

# CENTRAL WESTERN BANKER



## SPECIAL FEATURES

THE TREND OF INTEREST RATES

THE SERVICE CHARGE

THE INACTIVE ACCOUNT

THE VOICE OF A PROPHET

MANAGING A BOND ACCOUNT

THE PRIVILEGED COMMUNICATION

Vol. 23  
No. 4

OMAHA

April,  
1928

CENTRAL WESTERN BANKER



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## THE CENTRAL WESTERN BANKER

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OMAHA, NEBRASKA

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# CENTRAL WESTERN BANKER

THE FINANCIAL NEWS OF THE CENTRAL WEST

VOLUME 23

APRIL, 1928

No. 4

## AMBITION BUILDS.

*"\* \* \* The noble Brutus  
Hath told you, Caesar was ambitious";*

History records that, as a young man fresh from a political campaign in which he had been successful, Caesar, with certain associates, happened to pass through a particularly uninviting, inland hamlet. The village was isolated. Among its few inhabitants intense poverty prevailed. From Caesar's youthful companions, accustomed no doubt to the pomp, the splendor and the activity of the capital, the picture presented by this straggling village called forth only hilarious expressions of contempt. One desired to know if in such a place political contentions ever developed. To this Caesar is said to have replied: "I would rather be first among those fellows than second in Rome!"

First somewhere and in some group! Thereafter first in a larger and more important group—Rome—the world! Ambitious! And in the announcement of that ambition Caesar of old declared the principle that has been the mainspring of human achievement in every age. Definitions differ. One would be first in mastery, another—and greater—first in service, but each would be first. Each is willing to brave some discomforts that success may be obtained. Each welcomes responsibility, confidentially believing in his own ability. Each demands a high degree of liberty of action. Each finds others willing to acknowledge his leadership.

This call of ambition carried the early explorers to the shores of our own country. In one form or another it has been responsible for pushing the frontiers of our civilization ever forward, regardless of all hazards, until mountains, forests, deserts and streams have been brought under subjection. In a few brief generations it has—but the multiplication of words is unnecessary. The disposition of our forbears is written into our constitution, our laws, our business policies and our practices. The wisdom of these things is best measured in terms of results.

## IS THE PRICE TOO GREAT?

*"If it were so, it were a grievous fault;  
and grievously hath Caesar answer'd it."*

Ambition has not been wanting in the business life of this country. On every side we see the fruit of it. Generally that evidence is commendatory. Occasionally it is otherwise. Our great banking system stands as a monument to those thousands whose ambitions have

brought them to high places in our banking institutions. Whether this banking system is to prove an enduring monument to thousands or only to a few is to depend largely on the disposition of the thousands.

Our banking system has been tried very severely during the past decade. In the Central West to a greater degree than in certain other sections numerous banks have proven unequal to the burden thrown upon them by the depression. This has been due primarily to the fact that the fate of a bank is almost inseparable associated with the fate of its customers.

Agriculture, consisting of millions of independent and unorganized units, the extent of whose production is dependent nearly as much upon the bounty of nature as upon the effort of the farmer, suffered as did no other great group. In this section where agriculture is supreme that suffering inevitably was communicated to our banks.

Within this territory and even within a given community therein, one bank failed while others survived. Back of this condition the major differences inevitably must be attributed to management. This does not mean that in those sections where failures have been fewest all banks are equally well managed, or that management in one section is uniformly better than in another.

Out of it all it may well be wondered if there has not grown a weariness—a disposition to shirk responsibility—a lowering of self-confidence—an increasing willingness to be directed rather than to direct—perhaps even a longing for second rather than for first places.

Then, too, there is the lure of the capitals—the large centers of population and of wealth—with their supposed advantages. Present luxuries all too often outweigh future necessities in our planning.

The stage is splendidly set for the campaign of propaganda now being conducted in favor of the centralization of business generally. Whether it appears on the surface or not, or whether in the individual instance it is contemplated or not, branch banking is a logical part of this new program. Back of it all stand those of ability, initiative, foresight and courage, who see for themselves yet greater first places. The number multiplies of those who are glad to be second—or even forty-second—especially if thereby they may be placed in Rome. The answer lies in the disposition, not of the few but of the many, for popular opinion remains a dominant factor in this country.

# BANK OF NEW SOUTH WALES

AUSTRALIA

PAID-UP CAPITAL .....	\$37,409,800
RESERVE FUND .....	28,250,000
Reserve Liability of Proprietors .....	37,409,800
ESTABLISHED 1817	
Aggregate Assets 30th September, 1927 .....	\$103,069,600
<b>\$438,905,640</b>	



AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA  
GENERAL MANAGER, OSCAR LINES

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## What the Braddock National Bank of Braddock, Pa., says about Donsteel

NO. 2926  
**Braddock National Bank**  
CAPITAL \$ 400,000.00 OFFICERS: JOHN W. HAYES, President; J. B. DUFFY, Vice-President; GEORGE W. HAYES, Cashier; J. W. HAYES, Jr., Secretary; J. W. HAYES, Treasurer; J. W. HAYES, Jr., Assistant Cashier; J. W. HAYES, Jr., Assistant Treasurer.  
BRADDOCK, PA.  
Sept. 22, 1924

The Mosler Safe Company,  
373-5 Broadway,  
New York City, N. Y.

