited to participate in the interviews.

Preliminary promotion included newspaper ads, radio spot announcements, direct mail pieces, personal work by staff members, and the distribution of blotters and special matchbooks.

School children made special tours of the bank on one of the two days.

Ideas in Brief

The DIME SAVINGS BANK of Norwich, Connecticut, gave its 1950 Christmas Club a boost by publishing a newspaper ad that featured a drawing of a check for \$193,000, payable to "Our Christmas Club Depositors." The ad asked: "Did You Share in This Check?" and then suggested that non-members plan to join the club in 1950.

The FARMERS NATIONAL BANK of Malone, New York, provides its night depository customers with a card-board sign for display in store win-

Bank operations panel at First of Chicago's conference. L. to r.: Edmund Burke, C. E. Johnson, F. G. Paddock, C. E. Dahlin, and F. G. Guthridge.



Make Banking Easy For Your Customers



Kerr CHANGEPOINT Fountain Pens

... and ...

PERPETUAL CALENDARS

BRONZE, CHROME, ALUMINUM

Kerr Check Counter Equipment Provides a distinctive touch to old, new and remodeled Banking quarters. All Kerr Pen parts are interchangeable and replaceable and will always remain standardized. Perpetual Calendar date cards extend through 1970, at which time they can be replaced.

Write for Illustrations and Prices

W. K. KERR PEN COMPANY
TULSA 5, OKLAHOMA

dows or other conspicuous places. It reads: "We Use The Farmers National Bank Night Depository." The idea was suggested by an officer's wife. The bank reports that it has been well received.

FARMERS BANK OF THE STATE OF DELAWARE, Dover, ran an ad proclaiming that Delaware produced 116,409,000 broilers in 1948—or enough to make a double line of chicks from that state to Los Angeles. "We are proud of this steadily growing industry in which we have been privileged to render financial help," said the copy.

Chester C. Davis, left, president, Federal Reserve Bank of St. Louis, addressing luncheon meeting of the third annual correspondents' conference of the First National Bank in St. Louis. William A. McDonnell, president of the host bank, is at the right



Customers' hobbies often make good lobby and window displays. The IRVINGTON BRANCH of the FIDELITY UNION TRUST COMPANY, Newark, New Jersey, recently exhibited a collection of historical flags crocheted in true colors by a local woman.

Methods and Planning

The work of the methods and planning division of the FIRST NATIONAL BANK in St. Louis was described at the annual correspondents' conference, attended by more than 500 bankers from 16 states.

Ray J. Miller, vice-president and personnel director, said the division makes a continuous study of new plans and equipment, and then passes along to the correspondent banks operating ideas it believes are suited to their needs.

Gwilym A. Price, president of Westinghouse Electric Corporation, spoke at one session of the conference.

"Economic Tea" for Women

Mrs. Georgia Neese Clark, Treasurer of the United States, was guest of honor at the annual "economic tea" given for women by the PEOPLES FIRST NATIONAL BANK & TRUST COMPANY of Pittsburgh. Approximately 1,000 guests attended the party at the University Club. It was followed by a dinner for Mrs. Clark to which treasurers of large corporations and their wives were invited.

The bank's president, Robert C. Downie, introduced Mrs. Clark at the tea and spoke about trust and estate matters of particular interest to women.

The tea is an outgrowth of the economic meetings which the bank first sponsored in 1942 for its correspondent banks and for corporation officers.

Use This Extra Reserve Account



Through the ages insurance and banking have worked side by side. Insurance has gained an intimate knowledge of the protection needs of banking. Bankers draw on this knowledge. Are you using this account? You incur no obligation by referring your property insurance problems to

THE PHOENIX-CONNECTICUT GROUP OF FIRE INSURANCE COMPANIES, HARTFORD, CONN.

Combined Statement December 31, 1948

Assets	\$112,222,583
Liabilities	57,589,157
Surplus to policyholders	54,633,425
Losses paid to December 31, 1948	442,822,252



ARE YOU LOOKING TOWARDS PERU . . . ?

The promotion of Peruvian foreign trade has been one of the main objects of our bank ever since its foundation 60 years ago. If you are interested in doing business in Peru a letter addressed to us will assure you our friendly co-operation.

BANCO DE CREDITO DEL PERU

Head Office - - LIMA

56 Branches Throughout the Country

CAPITAL - S/.26,000,000.00 SURPLUS - S/.44,656,975.50

"Peru's Oldest National Commercial Bank"

CED Plans Research Program

THE Committee for Economic Development has outlined an extensive research program for 1950. Marion B. Folsom, treasurer of Eastman Kodak Company and chairman of CED's Research and Policy Committee, announces that that committee plans to issue a series of "statements on national policy" covering six fields.

On the subject of taxes and expenditures the committee will seek to determine what maximum steps toward Federal tax reform and economy in fiscal 1951 will be feasible and consistent with the need for avoiding cash budget deficits under conditions of high employment.

A statement on facilitating equity financing will indicate the importance of an adequate flow of funds into equity capital. The committee will study the reasons why business does not raise more capital by this means, and will analyze the roles of individuals, insurance companies and other savings and investment institutions in the investment process.

The national security program is another subject on the CED's program. This study will cover the elements of the program and effectiveness of organization and execution, with special attention to the problem of assuring that security measures will not undermine individual freedom and civilian supremacy.

A statement on "How to Raise Real Wages" will consider the means by which they can be increased and

the factors that limit increases. The relation between real wages and productivity and labor-management measures for increasing productivity will be studied.

An agricultural policy study will seek to determine the essential conditions for a healthy, prosperous agriculture. Subjects to be considered will include flexible versus rigid price supports, production payments and agricultural production controls.

The sixth subject on the committee's agenda is international economic reconstruction. Here the CED researchers will survey developments in world economy since the end of the war and will attempt to develop policies which will lead, by 1952, to European economies that can survive and expand without extraordinary aid and with a minimum of restriction on foreign trade and exchange.

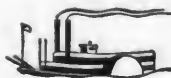


You'll like

the personal interest shown all your correspondent affairs by friendly

Boatmen's

NATIONAL BANK
Oldest Bank West of the Mississippi
 BROADWAY & OLIVE • ST. LOUIS 2, MO.



Over 100 Years of Service

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



"I've asked time and again to have this mailbox moved!"

The First 75 Years

(CONTINUED FROM PAGE 38)

Commission), to effect a plan whereby small business would be assured of ample postwar credit. Fifty-one credit groups were formed throughout the country as a result of the Commission's campaign and a total of \$676,827,675 was underwritten by the bank members of the groups for loans to small businesses. The banks underwrote the cost of this additional service to the extent of \$750,000.

October 1944: Upon authority granted by the Executive Council, the Committee on Service for War Veterans was organized in the City of Chicago.

September 27, 28, 1945: Transportation and hotel shortages again made it necessary for the A.B.A. to curtail its convention. The Administrative Committee held a special meeting and by resolution declared a convention session. BANKING again substituted for the convention with extra coverage of subjects usually treated at the convention.

December 1947: *Present Day Banking* was revived and was published again for 1948-49 and 1950 (the current issue). These later editions differ from the ones published in 1936 and 1937 in that they present a picture of the banking year, with special emphasis on Association activities.

1947-1948: The Association conducted a voluntary anti-inflation program, made effective by chartered banking through its credit extension departments by channeling the use of credit to productive activity as a means of increasing the country's stock of goods.

April 1948: The Savings Division was renamed Savings and Mortgage Division by action of the A.B.A. Executive Council at its Spring Meeting in French Lick, Indiana.

Research and dissemination of information concerning urban mortgages had been carried on by a department of the Division known as the Department of Research in Mortgage and Real Estate Finance. This department remains a working group of the Division.

