

# The Diary of a Country Banker

The Gift of a Fat Duck and a Pound of Butter Is a Fine Gesture of Friendliness but Bank Credit Is Not Extended on This Basis. Throwing a Scare Into the Cashier Over a Possible Loss on a Certificate of Deposit on an Out of Town Bank Proved Helpful.

Sept. 6  
**A** TRIP through the country yesterday was exceedingly encouraging. The farmers of this section have produced the biggest wheat crop they ever raised and now are on the eve of harvesting one of the largest corn crops in their history. The prices of both crops are very satisfactory.

On this tour of inspection I stopped in to see John Swinson in the Hammer State Bank and had a fine visit with him.

While I was sitting there visiting, Mrs. Bill Sprague came in and blushing handed Mr. Swinson a basket containing a fat dressed duck and a pound of butter. He complimented her very highly on the character and quality of her product, and she went away exceedingly happy and pleased with her gift.

"Well, that is very fine, Mr. Swinson. That will make a fine Sunday dinner," I ventured as Mrs. Sprague disappeared through the door.

"Yes, indeed," he said, "and the best of it is we have had several Sunday dinners like that from the Spragues this season. The Spragues are very fine people. I only wish Bill Sprague got along a little better than he does."

This is just about what I expected John Swinson to say. I anticipated that Bill Sprague would have quite a line of bills payable at the bank, and the wise old fox was sweetening John's tooth with fat duck, buttered down well against the coming of pay day.

"Oh, he is a good borrower, is he?" I asked.

"I should say so, he owes us \$10,000 or \$15,000 right this minute and he is so good and kind we just haven't got the heart to beat down on him."

"Well," I smiled understandingly, "I should think you wouldn't, with that supply of ducks and butter coming regularly."

With a questioning look at me he con-

tinued, "I don't know but that is a factor in our feeling on the matter. A man's stomach is his weak point but there is no use in talking, Bill Sprague is going to have to buckle down and pay up some of these notes this fall."

I didn't want to be personal and tell this story to Mr. Swinson but it will fit in here nicely.

A long time ago, when I was a young man



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selling goods on the road, I remember a book agent who was exceedingly clever. He told me of this experience.

He said that he attempted to replace the text books in the schools of the town of Blank but Deacon Jones, who was Secretary of the Board and dictator of its policies, absolutely refused to consider the change of text books regardless of all the persuasive arguments he could make in favor of it. "Cost too much, didn't need new books," and other objections were raised.

But one day a month afterward, when the

agent just happened to be passing through the town, he called on Deacon Jones and told him he would like to have the Deacon do him a favor. He explained that he was going through the country and had a large consignment of books with him, which had become a terrible burden to carry around and he would just like to present Deacon Jones with a dictionary, which was especially heavy and which he had not been able to dispose of, and he was sure a scholarly man like Mr. Jones would appreciate it, and it would be a very great kindness to the agent if Mr. Jones would accept the dictionary with his compliments, etc., and so on.

Of course Mr. Jones fell for the offer and accepted the dictionary, and when it was deliv-

ered to his house he found it to be a very beautiful de luxe dictionary costing \$25 or \$30. Jones revelled in it. It was one of the most satisfactory dictionaries he ever had seen and, being of a literary turn of mind, he used the dictionary a great deal, affording him very much pleasure.

After permitting a proper length of time to elapse, the agent visited the town again and approached the Board on the proposition of changing the books.

He made a fervent argument in favor of his books, and when he had concluded Deacon Jones made the sage statement that, in his judgment, the argument was complete and satisfactory, and that it was a part of wisdom for the Board to make this change of text books. The change was made and the agent went away with an order of something like \$2,000 or \$3,000 worth of books.

The Deacon never knew that he had been bought body, soul and breeches with a dictionary but the facts were there just the same. He had betrayed his school district for a mess of pottage and didn't know what had happened to him. So it goes the world around. Every day men of ordinary business intelligence accept courtesies from those with whom they are doing business, which courtesies are certain to rise up and embarrass them later. No gentleman can accept anything of material value from those

with whom he does business without having that thing rise up to plague him later on. Furthermore, no one can accept a material gift without paying for it, some way, some time.

A very high-class gentleman friend of mine accepted a dinner engagement recently from a traveling salesman who was selling paper. The very next day his firm asked for bids on a carload of paper, and this salesman, who had had him to dinner, was one of the bidders. His bid was \$300 above that of his nearest competitor and he lost the order, and this merchant told me afterward that it embarrassed him very greatly because he had to turn down this salesman to whom he had become quite attached the day he accepted his hospitality to dinner. If he had been spending some one else's money than his own, his friend might have got the order.

Of course lines of distinction as fine as this would not be discerned probably by the average man, but the fact remains nevertheless that it is the lack of such discernment that leads men sooner or later into a blind alley to be destroyed. A fat duck and a pound of butter worth in money possibly \$2.50. Yet it was a gift apparently without compensation. If Bill Sprague's credit was based on ducks and butter gifts, then he was compensated. If Bill guessed wrong and his credit had not been improved by the gifts, both parties were wronged, for Bill didn't get what he tried to buy and John Swinson got something he didn't pay for, and no man can stand that sort of a thing. The things he receives which he does not pay for turn to dead sea fruit in his hand.