Gentlemen:

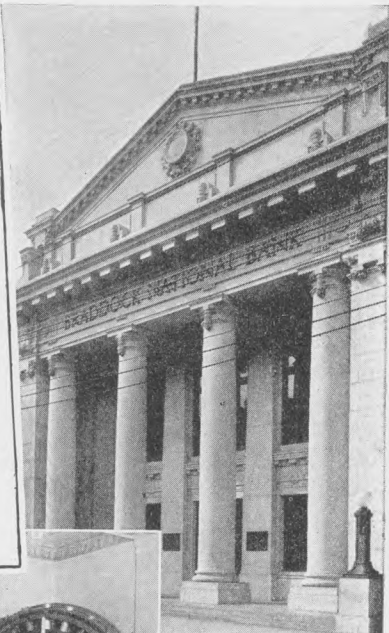
Replying to your letter of September 20th, would say that we are well satisfied with our decision to use "DONSTEEL" in our new Safe Deposit Vault equipment, which was built by your company during last Summer.

The steel men on our Board of Directors pronounce "DONSTEEL" as non-burnable and non-destructible, after exhaustive tests in the Pittsburgh Testing Laboratory.

We used this construction because we were convinced that it was the most impregnable material which is made in the present day.

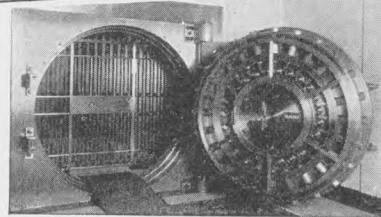
Yours very truly,  
*J. W. Hayes*  
Cashier

T/M



Mosler DONSTEEL Vault Door

Braddock National Bank



Braddock National Bank  
Braddock, Penna.  
The Hollar Co., Engineers  
Philadelphia  
Press C. Dowler, Architect  
Pittsb..rgh

DONSTEEL—repeatedly tested by the leading independent testing laboratories—has proved every claim as being the most resistant metal ever devised against the operations of the skilled bank burglar using oxy-acetylene torches and drills—the modern weapons of attack.

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Donsteel is Sold Exclusively by  
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LOS ANGELES NEW ORLEANS NEW YORK PITTSBURGH PORTLAND SAN FRANCISCO SEATTLE ST. LOUIS  
TOKYO, JAPAN LONDON, ENGLAND SHANGHAI, CHINA

# The Trend of Interest Rates

A Review and Preview of those Conditions That Determine the Cost of Credit

By DAVID FRIDAY, Economist

The trend of interest rates for capital invested in bonds has been steadily downward since 1920, with only one interruption of importance. During the latter part of 1922 and the first part of 1923, interest rates rose for about six months. Except for this brief period, the return which high grade investments have yielded has fallen steadily. The forty bonds which compose the Dow-Jones index rose fourteen points from their average price of 1920 to the average of 1922. They fell about three points in the following year; then rose once more, until at the close of this last year they were again fourteen points above the summer of 1923.

The rate of return which good bonds yielded had declined from 5.8 per cent to 4.2, in the case of railroads; from 6 per cent to 4.8 for industrials; from 6.75 to 4.75 for utilities; and from 5 per cent to 3.90 for municipals. This is an average decline of approximately one and one-half per cent in the interest earned on money invested. The total net earnings of all the member banks of the Federal Reserve System amount to only 1.4 per cent of the earning assets of those institutions. It needs no argument to prove that the rate of interest is a matter of supreme importance to every person engaged in the management of a banking institution. All reporting banks in the United States have a combined total of about eighteen billion dollars in security investments. This constitutes just about one-third of their entire earning assets.

After the sharp rise in bond prices which occurred between the summer of 1920 and the autumn of 1922, many students of finance expected a decline, or at least a stabilization somewhere just below the high level reached at that time. It seemed to them that the low interest rates then existing were the result of the drastic depression of 1921. Business was stagnant, corporate profits for all corporations of the country combined had fallen to nothing, and the net result of operations that year was a loss. Enterprise was at a low ebb, and foreign borrowers wanted capital but were unable to offer security

which could tempt the American lender. Bank loans had been deflated to a minimum. At the same time gold imports had been large, and through their use the reserves of the Federal Reserve Banks had been increased from the low figure of two billion dollars to more than three billion dollars in two years while the rediscounts of the member banks had declined by two billion dollars.

Such an increase and broadening in the basis of our credit structure, at the same time that business depression at home, and unsettled conditions abroad were reducing the demand for capital and credit to a minimum, naturally made for low interest rates. The rise in bond prices was, therefore, not difficult to understand. There were those who had denied the likelihood of a pronounced decline in interest rates, even in the summer of 1921. An address before the Michigan State Bankers Association in June of that year vouchsafed the prediction that within three years from that time all the Liberty Bonds would be at par or above. That prophecy was met with skepticism by some and with scorn by others. The bonds actually reached par within twelve months after the prediction was made. They fell slightly afterwards, but well before the three years had expired they were above par.

The conditions as regards gold inflow and business depression which prevailed during 1921 and 1922 were so exceptional that many people believed that low interest rates and high bond prices were only a passing phenomenon which would disappear with the revival of business and the increased demand for credit which would accompany it. Surely gold exports, when they occurred, would bring about a rise in interest rates and a fall in bond prices.