April 24, 25, 1949: The Executive Council re-emphasized the Association's opposition to Government subsidized and socialized credit in the agricultural field, holding that ample bank reserves are available to care for all credit needs.

May 30, 1949: Invitation to hold the 50th Anniversary Convention of the American Institute of Banking in Minneapolis, Minnesota, on June 11-16, 1950, was extended at the Institute's convention in Portland, Oregon, and accepted by the convention.

August 31, 1949: The Organization Committee announced a total A.B.A. membership of 16,443 banks, as of August 31, 1949, representing 97.6 percent of the nation's banks.

Just three months later, American Institute of Banking membership was 89,782, compared with 89,478 on July 1, 1949. With 50 chapters yet to be heard from, class enrolments were 34,876, compared with 45,170 for the full year of 1948-1949. The 1949-1950 enrolments showed about 10 percent increase over the previous year in a 100-chapter test check. Attendance at chapter forums and seminar meetings in 1948-49 was 41,752. The Institute has 250 chapters, 129 study groups, and 1,606 correspondent students.

November 1, 1949: Secretary of the Treasury John W. Snyder announced to the Association's 75th convention in San Francisco that the U. S. Post Office Department would honor the Association with a stamp commemorating its 75th birthday.

November 2, 1949: Announcement was made at San Francisco convention that Association's Diamond Anniversary Convention would be held in New York on September 24-27, 1950.

Artist at the Bureau of Printing and Engraving at work on the design for the A.B.A. commemorative stamp



Canadian Bank Connections



The Canadian Bank of Commerce offers Canada-wide service through its 550 branches across the Dominion.

These branches reach into practically every Canadian agricultural community; through the great forest areas; into all the rich mining sections, including the new oil fields of Western Canada; as well as the major industrial centers. Enquiries cordially invited.



THE CANADIAN BANK OF COMMERCE

Head Office: Toronto

550 Branches Across Canada and in

NEW YORK

SEATTLE

PORTLAND, ORE.

SAN FRANCISCO

LOS ANGELES

LONDON, ENG. AND THE WEST INDIES

*We can trace the effects
of our trust promotion
program in nine new wills,
one substantial agency,
one living trust, and
additions to several other
existing living trusts...*

TRACEABLE RESULTS

Many trust officers tell us how PURSE trust advertising programs bring direct results.

Write now for details of a trust promotion program designed to fit the needs and the budget of your trust department.

THE PURSE COMPANY

Headquarters for Trust Advertising

CHATTANOOGA 2, TENNESSEE

Missing the Boat

(CONTINUED FROM PAGE 39)

nel of communication with the public and serves to emphasize news of particular neighborhood interest, wherever our banks may be located. It is in this field of co-operation with the press that banks everywhere have a job to do.

(10) *Greater Use of Bank as Local Meeting Center for Community Organizations.* Have we given enough thought to the possibilities of using our banks as community centers where public organizations can hold their meetings? Many banking organizations have developed this phase of PR to a large extent. Our nation is made up of countless communities, each containing organizations which would welcome and appreciate the interest of their local bank in providing central meeting facilities. Goodwill thus developed could win many friends.

These 10 phases of our PR policies are only a brief outline of some of the things we are *not* doing and which offer questions for thought, and wide fields for development. A scrutiny of our future plans may pay dividends.

Customer Relationship File

(CONTINUED FROM PAGE 51)

who had processed the new relationship and who wrote the new account report.

Again the equipment companies were called in to discuss the application of their equipment to this idea. An improved form available from one manufacturer was finally chosen. The heart of the system is the new relationship report. With one typing at the point of incidence of the relationship, the central information file record is prepared as well as the new account report required by our new business department.

A work distribution chart prepared by the manufacturer's representatives was a substantial aid in helping us reach a sound conclusion and in selling the new system to management.

A new system of plug-in phones was also designed. It has contributed much to the speed with which references are now made.

The new system has given us the following important benefits:

(1) The original records are prepared primarily in the department which opened the account or established the relationship. This has the advantage of eliminating errors which occurred in transcribing information to new cards, and substantially reduces the preparation time in the central information file department.

(2) The saving of work is an actual saving, in that certain transcriptions have been eliminated. A comparison of the present and proposed job methods breakdowns demonstrates the number of steps saved in this one operation alone. Since, under the old system, it was necessary that the original information be set up on a new account report in the first instance, the new system took advantage of this fact by pro-

viding that the original and final record would be prepared at this typing.

(3) The visible index feature of the files and the new phone system speeded up reference tremendously. Recent experience indicates that telephone inquiries are being handled in an average of 30 seconds.

(4) It is unnecessary to type many of the records, because of the ability to use the addressing file for setting up the cards.

(5) Fatigue has been noticeably reduced for the operators by removal of the necessity for opening and closing large file drawers.

(6) The persons who prepare the new records are more conscious of the necessity for accuracy because they know they are preparing the final record.

Analyst Spent Full Time

While the complete story of the installation and the methods employed to assure that the new file would be completely accurate cannot be discussed in the space allotted, it should be noted that the methods analyst assumed major responsibility for the operation of the central file department during the time of the study and the installation of the new system. Because this was his primary responsibility he was able to give it the full benefit of undivided attention. Line supervision was not ignored—in fact, it was kept fully informed and its advice sought throughout the study and installation process. However, the line supervisor usually finds it necessary to carry the responsibilities of day to day operation, and thus the methods analyst is in

a much better position to give the problems of installation his full attention.

It is the goal of our bank's management to pay more money to fewer workers, and to provide an adequate return for the stockholders. Better training and selection provide only part of the answer. Improved methods and equipment are essential if the goal is to be reached. Effective methods and equipment improvement depend to a large extent upon accurate analysis and interpretation. It is believed that the application of the method of analysis described above will assist materially in improving methods and equipment of a bank.

Afraid to Speak

(CONTINUED FROM PAGE 45)

experience. As you speak you will note what succeeds and what fails. You can teach yourself.

I'll get stage fright

Fear of speaking often stands in the way of our accepting an engagement. We are afraid that we will be afraid. We should remember that every one feels some sort of reluctance to speak. We all have a natural modesty that makes us want to be in the crowd. Most of us have a feeling that we are not important enough to stand out front. All of this is to the good. It keeps us from being a show-off.

New! REFUND TABLES—Based on "The Rule of 78ths."

SAVES TIME! When a customer pays off his contract in advance, the time-wasting paper-and-pencil method of multiplying the Time-finance charge by the "78ths factor" to 3, 4 or 5 decimal places to determine refunds is a thing of the past—when you have Beneficial Management's Simplified Refund Tables in Dollar Amounts.

Just turn to the correct number of months and locate the exact amount of the refund in dollars and cents!

New employees can learn in a matter of minutes... no special training, no detailed explanation. It's as easy as finding a number in the phone book!

SAVES MONEY! Errors in computation or incorrect "short-cuts" can mean lost income to you in excess rebates to customers. With the easy-to-use Refund Tables the customer gets the exact amount of refund!

ACCURATE-COMPLETE! Nearly 150,000 computations were made to prepare the Refund Tables in accordance with "The Rule of 78ths". Refund amounts are given in dollars and cents for finance charges ranging from one cent to \$100 upon prepayment in full during any month of contracts drawn from 2 to 20 months, for 24, 30 and 36 months! By simple addition or by moving the decimal point, refund amounts can be quickly obtained on finance charges in excess of \$100.

The tables are printed in big, easy-to-read type, on extra-heavy card index stock; plastic tabs; imitation-leather cover; bound in Heinn Clipper Binder; outside measurements: 10" x 11½". They are sturdy, strong and built to stand constant use.