It was a trip full of human interest; and I have Swinson on my mind.

#### SEPT. 8

OUR vice-president just called my attention to some correspondence which he has been holding awaiting final disposition.

Two months ago we received a letter from an adjoining state asking us to forward a draft for the amount of a savings account plus the interest, the account belonging to an elderly gentleman who has a record of many wives. The letter was written in one handwriting while the signature was supposed to be that of our depositor.

It did not look just right to us, so we took the precaution of writing our depositor, asking him to call at his local bank; that we were mailing them a withdrawal receipt for the \$1,500; asking them to take his signature and have him properly identified. We told the bank that we were somewhat suspicious and that we would ask them to take every precaution. To date the withdrawal receipt has not been returned, nor have we heard from our depositor.

What would have happened had we paid the certificate? We don't know.

#### SEPT. 9

JOHNSON & CO. finally decided, after gradually losing money for several years, to sell out. The deal is completed and the business has passed to new hands. For years they had operated in a building that was so dilapidated that customers were driven away. Three years ago we offered to loan them the money and urged them to remodel their building, warning them of what was sure to come if they did not do so. They always agreed that we were correct, but they never could make up their minds to take the first step. Sickness and the necessity of new capital finally forced them to sell out.

The new owners have made over the building at an expenditure of \$15,000. The place will be the finest in town, and the new owners cannot fail to attract trade on a large scale.

It is the regret of everyone that the old owners did not act before it was too late. They died of dry rot and we wept over their passing. They wouldn't listen to their banker because they didn't have to. They were solvent. Had they not been solvent we might have forced action to save them.

#### SEPT. 10

THE Cable Manufacturing Company met yesterday and declared an 8 per cent dividend in cash and a 50 per cent stock dividend. I am vice-president of that concern and own a large block of their stock. I knew, of course, that a stock dividend was to be paid.

A customer of our bank had a large block of the Cable stock up with us as collateral on his note, and he wanted to sell this stock to me at par so he could pay his note. Unfortunately, for me, I knew of the stock dividend of 50 per cent and he did not, so ethically I could not use the information to my profit. The owner of the stock was a customer of ours and I owed him the best advice I had on the transaction. I told him to be patient and something might happen to reward him. It did happen, and when he got his stock certificate for the 50 per cent dividend he looked at me with a new light in his eyes, which compensated me greatly for the loss of an opportunity to make money at his expense.

Our friend, the bond broker, missed a similar joy and a later profit by not coming to us after ascertaining our bid and telling us about it, sacrificing his opportunity to cheat us and joining in our bid, splitting the issue of bonds between us.

Most men must grow old before they learn, if ever, that there is only one road to success and happiness, and it is not through questionable paths that cannot be defended in the minds of ordinary men.

#### SEPT. 17

WE threw a scare into our cashier yesterday that very nearly put him out of business for a time.

He came in to tell me of a very fine account we had just received from a traveling salesman, who had been making his headquarters in this city for the last six months. This salesman the cashier said was a very high-class man who had been carrying his main account back in Michigan and had decided to move it into our bank and our cashier had just closed the transaction by selling him \$5,000 worth of C. D's.

My interest was aroused, so I asked:

"How did he pay for the C. D's.?"

"Oh," he said, "I cashed in C. D's he had on a bank at Ann Arbor, Mich."

"Oh," I said.

"Yes, and I gave him our certificates in lieu thereof."

"How do you know the C. D's you cashed are bona fide, or will be paid when presented for payment?"

"Well, of course," he said, "we know our customer and we think he is all right."

"Well," I said, "don't you think it would have been the better policy to have accepted his C. D. for collection and waited until you had the money here before issuing our C. D.?"

"Oh, no," he said he didn't think that would make any difference because we could stop payment on our C. D's if the Ann Arbor certificates were not paid.

"No," I said, "you couldn't stop payment on it. Your certificate has been issued upon what you accepted as satisfactory payment and was beyond your recall. It would probably (if the man was a crook) be in the hands of an innocent purchaser before we could intervene, anyway."

Then I warned him never to issue our C. D's under any circumstances to anybody for anything other than cash, or its equivalent, and a C. D. on some other bank is not cash, or the equivalent of cash, until we prove it by presenting it for payment. It is only a promise to pay. The presumption is strongly in favor of it being the equivalent of cash, but we are familiar with hundreds of them that were never paid. In this middle west it is a popular sport among bankers to collect on some C. D's that are floating around.

I suggested to the cashier that he immediately wire the Michigan bank and verify the validity of the C. D's he had cashed, merely for the sake of our peace of mind. Fortunately, the certificates were good and our customer was a high-class, honorable gentleman, but our cashier is still shivering about the consequences that would follow his issuing of a \$5,000 C. D. upon a worthless C. D. from some other bank, or by a clever forger.