Commodity prices began rising in the early autumn of 1922, and by autumn they were twenty points up. Most people believed that this rise would go another twenty points before it exhausted itself. For a time it seemed as though these forces would bring bond prices down. But before securities

had lost one-third of their gain of 1921 and 1922, they turned and began rising once more. During the next four years their course was steadily upward, with only inconsequential interruptions.

The interest rate has, therefore, fallen during a four-year period which has been marked by the business revival of 1925 and 1926, by two years of business recession which occurred in 1924 and again in 1927, and throughout two periods in which gold has been exported in considerable quantities. It is not an economic phenomenon which can be accounted for by passing phases of the business cycle. Bonds have continued to rise throughout periods of active business as well as in times when production and trade were declining. Neither gold exports nor gold imports interrupted the rise once it had begun in January, 1924.

The forces which drove the price of bonds up and lowered the rate of interest throughout the last four years lie deeper than temporary credit conditions or than the passing phases of the business cycle. Will these forces continue to operate during the next three to five years? If so, the Liberty Bonds may well sell on a three per cent basis before the end of 1930. High grade railroad bonds will once more be selling on a three and a half per cent basis, as they did in 1902, and industrial and public utility bonds may be yielding less than four per cent.

The beginning of wisdom in discussing the causes of variations in interest rates in the realization that interest is a price. It is paid for the use of capital, and since it is a price the causes of its fluctuations can be grouped for purposes of analysis into those which affect the supply of capital and those which determine the demand. Nothing can change the prevailing rate unless it enters by one of these two doors of supply and demand.

It is certain that the decline in interest rates has been brought about by an increase in the supply of funds rather than a shrinkage in the demand for capital. The figures for new securities issued by corporations, foreign governments,

farm loan institutions, and municipalities since 1921 are as follows:

Year	New Capital Issues Excluding Refunding
1921 .....	\$3,576,738,412
1922 .....	4,313,362,798
1923 .....	4,304,425,893
1924 .....	5,593,179,972
1925 .....	6,220,169,333
1926 .....	6,344,133,929
1927 .....	7,735,319,725

There was surely no lack of demand for capital throughout this period. Both corporations and governments, at home and abroad, have asked for new capital in our market in unprecedented volume. They have been able to get ever-growing amounts at a rate of interest which fell year by year. Despite this large demand the volume of savings brought to the investment market has exceeded the sum which borrowers with good credit were willing to take at the rates which had previously prevailed. Since those who demanded capital would not take the entire supply at the old price, the competition of lenders who desired to invest their capital led them to offer it at lower interest rates.

The supply of capital for the nation as a whole during any period is determined by the excess of its production over its consumption. Whenever production is increasing rapidly as it has been in recent years, there is bound to be a large supply of investment funds unless there is a rapid increase of expenditures for things which are currently used up in maintaining our standard of living. This surplus production which is not currently consumed constitutes the national savings. It is available for investment, either at home or abroad.

The supply of national savings has been so large that it has pressed down interest rates in the face of our unusually large demand for capital at home; and an entirely unprecedented demand for American credit from abroad. The secret of our huge savings during these last few years is to be found in the rapid increase of output which has taken place since the war. The index of industrial production constructed by the Harvard Economic Service shows an increase of forty per cent from the years 1919 to 1926. This includes the output of both manufacturers and minerals. Agricultural output has not increased much during that period, but has maintained a higher level than during the pre-war period.

With such a growth in output, it has been easy to increase our savings even though we were maintaining higher standards of living than ever before. When the present national product in industrial lines is contrasted with the pre-war period we find that the increase has been more than fifty per cent. The number of people engaged in producing these things has increased more slowly, and prices have increased much less than wages. As a result the level of wages is today two and one-fourth times as high as it was in the pre-war period, while the cost of living is scarcely one and three-fourths times what it was then. In such a situation it is not difficult to save at the same time that the general standard of well-being is being raised.

A few comparative figures will give some notion concerning this increase in savings. In 1922 the life insurance premiums paid amounted to 1,686 million dollars. By 1926 they had increased to 2,624 million dollars, and last year they were just about three billion dollars. The net addition to their assets had grown from 715 million dollars in 1922 to 1,402 million dollars in 1926. It was of course larger in 1927. Building and loan associations increased their assets by 371 million dollars in 1922 and by 767 million dollars—more than double—in 1926. The absorption of new securities by investors has been set forth earlier herein. It is this large growth in the supply of capital, bottomed upon our increase in industrial output, which explains the downward course of interest rates since 1920.

What lay behind the increase in demand? Demand for funds comes from those who desire to spend money at present but who have not sufficient resources of their own to carry out their projects. These projects usually involve the production of durable things such as railroads, public utilities, manufacturing plants, buildings and roads. The desire for durable goods is at the foundation of the demand for capital. Whenever people desire such long-lived structures or machines and decide to have them produced, they thereby contribute to the demand for capital. If their own savings are not adequate to carry out their projects they come to the capital market and borrow funds by the sale of securities or otherwise.

The volume of construction of

durable things has been proceeding at a high rate since 1922. Buildings, residential and otherwise, and automobiles constitute the most important demand for such goods. Then follow the construction of public utility plants, the building of public roads, the expansion of factory plants and of railroads. All of these have made a large demand for capital. In addition, the demand for savings has been augmented by foreign borrowing. Our loans abroad have amounted to well over a billion dollars annually for the last few years.