Copies sent "on approval"—request on company letterhead. Discounts on quantity orders.

HOW TO USE THE REFUND TABLES

To illustrate how simple it is to use the Refund Tables, let us take this example:

Length of Contract: 10 months.

Time-finance chg.: \$70

Paid in full during 6th month.

That's all you need to know and it's as easy as A and B to find the exact dollars-and-cents amount of the refund.



A. Here's the length of contract

B. Here's the month it's being paid in full

Here's the finance charge

Here's the refund!

PRICE:
FIFTEEN DOLLARS

ORDER FROM:

Beneficial Management Corp.
15 Washington Street
Newark 2, New Jersey
Att: Statistical Dept.

Kentucky's Operation Bootstrap

OPERATION BOOTSTRAP, Kentucky's program for pulling itself to a much higher standing in America's industrial and agricultural ratings, is pointing the way to a profitable development of the state's many resources.

That's not its formal name, of course. But talk to Kentuckians who want to see their state progressing up the economic ladder and you'll find they regard it as singu-

larly appropriate.' It's their own thinking and leadership channeled into a program to make Kentucky a more attractive state for industries seeking new plant locations.

That's the main objective of the Agricultural and Industrial Development Board headed by Earl R. Muir, president of the Louisville Trust Company. More industry, he points out, means more taxable income. And more tax revenue means more

money to pay the bill for things this state seeks to accomplish.

Primarily an agricultural state, Kentucky lacks the type of farm land which has brought wealth to such Corn Belt states as Iowa, Illinois and Indiana. Industry has looked elsewhere for its sites. For example, when a Detroit firm indicated its intention to establish a plant in either Kentucky or Tennessee, Kentucky could only provide generalities. A Tennessee agency, on the other hand, furnished the Detroit officials with concrete information on locations, taxes, labor costs, financing, and other details. The firm naturally picked a Tennessee location.

At Louisville, financiers and politicians were in full agreement that this situation had to be changed. Their problem was to convince manufacturing firms that Kentucky could produce products other than tobacco, whisky and race horses. But no agency existed for collecting and disseminating the kind of information that interests heads of firms seeking new locations for processing plants. Until five years ago, no state chamber of commerce existed. An attempt to set up a development committee collapsed.

A Start Is Made

Then Earl Muir got started. He had served two terms as president of the Kentucky Chamber of Commerce after it had come into existence. Talking things over with the directors, he discussed plans for an organization that would develop a complete library of information about the state's agricultural and industrial resources. Then, during the gubernatorial campaign two years ago both candidates promised full support of the chamber's proposal. Earle Clements, the Democratic candidate, was elected governor. Within a short time he lived up to his pledges.

"Development of this state," he pointed out, "cannot be left to happenstance. Kentucky is one of the seven states which has suffered a population loss since 1940. Creation of an agricultural and industrial development board will go far toward increasing the taxable wealth of Kentucky."

(CONTINUED ON PAGE 108)



WE SPEED YOUR ITEMS IN RECORD TIME!

Because of:

- 

Thirty-Minute mail pickups from the U. S. Post Office across the street from this bank...
- 

Night, Saturday and Sunday transit operations...
- 

Hundreds of rail and plane departures and airmails each day...
- 

The strategic central location of St. Louis...

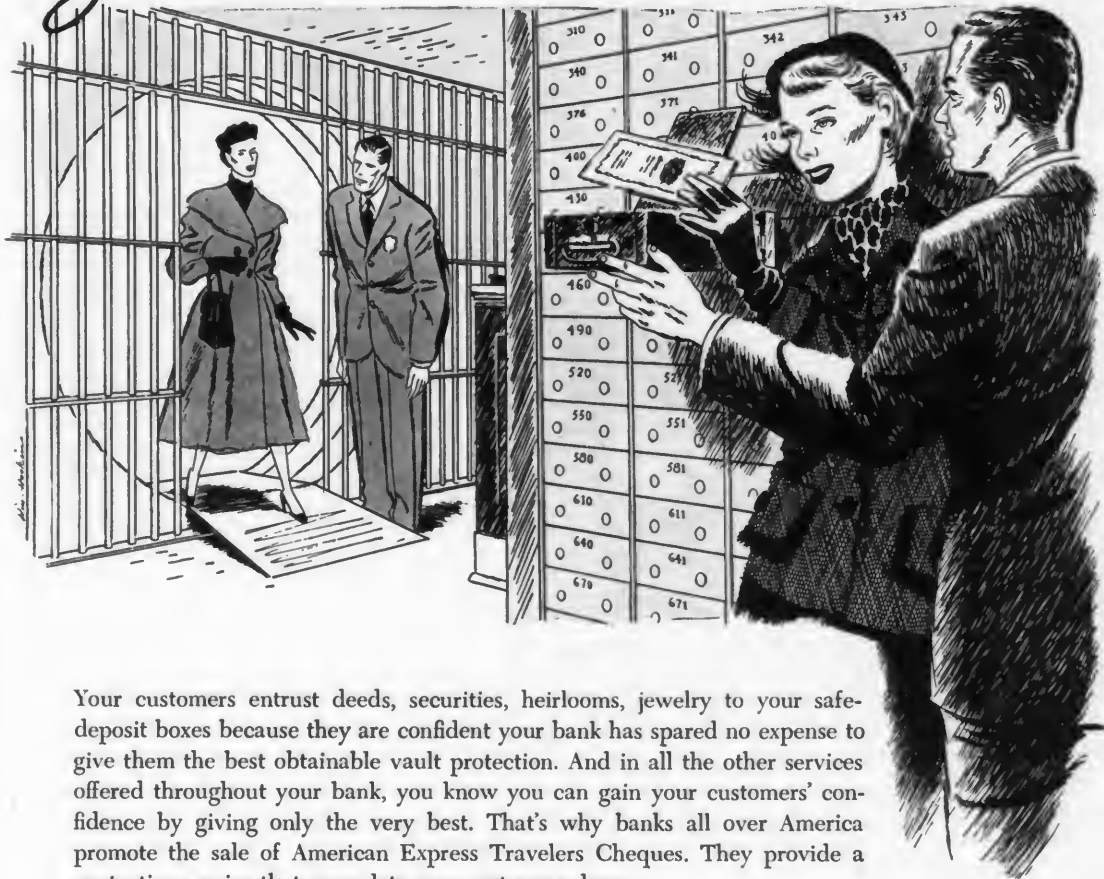
● Just a few reasons why hundreds of banks have selected Mercantile-Commerce as their HELPFUL St. Louis correspondent.



MERCANTILE Bank and Trust Company
ST. LOUIS 1 MISSOURI

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

What makes a customer prefer Your **SAFE DEPOSIT SERVICE ?**



Your customers entrust deeds, securities, heirlooms, jewelry to your safe-deposit boxes because they are confident your bank has spared no expense to give them the best obtainable vault protection. And in all the other services offered throughout your bank, you know you can gain your customers' confidence by giving only the very best. That's why banks all over America promote the sale of American Express Travelers Cheques. They provide a protective service that never lets your customers down.

AMERICAN EXPRESS TRAVELERS CHEQUES

are a real confidence-building service for your bank

Known on Sight! Wherever your customers travel . . . at home or abroad . . . you can be sure their American Express Travelers Cheques will be honored on sight. Why? Because since originating travelers cheques 60 years ago, we have vigorously promoted them . . . and have gained the confidence of people throughout the world.

World-wide Assistance! Your customers never have to worry about being stranded if their cheques

are lost or stolen. All they have to do is get in touch with one of the 159 conveniently located American Express offices or one of thousands of agents or correspondents who will give willing assistance . . . or a quick refund.

Reliable . . . Dependable Service! American Express Travelers Cheques offer your customers the kind of service you insist they get throughout your bank. It's the kind of service we all associate with any sound, successful business. So, offer your customers American Express Travelers Cheques—they'll never let you or your customers down!

AMERICAN EXPRESS TRAVELERS CHEQUES

MOST WIDELY ACCEPTED CHEQUES IN THE WORLD!

(CONTINUED FROM PAGE 106)

The state legislature authorized creation of an eight-member development board and voted \$300,000 to carry out the program. In naming Mr. Muir as chairman, Governor Clements said:

"There are greater dividends to come from your board than from any other state agency."

Mr. Muir also is convinced the development board has a splendid opportunity to do a constructive job for Kentucky. Among the board's duties are the preparation and execution of a program of research, publicity and advertising. This is designed to attract firms capable of developing the industrial, commercial, recreational and agricultural potentialities of the state. Moreover, the board will assist state and municipal agencies and civic groups in promoting industrial development and in the gathering of information.

One of the prime objectives is to assemble and publish an inventory of the state's human and natural resources, and information on labor supply, water, fuel, power, taxation,

transportation, communications and other useful references. This information will be given to any enterprise contemplating settling in Kentucky. Moreover, the board will make studies of land utilization to determine the areas suitable for field crops, pasture, reforestation, reclamation, game preserves, recreational areas and industrial and urban development. The board also has authority to request from enterprises planning to locate in Kentucky information on their financial responsibility, manpower requirements, wage rates, etc.

Base Maps Obtained

Less than 30 days after its first meeting, the development board formulated an agreement with the U. S. Geological Survey for a statewide topographic survey. This laid the foundation for providing every area in the state with adequate base maps made by the modern methods required for economic development and military security. A \$50,000 Federal appropriation for this project was matched by an additional \$50,000 in funds furnished on the

following basis: \$25,000 from the Kentucky Department of Highways, \$12,500 from the Department of Revenue and \$12,500 from the Agricultural and Industrial Development Board.

"Kentucky has lost on chances to bring new factories into the state because it did not have information on the chemical analysis of water available at different sites," Mr. Muir explains. "The board has arranged with the U. S. Geological Survey to obtain these analyses. This is part of a statewide water survey that will cover the surface flow and control, ground-water supplies and the chemical and bacteriological content of water in Kentucky."

According to Mr. Muir, the board is non-partisan with no attention paid to politics. Its members are interested only in helping to develop a greater Kentucky. That is why they are encouraging towns, cities and county areas to set up their own chambers of commerce which will work closely with the state body.

HAROLD SEVERSON

Watch the savings grow
with...

Visabank

Your depositors see at a glance how savings stack up in these beautiful marbled plastic coin-saving banks! Visabanks stimulate savings — create new accounts—build good will and future business! Your advertising message on the back constantly reminds depositors to bank savings regularly!



IDEAL CHILDREN'S BANK . . . they can watch the money mounting.



PERFECT FOR HOUSEWIVES . . . a catch-all for loose change!



DESK DRAWER BANK . . . convenient for business men!



Each VISABANK has its own miniature padlock. A wide selection of colors is available. Coin slots are calibrated and individual to simplify coin-counting and speed window service.

Your imprint and advertising message are included at no extra charge!

Write now for free folder of information or ask our representative to call.

PATENTED PLASTICS, Inc. • 1010 Woodland Ave., Cleveland 15, Ohio

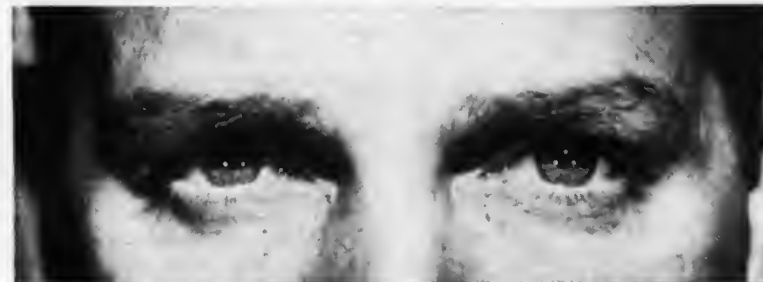
How will they look to YOU a few years from now?



Your wife's eyes: What will you read in hers when she asks whether you can afford that modest cottage that's for sale?



Your boy's eyes: What will you see in his eyes the day he asks whether you can afford to send him to college?



Your own eyes: What will the mirror tell you about them when it's time to retire, and take things easier?

There's no better time than right now to sit back and think what *you* will see in your family's eyes a few years from now.

Whether they glow with happiness or turn aside with disappointment depends, to a very large extent, upon what you do *now*.

So plan *now* for that home you plan to buy eventually . . . set aside money *now* for his college education . . . plan *now* for the day you can retire.

Decide now to put part of your salary week after week, year after year in U. S. Savings Bonds,

so that you will have the money for the *important* things you and your family want.

Insure your future by signing up on the Payroll Savings Plan where you work, or the Bond-A-Month Plan where you have a checking account. Chances are you won't miss the money now, but you certainly will a few short years from now if you haven't got it!!

P. S. Remember, too, that every \$3 you invest now in U. S. Savings Bonds returns \$4 to you in just ten short years.

Automatic saving is sure saving — U.S. SAVINGS BONDS



Contributed by this magazine in co-operation with the Magazine Publishers of America as a public service.

FOR THE
ARCHITECTURAL SCRAPBOOK

The Wellfleet Savings Bank, Wellfleet, Massachusetts, has a new home which is a striking example of the Cape Cod Colonial style of architecture applied to a business building. It is of frame construction, with cedar shingles on the roof and side walls. The inside woodwork is painted, as are the walls in most of the rooms although wallpaper is used in some. The interior color scheme is mainly colonial green with dusty rose drapes, and, in parts of the building, soft Cape Cod gray with accents of rose and green. The building, located on the main street of Wellfleet, is built on a sloping plot of ground, which permits a grade entrance at the rear, where a parking area is located. A novel feature of the bank is a room approximately 16 feet square, in which have been placed the old original bank counter and screen, the old kerosene lights (now electrified), the original wall telephone (crank type), and photographs of early officers of the bank



Travel Was Complicated Then

The problems of Europe's Balkanization which so trouble ECA Administrator Hoffman are as nothing compared with the situation a century or so ago. An 1833 edition of a guidebook "for the use of travelers on the Continent" reveals that practically every city had its own monetary system and customs. For example, to quote the book, "A Cus-

tom-house Officer follows Travelers to their inn, or lodging, when they enter Pisa, and expects a fee of five pauls. A Band of Musicians likewise waits upon Strangers at their arrival and expects from three to five pauls."

In Rome bankers accounts were kept in "pauls" but the money of the people was the *doppia*, *scudo*,

mezzo-scudo, various multiples of the *paulo* and the *baioccho* while such foreign coins as the Louis-d'or, Napoleon and Spanish dollar circulated at various exchange rates. Naples used gold in various denominations of ducats (*ducati*). The ducat was divided into *carlini* and *grana*. Saxony employed various denominations of silver *groschen* and *thalers* and "an imaginary coin," the *Gute Grosche*. Banks kept their accounts in both imaginary and silver *Groschen*. In Belgium in those good old days the greater part of the money in circulation was French. Sweden used two kinds of paper money: bank and government, the latter circulating at a discount.

Foreigners taking their carriages with them were advised to bring harness as well, and a chain for braking the vehicle on downgrades. In Russia "traveling beds and sheets" were indispensable, a bed being a scarce commodity even in cities. In Tuscany laundresses charged travelers 12 *crazie* for a pair of sheets and six *crazie* for large table cloths. Nightcaps, if not trimmed, were only two *crazie*. Wise travelers sent their wash out, but had the ironing done in. Roman laundresses charged in terms of *baiocchi*, eight for a pair of sheets, four for a sleeping waistcoat, untrimmed, two for a pair of pockets.