What is the outlook for the future with respect to the supply of and the demand for capital. There is no likelihood that the savings of our people will decline. Production is large and the habit of devoting a portion of our output to provision for the future has become firmly established with us. From our corporations, which set aside roughly one-third of their profits as surplus, down to the common laborer who is paying for a home or making installment payments on his automobile, the practice of saving is established. As long as production maintains its present high level, the supply of capital will be large in this country. When business depression comes and reduces output, savings will doubtless fall somewhat. But they will not decline as much as one would expect. People are more cautious about spending in hard times, and so make substantial savings even out of reduced income. The supply of capital in this country will continue to flow into the investment market in large volume.

On the demand side, the outlook is more difficult to gauge. The savings of the nation show less variation than do the borrowings for capital purposes. Since fluctuations on the demand side are wider than on that of supply, the variations in rates of interest depend more upon this borrowing side of the equation. While it is difficult to say what the demand for capital will be during the next few years, it seems probable that the outlook is rather for the slackening of the increase than for an acceleration.

At the close of the war we were faced with a large deficit of building operations, railway improvement and public utility facilities. We had been busy during the war providing our armies and navies with the goods and services which

(Continued on page 29)

# The Service Charge

Some of the Experiences of a Nebraska Bank and a Nebraska Community

DAN V. STEPHENS, President Fremont State Bank

In the summer of 1925 our bank received from the Clearing House Section of the American Bankers Association a remarkably interesting and valuable booklet prepared by O. Howard Wolfe, as Chairman of the Section's Executive Committee, setting forth a very simple plan of analyses of accounts.

As a result of a perusal of this booklet we made a survey of our bank on November 17, 1925. This survey startled us by disclosing facts that we never dreamed existed in our bank. These have been printed and broadcast by the Clearing House Section of the American Bankers Association over the entire country with the result that thousands of banks have instituted a service charge not only on small accounts but on many other items of service that banks usually render their customers.

After two years and two months of experience we are glad to report that we have been highly pleased with the results.

Our bank is located in a small city of 12,000 people with three commercial banks and two Building and Loan Associations. The three banks united in putting in the service charge but I am convinced that any of them could have done so without any assistance if they had pursued the plan we did. When we decided to introduce the service charge we prepared and issued a small pamphlet entitled "A Conversation Between a Depositor and a Banker" and mailed it to all of our customers. This colloquy between the banker and his customer sets forth the reasons and necessity for the service charge. It proved so satisfactory to our customers that we scarcely had a complaint against the enforcement of the service charge, at least so few that they are not worth considering, and invariably these complaints came from customers, of course, who were an expense to the bank.

We are glad to submit the figures as they apply to our own experience for the banks of the country generally. The period of this experience is two years and two months:

	First Survey 11-17-25	2-2-28
Total number of Checking Accounts...	2,589	1,873
Number of accounts averaging less than \$50.00 .....		274

Number of accounts less (not average) than \$50.00 .....	1,453	635
Total checking deposits in amount.....	\$742,819.95	\$1,108,653.41
Total deposits in accounts less than \$50.00 .....	21,232.05	10,509.08

The above figures show a reduction in accounts of less than \$50.00 from 1,453 to 635 accounts, or a total of 818 in all. Reduction in checking accounts 716.

Amount collected by Service on Checking Accounts from Dec. 1, 1925 (date when service charge become effective) to Feb. 2, 1928 altogether \$4,337.00 or an average of \$166.80 per month.

The first prime result obtained from the service charge was the receipt of this very satisfactory sum of \$4,337.00. The second important result was the elimination of the cost of handling 716 accounts as that is the number of checking accounts we lost during that period. There is considerable cost in material alone in handling 716 checking accounts. Especially is this true when it is understood that the checking accounts, that had a deposit of \$50.00 or less in our bank or a total of \$21,232.00 when we began the survey, drew 40% of the checks that were drawn on our bank and therefore should have been charged with approximately 40% of the expense, or approximately \$11,000.00. Whether these figures will hold true on an average, so far as the number of checks drawn is concerned and the amount of expense that we estimate should be charged to the small accounts throughout the year, the approximate truth is apparent and is sufficiently startling to convince any banker, who looks into the matter, that there is a tremendous amount of waste in the handling of an ordinary country bank that can be easily eliminated.

The institution of the service charge on small accounts resulted in almost the elimination of overdrafts. Our average overdrafts now run anywhere from a few dollars up to a hundred dollars a day, whereas, prior to the institution of the service charge, they averaged around \$500.00 and the number of accounts, that were overdrawn, around 75 or more. We now have a bare dozen a day on an average that are overdrawn.

We also make a penalty charge of 25c for overdrawing accounts. Every check that we return is charged up to

the account of the customer at 25c each. These charges amount to quite an item in the course of a year. One month on which I have figures these charges amounted to \$18.75.

The question naturally will be asked by our readers "What effect has this system of service charge had on your bank? Has it increased or decreased your volume of business?" The answer is quite pertinent and upon the answer the approval of the service charge in the minds of the readers no doubt would depend.