YOURS FOR THE ASKING

No matter what the size, or the specific need, of your Chicago account, we are equipped to provide a complete banking service, promptly and efficiently. Any and all of our services are at your disposal.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LA SALLE STREET

(MEMBER FEDERAL DEPOSIT INSURANCE CORP.)



How to Hold Businessmen's Meetings

(CONTINUED FROM PAGE 44)

- (6) Improving banker-customer relations.

Sponsorship. The conferences can be sponsored by state bankers associations, banking groups, or individual banks. It is recommended that the banking groups of a trade area or a community, in conjunction with state bankers associations, arrange for the meetings.

Cosponsors. There is some advantage in obtaining the participation of the local college or university. Their plant facilities and faculty can be of practical use. This was found to be particularly true in the Newark, Ohio, conference at Denison University. Many state universities have been experimenting in this field and have exhibited a deep interest in collaborating in programs of this kind.

Businessmen to be reached. The conference should be for the management personnel of the business concerns in the community or trade area. In most cases, particularly in the smaller areas, the conference probably would be for all types of business—manufacturing, distributing, retailing, servicing, recreational, or extractive.

In larger areas, it might be that the conferences would be geared only to those in a certain industry—for example, filling station owners, grocers, druggists, etc. It might be a meeting of local merchants on store modernization and the benefits to be derived.

This angle must be considered carefully in order to reach those where the most good can be accomplished. Topics would have to be selected accordingly.

Size of meetings. The place where the meeting is to be held will control the number invited to attend. It is felt that the most good can be accomplished, however, if the meetings are limited to 100 or 150.

Number and length of meetings. The Newark, Ohio, conference was a one day meeting (no evening session), and lunch was served for a nominal sum. Ordinarily, it is felt that there should be more than one meeting, so that a separate subject can be discussed at each session. Perhaps there should be a series of at least six. It is also believed that evening meetings are preferable.

Many small businessmen might find it difficult to get away during the daytime, and the evening class would serve them better. It also eliminates the problem of arranging for meals.

Leaders of discussions. The leaders of the discussions should be experienced bankers, businessmen, and college professors, who can approach the subjects from a practical viewpoint. Actual cases should be used, wherever possible, to demonstrate important points. Mimeographed material illustrating various methods and procedures might prove beneficial.

Fee. The conference should be run strictly on a non-profit basis. A small charge should be made, sufficient to pay for necessary expenses.

Subjects. The following are some topics which have been discussed at other business clinics:

- (1) How business individuals, partnerships, and corporations should prepare their Federal income tax return.
- (2) How to organize and maintain business operations for greater profit.
- (3) How to plan a management and financial program for business.
- (4) How to reduce business risks and set up an economical business insurance program.
- (5) How to develop business and control inventories.
- (6) How to do the best job with sales, advertising, and merchandising.
- (7) How to set up and maintain a simplified accounting system to serve the needs of your particular business.
- (8) Planning ahead in business. What is profit? Accounting for control.
- (9) Meeting competition. Competitive practices and the law.
- (10) Marketing. Organization for purchasing. Buying control.

The School of Business Administration of the University of Michigan, at one of its conferences, found that the audience was interested in the following subjects, which are listed according to their preference:

- (1) Accounting; bookkeeping.
- (2) Stock control and stock records.
- (3) Finance.
- (4) Selling methods; salesmanship.
- (5) Advertising.
- (6) Personnel problems.
- (7) Business trends and forecasting.
- (8) Purchasing.
- (9) Pricing policies.
- (10) Merchandising methods.
- (11) Displays.
- (12) Income tax problems.
- (13) Meeting chain store competition.
- (14) Credit sales v. cash sales.
- (15) Modernization programs.
- (16) Insurance plans.
- (17) Operating

ratios. (18) World events affecting small business. (19) Store locations.

Follow-up. The conferences should not be just a "one shot" proposition. Arrangements should be made for additional meetings periodically or when special circumstances warrant. For example, a new labor law or new tax law might well justify a conference at which the important features would be explained to the small businessman. In conjunction with the faculty and student body of the college, surveys can be made on vital matters which would be invaluable in studying ways and means for improving conditions in the community and developing the industrial and trade potentialities of the area.

Nothing makes a consumer feel better than to be hit by falling prices.

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Seasonal Swings in Commercial Loans

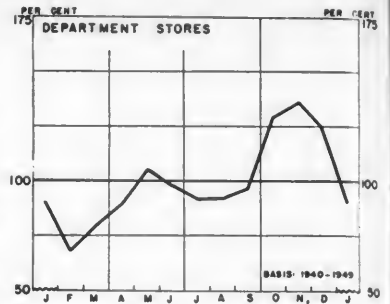
(CONTINUED FROM PAGE 63)

greatly increased the influence of its seasonal upon that of total commercial loans. Should the volume of such loans continue to rise, the increasing influence of its seasonal may well bring about changes in the seasonal pattern of total commercial loans.

Department Store Loans

The variations in the "Department

Stores" category do not exert as much influence upon the seasonal in total commercial loans as do fluctuations in the other loan categories mentioned because the volume of department store loans is small by comparison.³ This seasonal, based on data from 1940 to 1949, shows a rise in the early spring and another rise in the late fall. Both increases result mainly from the seasonal accu-

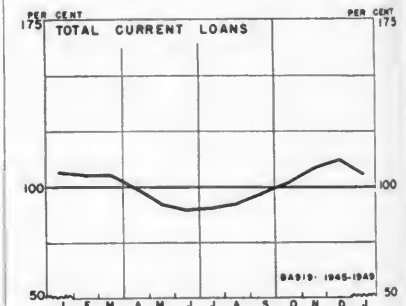


mulation of inventories. While this category does not greatly affect the seasonal in current commercial loans, it does form part of the total and must, therefore, be taken into consideration.

Total current commercial loans reflect seasonal variations in the volume of loans in some of the very large loan categories. At the present time "Foodstuffs" is the most important category, although "Finance, Acceptance, Credit and Small Loans" is becoming increasingly important by reason of the postwar increase. "Tobacco" loans are important because they, too, are consistently very large. "Department Store" loans are smaller and the seasonal is not as significant, although it needs to be taken into consideration in determining the reasons for seasonal swings in total current commercial loans.

The seasonal in the bank's total current commercial loans is dependent upon the seasonal in these various loan categories. As the seasonals in these categories vary, so will the seasonal in total commercial loans. Therefore it is important when discussing total current commercial loans to keep continuously in mind the different loan categories and their seasonals.

³ These seasonals were computed by a 12-month moving average centered at the seventh month. The ratios which determined the department store seasonal index showed a comparatively wide dispersion. Therefore, this seasonal is not as significant as the seasonals in the other three loan categories.



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A quarterly dividend of 40c a share, plus an extra dividend of 10c a share, has been declared on the common stock of this company, payable on January 2, 1950, to shareholders of record December 7, 1949.

R. E. Horn, President • Nov. 25, 1949
ABBOTT LABORATORIES
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Safeway Stores, Incorporated

Preferred and Common Stock Dividends

The Board of Directors of Safeway Stores, Incorporated, on November 11, 1949 declared quarterly dividends on the Company's \$5 Par Value Common and 5% Preferred Stocks.

The dividend on the Common Stock is at the rate of 40c per share and is payable December 15, 1949 to stockholders of record at the close of business December 2, 1949.

The dividend on the 5% Preferred Stock is at the rate of \$1.25 per share and is payable January 1, 1950 to stockholders of record at the close of business December 2, 1949.