For example, when we lost 716 accounts the question naturally arises, "How did it affect your deposits?" The following table will answer that question most effectively:

	Deposits on		Increase
	Nov. 17, 1925	Feb. 2, 1928	
Checking Accounts	\$742,819.95	\$1,108,653.41	\$365,833.46
Savings Accounts	259,862.68	377,923.22	118,060.54
Certificates of Deposit..	240,747.41	318,469.06	77,721.65
Other Deposits..	5,313.04	8,578.74	3,265.70
Totals ..	\$1,248,743.08	\$1,813,624.43	\$564,881.35

It was not until the month of December, 1925, that we began making these charges; therefore, there is only one month of the service charge in 1925 receipts. This is reflected in the total of the fees received, which is only \$2,391.99 as compared with \$8,827.03 in 1926 and \$6,067.33 in 1927. In other words, eliminating the December service charge, the average collection went up from about \$2,000 a year to an average of about \$7,000 a year, for all fees, including the 50c charge on small accounts.

We don't know, of course, what effect the service charge had, if any, on our deposits but we do believe that it is reasonable to assume that the institution of the service charge had no effect whatever in reducing our deposits, or at least its effects are not discernible.

Our own opinion is that the service charge has no effect whatever on deposits, that can be measured, but it does have an effect that can be measured on the profits of the bank. It will be observed from the above tabulation that the fees of all kinds, that we collect now in excess of the fees we collected prior to December 1, 1925, are practically enough to pay the annual dividend on our capital stock. It is certainly worth while and should direct the attention of bankers every-

where to the possibility of leaks and wastage in bank management.

### Earnings and Expenses

of all Member Banks of Federal Reserve System in comparison with the Fremont State Bank for the year ending June 30, 1927. Figures based on earning assets consisting of loans and investments. Check your bank with these figures.

	Per \$100 of Earning Assets		For	
	For	For	Fremont	Your
	U. S.	10th Dis.	St.	Bank
Interest Earned	5.37	6.19	6.77	.....
Other Earnings	1.08	1.02	.53	.....
Gross Earnings	6.44	7.21	7.31	.....
Interest on Deposit	2.14	2.11	1.95	.....
Interest on Borrowed Money	.09	.07	.03	.....
Salaries & Wages	1.27	1.69	2.15	.....
Taxes	.34	.42	.10	.....
Guaranty Fund				
Assessments	.00	.00	.62	.....
All Other Expenses	.75	1.04	1.00	.....
Total Expenses	4.60	5.33	5.86	.....
Net Earnings	1.85	1.88	1.44	.....
Losses on Loans	.38	Not Reported	1.24	.....
Losses on Investments	.12	Not Reported	.00	.....
All Other Losses	.14	Not Reported	.01	.....
Total Losses	.63	1.49	1.26	.....
Recoveries	.15	.35	.75	.....
Net Losses (2)	.48	1.13	.50	.....
Net Addition to Profits	1.37	.75	.94	.....
<b>OTHER RATIOS (1)</b>				
Earn. Assets per \$1 Cap. Funds (3)	6.42	7.46	11.83	.....
Net Profits per \$100 Cap. Funds (4&5)	8.78	5.37	11.17	.....
Losses on Loans per \$100 of Loans	.53	1.57	1.80	.....
Losses on Invest. per \$100 Invest.	.40	.39	0.00	.....

Note (1). These ratios are based upon data taken from the customary abstracts of reports of condition and of earnings, expenses and dividends. It should be borne in mind in using them that the statistics employed represent aggregates for all member banks reporting on the various dates, and such ratios as are shown in the tables are therefore ratios of aggregates in which figures for large banks have a statistical influence somewhat disproportionate to their number in comparison with the figures for small banks.

Note (2). Total losses charged off less recoveries on assets previously charged off.

Note (3). Total earning assets consist of loans and investments and in this report are the average of amounts from reports of condition for four call dates in the fiscal year 1927.

Note (4). Capital funds consist of capital, surplus and undivided profits exclusive of reserves for taxes, interest, etc., accrued.

Note (5). Obtained by dividing net profits by capital funds; equivalent to the two preceding ratios.

### Analysis of Earnings and Expenses. A Concrete Example.

The objective sought in this analysis of a concrete example is to render service to the members of the First Nebraska Bankers Credit Clearing House Association.

The object of the Association is to

improve banking practices and this cannot be done until an analysis is made by each member bank of its condition. It is only through the banker himself and the self-examination that he gives his bank that better methods and practices can be obtained.

It is through the courtesy of the Fremont State Bank that we are enabled to give herewith their confidential figures showing a comparison of that bank's earnings and expenses with the average member of the Federal Reserve System and of the banks in the Tenth Federal Reserve District.

### CHECKS

Written in soft pencil, or ink in black or green, soiled by many handlings, or kept all smooth and clean, signed in firm and cautious hand, scrawled with careless grace—each check reveals with certainty a story on its face. This was to buy the groceries, and this to buy a dress, this paid the high experience of winning a caress, this met the toll of sorrow, this breathes of love and cheer, this has a tale of journeys long and visions far and clear, this tells of worldly pleasures with pace so wild and fast, this of a gentle charity in loving kindness cast. Weddings gay and merry with orange blossoms sweet, rings and chains and bangles, a grave, a winding sheet. The building of a home so dear where lovers are to dream, the raising of a family with all its joyous gleam; the help of friend and neighbor, the tax of wasted wealth, a seeking for return once more of life's great bounty, health. From birth to death, through youth and age, all history is here—the checks that heap upon the desk like leaves of yesteryear.—C. M. H.