MILTON L. SELBY, Secretary.

November 11, 1949.

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Operating Ratios for Small Business

(CONTINUED FROM PAGE 49)

urement at hand, if he compared the first application with the average in the industry and found it ran \$1,000 a month while the second application compared to an average of \$400 a month, ideas on the relative stability of the two businesses might be revised.

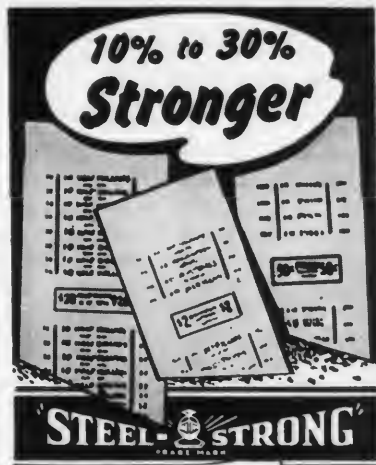
The United States Department of Commerce and also credit reporting agencies have been the principal sources for small business operating ratio statistics. Data is obtained by the questionnaire method. In view of the fact that Accounting Corporation of America obtains its data directly from the books of small business firms each month, rather than once a year, and compiles the statistics promptly with its punch card tabulating machines, the Commerce Department's Office of Domestic Commerce has adopted the company's statistics for source material for use in marketing studies and for counseling businessmen who call at the Office's district offices for business advice.

Operating ratios have long been an important management tool for big business. The Accounting Corporation of America believes that in placing a similar tool in the hands of the small businessman it is helping to make him a better businessman. He can localize business troubles and, if he has the ability, correct them. The standard of comparison removes a considerable amount of guesswork concerning the health of the business for the small businessman, his suppliers and his banker. From the banker's viewpoint, the small business operating ratio averages provide an additional means for screening small business loans.

Bell Leaves New York State Banking Post

ELLIOTT V. BELL, New York State Superintendent of Banks, resigned as of December 31 to become chairman of the executive committee of the McGraw-Hill Publishing Company, Inc.

First Deputy Superintendent William A. Lyon of Brooklyn was appointed as Mr. Bell's successor by Governor Dewey.



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Investing in Youth

(CONTINUED FROM PAGE 62)

to advance the bank's influence in the rural area. He frequently appears at Farm Bureau or 4-H meetings with his projector and sound outfit to provide most of the program. He also makes a practice of calling on an elderly farmer—or one who has made outstanding records—and photographing him in a characteristic pose. He prepares a good enlargement of this picture and presents it to the farmer with the bank's compliments.

Mr. Torgerson's interest in farm affairs is by no means limited to making professional calls in rural communities or taking motion or still pictures of farmers or farm organizations. He is president of the Mower County Fair Association which this year staged the largest county fair in the state and one of the largest of its kind in the entire country, being outstripped only by one in Iowa and another in California. Working in collaboration with Superintendent P. J. Holland of the fair association, he accepted a leading role in making possible the beautiful county historical building erected on the fairground this year.

"We're distinctly proud of the fair," Mr. Torgerson says. "Our superintendent says the livestock exhibits are exceeded only by those entered at the Minnesota State Fair, which has one of the largest displays in the country.

Swine Show

Nearby Austin claims to be the "Swine Capital of the World." Its National Barrow Show is one of the greatest swine shows in the country. Mr. Torgerson has cooperated in this program, being a member of the committee on the building and grounds committee. This event is held annually in September and draws swine breeders and specialists from all over the country.



National Service

Not all of this energetic Minnesota country banker's energies are devoted to county fairs, swine shows, or photography.

Nationally, Mr. Torgerson has made an inestimable contribution as a consultant to committees of both houses of Congress on legislative proposals affecting the farm economy and country banks. Even before becoming a member five years ago of the Subcommittee on Agricultural Credit of the Federal Legislation Committee of the American Bankers Association, he was selected by the local Farm Bureau to speak for the farmer in the Halls of Congress and at the Department of Agriculture.

Bankers Back 4-H Clubs

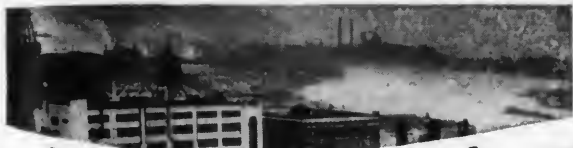
As chairman of the youth committee of the Minnesota Bankers Association, he cooperated with the state 4-H club leader.

"To make constructive citizens out of rural youth is the objective of the 4-H club movement," he observed recently. "For that reason, the 4-H movement has the wholehearted support of Minnesota bankers. In service to the individual, to the home, to the school, and to the community, the 4-H clubs build a solid foundation for a larger citizenship in the nation and in the world. That is why the banks have actively cooperated with 4-H leaders in every way possible. Through the banks, 4-H club members have been aided in the purchase of beef calves, bred gilts, ewes and feeder lambs. And in this instance the bankers association will gladly pick up the check for a trip to the National 4-H Club Camp."

Mr. Torgerson believes that bankers fully understand the importance of the 4-H movement because they realize that this country's future depends upon the continued productivity of the farms. This, in turn, depends upon the kind of training that tomorrow's farmers receive today. These young people will soon be taking over the management of farms as older farmers retire.

"That is why we are as anxious to give a boost to the farmers of tomorrow as we are to serve today's farmers," he says.

That kind of a philosophy has made the Farmers State Bank of Adams one of the leading small banks in the midwest. It also explains why Mr. Torgerson is not only popular with the younger generation but also in remarkably good standing with the adults of his community.



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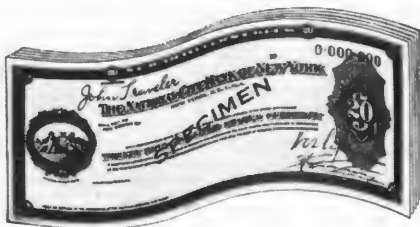


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BANKING'S ADVERTISERS

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Abbott Laboratories.....	113	De Luxe Check Printers, Inc.....	28	National City Bank of New York.....	116
Ajax Mark Company, Inc.....	3	Devine & Company, Inc., C. J.....	4	New York Terminal Warehouse Company..	85
Allen Wales Adding Machine Corporation..	3	Douglas-Guardian Warehouse Corporation..	4	New York Times, The.....	3
	Cover IV	Downey Company, C. L.....	113		
Allison Coupon Company, Inc.....	98		Cover II	Oliver Corporation, The.....	27
American Appraisal Company.....	111	Fidelity and Deposit Company of Maryland	29	Parsons Paper Company	14
American Credit Indemnity Company.....	80	First National Bank of Chicago.....	83	Patented Plastics, Inc.....	108
American Express Company.....	107	Fulton National Bank of Atlanta.....	98	Philadelphia National Bank.....	69
American Radiator & Standard Sanitary Corp.	19	Halsey, Stuart & Company, Inc.....	67	Phoenix Insurance Company.....	100
American Surety Group.....	26	Hammermill Paper Company.....	81	Purse Company, The	104
American Telephone and Telegraph Company	5	Hartford Accident & Indemnity Company..	11		
American Trucking Association, Inc.....	7	Hartford Fire Insurance Company.....	11	Recordak Corporation (Subsidiary of East-	
		Home Insurance Company.....	93	man Kodak Company).....	58, 59
Banco Comercial Antioqueno.....	28	International Harvester Company... Cover	111	Remington Rand, Inc. (Systema Division)...	75
Banco de Credito del Peru.....	100	Kerr Pen Company, W. K.....	99	Riggs National Bank of Washington, D. C.	32
Bankers Trust Company, N. Y.....	10	La Monte & Son, George.....	2	Royal Bank of Canada.....	94
Bank Building & Equipment Corporation of America	77			Safeway Stores, Inc.....	113
Bank of America N. T. & S. A.....	6	Marsh & McLennan, Inc.....	112	Scudder, Stevens & Clark Fund, Inc.....	22
Bank of Montreal.....	91	Mellon National Bank and Trust Company..	15	Security First National Bank	12
Bank of Nova Scotia, The.....	18	Mercantile-Commerce Bank and Trust Company, St. Louis	106	Sikes Company, Inc.....	4
Banthrico Industries.....	113	Metal Products Engineering, Inc.....	113	Standard Paper Goods Manufacturing Company	113
Beneficial Management Corporation.....	105	Minneapolis-Moline Power Implement Company	84		
Boatmen's National Bank, St. Louis.....	101	Monroe Calculating Machine Company, Inc.	17	Todd Company, Inc.....	73
Burroughs Adding Machine Company... 8, 9, 95		Mosler Safe Company.....	117	Union Pacific Railroad	23
				United States Fidelity & Guaranty Company	115
Canadian Bank of Commerce.....	103			U. S. Treasury Department.....	109
Canadian Pacific Railway Company.....	112				
Case Company, J. I.....	31				
Central-Penn National Bank, Philadelphia	22				
Chase National Bank of the City of New York, The.....	25				
Christmas Club, A Corporation.....	13				
City National Bank and Trust Company of Chicago	110				
Commerce Clearing House, Inc.....	79				

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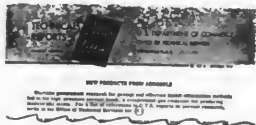
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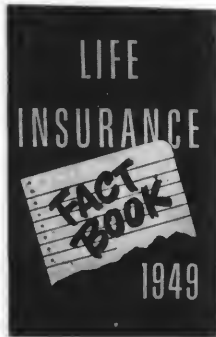
EACH month this column will list recent acquisitions including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as an endorsement.



TECHNICAL REPORTS NEWSLETTER — A monthly supplement to the regular Bibliography of Technical Reports published by the Department

of Commerce. This newsletter is intended as an information service to smaller firms to point out business opportunities arising from federal and other non-confidential research. The current issue refers to fluorescent dyes; Quartermaster Corps textile specifications; survival-ration developments; highway research; agricultural motor fuels; and machine-shop practice. Reports on German progress in the cotton, rayon, silk, wool and rubber industries are listed, besides a summary on aerosols. This letter is available separately from the regular Technical Report at a cost of 50¢ per year.

Sample copies to be distributed to bank customers may be obtained by writing to the *U. S. Department of Commerce, Office of Technical Services, Washington 25, D. C.*



1949 LIFE INSURANCE FACT BOOK—A 96-page annual publication, illustrated by charts and diagrams, making available in convenient form the basic statistical facts about the life insurance business. Contains information on life insurance ownership classified by groups such as ordinary, industrial, group and so forth. Reviews the income assets and investments of all life companies. Write the *Institute of Life Insurance, 60*

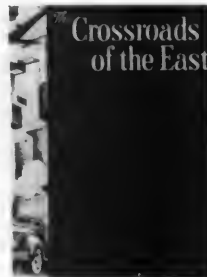
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MODERN ROOM IDEAS FOR BETTER LIVING will be a welcome addition to all bank home planning libraries. This new book of 42 pages (11 in. by 14 in.) done elaborately in full color, is a presentation of 16 bathroom, kitchen, basement and utility room ideas.

While illustrations include American-Standard products, the emphasis is on layout, color, built-in cabinets, decorating tips, and a host of clever design ideas. The book which sells for \$1.00 per copy was produced primarily as a selling aid for heating and plumbing re-

tailers. For further details, write *American Radiator & Standard Sanitary Corporation, P. O. Box 1226, Pittsburgh 30, Pennsylvania.*



CROSSROADS OF THE EAST—Facts and figures on industrial opportunities in New Jersey. A 20-page booklet which points out the advantages of New Jersey's geographical position for reaching all foreign markets, with a chart showing areas within reach of over-night trucking. The book lists employment in various manufacturing industries, points out tax advantages, available gas and

electric service and offers assistance in securing industrial locations in the state. This booklet may be obtained by writing *Public Service Electric and Gas Company, Newark, New Jersey.*



COLLECTION OF (WINDOW) IDEAS — A 23-page handsomely illustrated booklet containing many suggestions on the style and placement of windows to take full advantage of location, views and light. The booklet pic-

tures window styles to harmonize with various interiors as well as many types of exterior architecture. Advantages of casement type windows, together with diagrams showing how they fit all types of wall construction, are also included, as well as a review of RolSCREENS and Venetian Blinds. This booklet may be obtained for bank home planning libraries by writing the *RolSCREEN Company, Pella, Iowa.*



HOW TO INCREASE THE PRESTIGE AND PULLING POWER OF YOUR MAIL—A 15-page illustrated booklet that explores the effect of an envelope's postage on the addressee, with special study of the response from promotional and research mailings. Included in the study are five "case histories" of postage pulling power tests by: a Fifth Ave-

nue store, a finance company, a magazine, a manufacturer, and a market research firm. A chart is featured which rates the real pulling power of six types of postage. The rankings are based on extensive data from independent direct mail users. Write *Pitney-Bowes Company, Stamford, Connecticut.*

EDITORIAL

THE CONDITION OF BUSINESS

By WILLIAM R. KUHNS

The Outlook. The basic factors of high income and employment are about the same as a year ago, so there is a haunting resemblance between the forecasts this year and last. Altogether the consensus of the latest annual reading of the stars is that the new year's business activity in most lines will be only slightly less than 1949 and competition slightly brisker.

The signs and portents agree, in other words, that it will be a good year for business, particularly for the man who knows his business, so an appropriate Good Resolution would be to swear off being uninformed.

Armed With Facts

Just about any business can have its own little "economic research department" at the cost of a few hours each week plus a few cents postage, so there is no necessity for anyone to try to play by ear.

The Government spends tens of millions of dollars gathering current information about the condition of business. A good New Year's resolution would be to make better use of it.

Little of this valuable information ever gets to the many persons who could use it. Perhaps, according to one authority, not 1 percent of potential beneficiaries ever see it. Newspapers cannot possibly print it all.

Yet, in most cases, it can be obtained by a simple written inquiry to the right department.

Thus, a banker in New England can keep himself posted currently on the statistics of how the fisheries industry is doing, or the same for the metal stamping industry, if one of the leading manufacturers of his town is a metal stamper. A country bank in Maryland can with little trouble get material to answer the question, "What is the outlook for Maryland tobacco?" Or a northwest banker can get a peek at the current status of the lumber industry, and so on for every region and subdivision, and its varied economic activity.

How to go about this? There are three obvious ways, and may be others.

The first is to write to what "looks like" the Government agency that would have the statistics bearing upon a particular industry, commodity, or occupation. Yes, such letters often get into the wrong hands but if one fails to hit the target first, try again.

Most Government statistical services are eager to get the widest possible distribution of their reports. Being human, they want to be useful. They also have a more cogent reason for their eagerness in that the more widely used their product is, the better the chance

Congress will continue appropriating money for their jobs.

All businesses are paying for these statistical services so they might as well use them.

Another way is to write to the Superintendent of Documents, Government Printing Office, Washington 25, D. C., and ask for the "catalog lists" of reports which are available by subject. Each list contains a brief description of the subject matter of available statistical and economic reports.

Departments maintain mimeographed or offset printed lists of their own subjects. Or, if one wants to get a bird's-eye view of all Government economic information, he can write the Division of Statistical Standards, Bureau of the Budget, Washington 25, D. C., for a copy of "Statistical Services of the United States Government." This is free. It gives a good broad idea of the variety of subjects about which the Government collects statistics, and what statistical releases and publications are issued periodically.