We are fortunate in securing these figures of a bank in our midst for comparison as they are not ordinarily available. Bankers as a rule are secretive and fearful of disclosing any inside facts about their banks lest those facts might be used by a competitor to their disadvantage.

We believe that such fears are unwarranted and are detrimental to the growth and development of banking practices. The truth always serves the best. If we know the facts we can proceed intelligently to improve our banking conditions.

With this tabulation it is an easy matter to locate the weak points as well as the strong ones in the bank's practices. With these facts before the officers of the bank there is prospect at least of finding a remedy for unsatisfactory conditions.

The officers of the Clearing House Association request that every banker in the district make an analysis of his own bank in comparison with the table furnished herewith, a space being allotted for that purpose, with a view of locating weak points in practice and applying a remedy. We solicit correspondence of this subject and offer freely our time and effort to serve our membership.

With these figures available any banker in a very short time can fill out the column to the right of the table giving the analysis of his bank and nothing, it seems to us, could afford him more interest and profit than would this self-examination, and we urge upon the bankers to make this study of their banks.

### Family Banking.

A farmer recently in telling of his banking experience remarked: "I am doing business at the same bank that my father and grandfather did. All my brothers and sisters who remain here are also customers of that bank. We have always had good accommodations and the head of the bank knows all about our affairs. My four-year-old boy has his savings account there and he too will be a customer some day." This is but an example of what happens as the Central West grows older and families pass into several generations. The bank that has built up a family connection with its customers and has carried on so successfully in its service that all the members of a family go to that institution has a most valuable asset.

A survey made by one country bank showed that 75 per cent of all the families in one township did business with it. Many were interconnected families and all had drifted to this bank. In another township practically all the business went to another bank of the town. This association of a residence area with a single bank comes from the pioneer times when the few farmers then existing there were attracted to one institution. People talk over their bank connections and the bank that has a list of good boosters who induce all their relatives to go to it ought to feel that it has built up the most valuable asset possible in good will.



# THE INACTIVE ACCOUNT

The Service Charge as Applied by Clearing House Banks, Emporia, Kansas

W. M. PRICE, President Lyon County State Bank

Referring to the question of a service charge against inactive accounts, as raised in the March issue of your magazine, I will quote from section twenty-one of the Emporia Clearing House Rules: "This charge will not apply to any savings account, nor to any checking account on which no checks have been cashed during the month, and is optional on accounts of churches and charitable organizations." Very few, if any, exceptions are made to the above rule and perhaps the only exception would be where there has only been say one or two checks drawn.

Take it as a whole, the service charge has been successful. It has enabled the banks of Emporia to get relief from the handling of a number of very small accounts that never did pay for the stationery used, to say nothing of the amount of detail work that these small accounts entailed. We have also eliminated the fellow who had the habit of going out and giving a check and rushing to the bank with just

enough money to cover the one or two checks that he had given.

Before this service charge was installed all of the banks in Emporia had a lot of student accounts, a large per cent of which were subject to a service charge. Most of these accounts have been closed and as a result students from other towns are checking on their home banks and these checks are handled by the merchants of our city. Of course the merchants make a profit on their goods and are justified in handling these out of town checks and necessarily the float on the merchants' accounts has been increased to a considerable degree, but if the merchant is carrying a good account, no loss accrues to the bank. With our experience thus far, I do not believe the banks of Emporia would care to go back to the old plan.

### Right Publicity.

This is a newspaperman's story. The speaker is a local editor on a Nebraska paper. "I heard one day

that there was to be a change in the officership of a bank in the town where I was working. What I did not know was that the change, if it were made, meant re-organization of the bank and also indicated that the bank was having trouble. I went to the cashier and asked him if there was any news about the election. "I don't give anything to your paper," he snapped. It seems he did not like the editor—but I did not know that either. Of course I did what any self-respecting reporter would do—dug up all I could and made a story and printed it. It stirred up the town, almost wrecked the bank and caused one street-fight—though I was not a party to it. If the cashier had taken me into his confidence I would have suppressed the story and saved him and his institution much grief. Later I was connected with a bank and the first rule I laid down was that there should be perfect frankness with a reporter, for I have found that the best way to keep a secret until it is ready for publication is to tell the newspaper man all about it and pledge him to secrecy." May be not every time—but usually a reasonable sort of frankness is a good policy in dealing with the press.

## The Chase National Bank

of the City of New York

57 BROADWAY

Capital .....\$ 50,000,000.00  
 Surplus and Profits..... 57,462,411.15  
 Deposits (February 28, 1928)..... 857,757,013.97

### OFFICERS

Albert H. Wiggin  
*Chairman of the Board*

John McHugh  
*Chairman of the Executive Committee*

Robert L. Clarkson  
*President*

### Vice-Presidents

Samuel H. Miller  
 Carl J. Schmidlapp  
 Reeve Schley  
 Sherrill Smith  
 Henry Ollesheimer  
 Alfred C. Andrews  
 Robert I. Barr

George E. Warren  
 George D. Graves  
 Frank O. Roe  
 Harry H. Pond  
 Samuel S. Campbell  
 William E. Lake  
 Charles A. Sackett

Hugh N. Kirkland  
 James H. Gannon  
 William E. Purdy  
 George H. Saylor  
 M. Hadden Howell  
 Joseph C. Rovensky

*Vice-President and Cashier*  
 William P. Holly

### Second Vice-Presidents

Frederick W. Gehle  
 Edwin A. Lee  
 Alfred W. Hudson  
 James L. Miller  
 Benjamin E. Smythe  
 Joseph Pulvermacher  
 Leon H. Johnston

Franklin H. Gates  
 Arthur M. Aiken  
 S. Frederick Telleen  
 Otis Everett  
 William H. Moorhead  
 Harold L. Van Kleeck

T. Arthur Pyterman  
 Ambrose E. Impey  
 Robert J. Kiesling  
 Lynde Selden  
 Thomas B. Nichols  
 George S. Schaeffer

*Comptroller*  
 Thomas Ritchie

Established 1856

## THE NATIONAL PARK BANK

of NEW YORK

214 BROADWAY

### Uptown Offices

PARK AVENUE and 46th STREET  
 SEVENTH AVENUE and 32nd STREET

### Offices to be opened in 1928

MADISON AVENUE and 26th STREET  
 BROADWAY and 74th STREET

### Banking In All Its Branches

Commercial and Traveler's Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safekeeping of Securities; Collection of Income. Investment Service for Customers. Safe Deposit Vaults.

### \* DIRECTORS

Charles Scribner  
 Richard Delafield  
 Francis R. Appleton  
 Cornelius Vanderbilt  
 Gilbert G. Thorne  
 Thomas F. Vietor  
 John G. Milburn  
 Wm. Vincent Astor  
 Joseph D. Oliver  
 Lewis Cass Ledyard, Jr.  
 David M. Goodrich  
 Eugenius H. Outerbridge  
 Kenneth P. Budd  
 Frank L. Polk  
 George M. Moffett  
 James Forrestal  
 Charles S. McCain  
 Thomas I. Parkinson  
 Harvey C. Couch

CAPITAL, SURPLUS AND UN-DIVIDED PROFITS \$34,000,000 \*

# The Voice of a Prophet

Excerpt from Address Delivered in 1909 before  
Kansas Convention by Association's then President

Wm. M. PECK, President Cloud County Bank, Concordia

There remains but one other subject concerning us as bankers which I desire to speak of. In Kansas we have had our grasshoppers, our long, unbroken droughts, our bewhiskered Pepper, our Mary Ellen, our Carrie Nation, and now have the latest and greatest of them all—our Bank Guaranty Law.

With its politics perhaps we should not concern ourselves for we all know that schemes are often concocted by men who know better, simply to get votes for the purpose of maintaining office and power. The name itself is delusive and false. There never was a bolder case of false pretense perpetrated upon the people of the state than giving the name of guaranty to that act. There is not guaranty or strength enough about the law to entitle it to be called by that name. We bankers might just as well ask our customers to attach a two-cent postage stamp as collateral to a loan of fifty dollars as to tolerate this law. That the people think they want it, I hold to be no excuse for their legislators, who well know that its final end will be worse for them.

The law raises no funds to speak of to guarantee any bank only in good times when there are no failures, but does create a perpetual assessment of a small amount that would not pay the interest after a crisis and the fund never would recover from its depletion. While there is a provision in the law which allows a bank to get from under by advertising for six months its intention to do so, providing all losses are paid at that time, a repetition of the experiences of 1893 would involve the banks so deeply that they never could get away from the annual assessments.

If we name this thing a guaranty it would be better that we make it such, and all go into the doctrine of the Socialist at once, have the state own everything and the individual nothing.

There is no possible way of getting national banks into such a scheme. President Taft comes out in courageous language and says so in a manner that could not in any way be misunderstood. He states very forcibly that he never was in favor of the radical platform of the Democratic party as to the guaranty question, and he has not changed his views since. He believes the guar-

anteeing of bank deposits to be wrong in principle and precept. He also says that there is nothing that the national banks can do in any way, shape or form to guarantee their deposits without authority from an act of Congress.

President Taft has proven himself a fearless and courageous statesman and leader, and will not submit to any state legislation affecting the policies of the nation. The people of the East look upon this act by our state as one of the vagaries or freaks, such as greenbackism, free silver, and the government warehouse proposition for storing wheat.

Shall we drive all of the national banks out of the state by making laws that will interfere with their rights and privileges in competition with our state institutions? I dare say the people would not be in favor of this law if they understood its real meaning and effect. They are deluded into the belief that it is a state guaranty and is a safe proposition. It has all of the ill effects of a substantial guaranty law. Among the greatest of such effects is that it takes away from the depositor any care, discretion or discrimination on his part, and enables the weakest bank to compete successfully with the strongest.

It is not right that sound banks should be taxed for the losses of unsound banks. If sound banks receive no benefits from their conservative and careful business methods, why should they try to keep up a high standard? If a bank with \$10,000.00 capital can delude people under the Guaranty Law and make them believe that they are just as safe as they would be with their deposits in a bank with ten times the capital and double the liability, why should the large capital be maintained? There would certainly be no encouragement for strong financial institutions. The law will undoubtedly discourage it in every sense of the word. It is only reasonable to suppose that punishment should be inflicted on doers of wrong instead of on the innocent who has no oversight or control over the affairs of the transgressor.