Government economic and statistical services are issued as a rule on an annual, a quarterly, or a monthly basis, although there are weekly and often daily reports. Government agency or department annual reports have some usefulness, although restricted by the fact that these reports concentrate on administrative problems and the statistics are often too old to give a good, current idea of the condition of business.

However, the Government *does* issue certain annual reports, of broad use, such as Part II, "Commercial Statistics, Waterborne Commerce of the U. S.", of the Chief of Army Engineers.

In general the monthly publications, such as the *Federal Reserve Bulletin*, specializing in information of interest to bankers, carry statistics a little older than the monthly press releases, such as those on construction.

The *Bulletin* is issued by the Board of Governors of the Federal Reserve System, Washington 25, D. C. Banks which are members of the Federal Reserve System receive free copies of the *Bulletin*. Others may get it by sending \$2 per year.

The *Bulletin* carries a wealth of statistics relating to bank credit, its composition, and changes therein; bank debits, money circulation, figures on commercial paper and bankers' acceptances, business indexes, outstanding Treasury financial statistics, statistics on the operations of Government corporations, the cost of living, wholesale prices, gross national product, consumer

credit, member bank earnings, security prices, department store statistics, and others.

In addition, the *Bulletin* prints monthly at least one article, sometimes two or three, interpreting the economic scene.

Each month the Federal Reserve Board prints the *Chartbook*, which in general puts the same classes of statistics carried in the *Bulletin*, in chart form. The *Chartbook* costs \$9 per year, payable to the Board of Governors of the Federal Reserve System.

In addition to a great deal of textual material on labor problems the *Monthly Labor Review* of the Bureau of Labor Statistics, Department of Labor, carries scores of tables on employment and payrolls, labor turnover, earnings and hours, prices and the cost of living, work stoppages, and building and construction. This publication costs \$4.50 per year, and may be subscribed to by writing the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

Monthly news reports of broad interest (but no regular statistics) are furnished in the *Labor Information Bulletin* of the Department of Labor, which costs \$1 per year and is obtainable through the Superintendent of Documents. This publication is actually an official labor news magazine.

Issued free by the Bureau of Labor Statistics, Department of Labor, is the monthly *Hours and Earnings*, a mimeographed national breakdown and industry breakdown of hours and earnings. It is more complete and exhaustive than the monthly preliminary *Hours and Earnings* press release.

Probably the outstanding source of current business information is the *Survey of Current Business*, of the Bureau of Foreign and Domestic Commerce of the Department of Commerce, issued each month.

The *Survey* carries an elaborate statistical section, under a section entitled, "Monthly Business Indicators." Under general business indicators, for instance, the "national income and product" is broken down into more than a score of its segments. New plant and equipment expenditures are broken down into the principal industrial categories, and separated from commercial and business investment. Likewise represented in elaborate detail are statistics on farm income and marketing, industrial production, business sales and inventories, manufacturers' sales and inventories, and manufacturers' new orders.

The *Survey* also reports detailed statistics on the business population, on commodity prices, both wholesale and retail, on construction and construction contract awards, real estate, and construction materials, on domestic trade, employment, wages, banking, finance generally, international financial transactions, transportation and communications, chemicals and allied products, electric power and gas, foodstuffs and tobacco, leather and its products, lumber and its manufactures, metals and manufactures thereof, petroleum and coal, the pulp, paper and printing industry, rubber and its products, stone, clay and glass products, textiles, and transportation equipment.

The *Survey of Current Business* may be obtained for \$3 per year, payable to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

Statistics and discussions of the current national business picture as they bear upon agriculture, are issued in various packages monthly by the Bureau of Agricultural Economics, Department of Agriculture. The principal ones are *Demand and Price Situation*, *Farm Income Situation*, the *Marketing and Transportation Situation*, and *Agricultural Prices*. All these discuss the current economic scene, with statistics, as related to farming.

Any or all of these may be obtained by writing to the Bureau of Agricultural Economics, Department of Agriculture, Washington 25, D. C.

Each four months the Bureau also issues a *Farm Real Estate Situation*, showing the changes by regions, the nation, and by each state in the prices of farms, and an annual number on the same subject matter. Two annuals may be of considerable interest to banks. One is the *Agricultural Financial Review*. The other is the *Balance Sheet of Agriculture*. They are also available, as they are issued, upon request to the Bureau.

For those who want their broad business information from a more visual and boiled-down aspect, the *Monthly Indicators* of the President's Council of Economic Advisers, furnishes a source of readily available information.

Congress authorized the regular printing of the *Monthly Indicators* for the use of Congress and for sale at the Superintendent of Documents, for \$1.75 per year.

Every month the Federal Reserve Board releases its latest figures, in the form of separate press releases, on *business indexes* including the Board's well-known industrial production index, on *department store sales*, *consumer credit*, a release on the *National Summary of Business Conditions*, *money rates*, *bank debits*, and on other subjects. These may be obtained free on application to the Board.

Current information on the up-to-the-minute status of important facets of the business picture is issued monthly by the Department of Labor, information compiled by the Bureau of Labor Statistics. Among the outstanding monthly releases are those on the *consumer price and retail food index*, on *industrial and commercial* (i.e., non-agricultural) *employment*, *labor turnover*, *construction activity* and the *preliminary monthly report on hours and earnings of labor*. The Department will mail these releases free of charge and regularly to any interested businessman or banker.

Three of the most widely quoted reports on the current state of business are the monthly releases of the Census Bureau on the *labor force*, *wholesale trade*, and *retail trade in independent retail stores*. Each or all of these are available free on written request to the Bureau of the Census, U. S. Department of Commerce.

Each quarter the Securities & Exchange Commission, in cooperation with the Commerce Department issues its release, *Plant and Equipment Expenditures of U. S. Business*. SEC, in cooperation with the Federal Trade Commission, issues the *Financial Report Series*, carrying elaborate financial statistics of manufacturing corporations. SEC also issues quarterly reports on *Composition of Individuals' Saving*, and also *Working Capital of U. S. Corporations*.

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Banker Trefz, left, discusses milk production with Murray Barnard of the Barvale Guernsey Farms. Banker Trefz talks his customers' language—gives them sound advice on farming as well as finance.

Richard W. Trefz—"Barnyard Banker"



Banker Trefz likes to help young couples get started—does all he can to help them succeed. Here he is getting acquainted with a future customer.

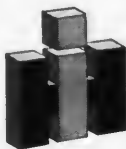


Close cooperation between banker and farm equipment dealer is part of the Trefz banking philosophy. Here, over the hood of a Farmall tractor, Mr. Trefz, left, and IH Dealer Joe Kasperek of Beatrice Implement Co. talk over installment sale financing.

Richard W. Trefz is president of the up-and-coming State Bank in Beatrice, Nebraska—but he does a good share of his business in farm barnyards. This progressive banker helps his customers to succeed. Two farm advisors, information on money-making farm methods, and a personalized payment plan help his loans to "pay off" to the borrower as well as to the bank.

Banker Trefz encourages most of his rural customers to mechanize their farms. "Over-expansion, however, is just as unprofitable as no machinery at all," says Mr. Trefz. "It's up to the farm equipment dealer to prescribe the right machines for the job to be done."

Yes, it takes teamwork to make better farming and better living a reality. The International Harvester Company builds hundreds of power implements for farmers. International Harvester dealers help their customers to select those machines that can be used most profitably on their farms. Local bankers make it possible for practically all farmers to own this money-making equipment. Working together—manufacturer, dealers, bankers, farmers—everyone profits!



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