Our Guaranty Law, although a delusion and a snare, a mere bubble that will be punctured by the first ill wind that blows, will, on account of

its deception, put a premium on reckless and incompetent banking.

In conclusion, my advice and intention is to keep away from it. I say to you that if you are weak, go into it; but if you are strong and have pride in the strength, stability and welfare of your bank, stay out, and rely upon the eternal and everlasting truth, that that which is wrong in principle and precept must and will perish. If this law is not checked in its early childhood, great will be the calamity of its downfall, which will surely come, and to the stockholders who are doubly liable for the debts of their bank it will be a never ending curse.

I have great confidence in the average banker of Kansas and I feel that he will be able to meet any condition that may arise, and I earnestly hope that under the circumstances the State banks will join hands with the National banks and stand together and stay out of the Guaranty Law, and not bring trouble and disaster upon themselves and the fair name of our State.

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## What Will It Do?

One of the prospects for the future is that the chain store already is making great headway, will eventually take the small town, and what is to be in effect a glorified country store, selling everything from nightgowns to condensed milk, occupy the principal merchandising portion of the community. What will it do to the local bank? Will it take from it most of its business accounts except as the income of the stores is put in the bank over night for safe keeping or will there be such readjustment of banking methods of the chain store institutions as will give the rural banks a chance to participate in the business? This is something that bankers are discussing with interest and it is one of the problems that seems likely to be prominent in the next decade.

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Representatives from 32 different states and 184 different cities were registered at the mid-winter trust companies' conference, held in New York under the auspices of the Trust Company Division of the American Bankers Association.

# CENTRAL WEST SIDE-LIGHTS

By C. M. HARGER

ONE of the curious outcomes of the deflation period has been the effect on the banks of the sections where the most substantial farming conditions were considered to have existed for decades. The owners of farms had prospered, the farms had gone down in the families for generations and there was generally a belief that here was the real basis of sound business progress. But the owner of the substantial farm, the man who had seen his bank account grow steadily, seemed to be as impressed with the possibility of making great wealth as the speculator who deals in futures and gambles on his judgment of stocks. The effect was to cause a demand for more land, more borrowing and more debts. Of course we know what happened. The price level of products slumped, the debts became too heavy and the farmer either lost his farm or the burden carried along for years was transferred to the mortgage company or to the bank. So we have had two sections where the banks have in instances met with a serious struggle—those areas where land was considered the basis of wealth and the sections where crops failed for two or three years. Eventually it will all clear up—and it is not likely that there will be another gamble in land for this generation.

## Experience's Lessons.

The above was prompted by the remark of an experienced banker the other day who had gone through the trying times of the '90's. "The real trouble with the banking situation has been," said he, "that the men managing the banks of the Central West had not had the experience of a period of difficulty. Those of us who went through the '90's made in most cases no mistake. We had seen this very thing happen before and remembered. But the great majority of bankers are young men. They came to the business after 1900 and every year for twenty years saw each season more prosperous than the one that went before. Land values climbed and they were confident that there could be no backset in a section of the country where farm prosperity was so wide-

spread. They have had their lesson and will not make another wrong guess as is indicated by the conservatism that is seen today in the management of the country banks. What will happen when the next generation comes along no one can tell—but human nature is not much changed and likely in twenty or thirty years we may see history repeat itself. But for the next decade or two the rural banks of the middle west are going to see the most cautious management of their history."

## Harvest Money.

One of the changes that has come to the banking field of the Central West has been that of furnishing harvest money. In the old days the banker began early in spring to worry about having enough currency on hand to care for the army of harvesters who would soon come to gather the wheat. The harvest hand had to have his money in currency—he had no means of identifying himself—and he was always eager to have it at the end of the week. So the banks were ready with bundles of currency for the farmers when harvest opened. Now the harvest army is largely dissipated; the combine has driven the hand labor out of the harvest field; the gathering of a field of 300 acres can be done by a man and a boy—cutting, threshing and delivering of grain going on simultaneously. The banks, however, have the other problem of furnishing the credit with which the farmer can buy the combine and hundreds—perhaps thousands—will be sold during the coming sixty days. The combine is revolutionizing the wheat belt operations and incidentally is keeping in the wheat belt the money that formerly was carried out in the pockets of the itinerant harvester.

## Beating Ford to It.

Another transformation is coming in the high plains country that is anticipating the prediction of Henry Ford to the effect that "large corporations whose sole business it will be to perform the operations of plowing, planting and harvesting will supersede the individual farmer." Out in western Kansas a company has been chartered that proposes to till 50,000 acres of wheat

land with power farming and has started to plow the first unit of 10,000 acres. Each year one unit of that amount is to lie fallow, the other 40,000 acres to be sowed to wheat. Based on the average yield of the county for twenty years it expects to obtain a gross income of \$19.20 an acre with a cost of \$4.64 an acre. The company is guaranteeing the investor a profit of \$2.00 an acre. If it succeeds, it will mean the wiping out of hundreds of small farmers, their places being taken by the large holdings. Then what is to become of the small town, the business houses and the banks? It is a possibility now; it may become a serious problem for a great area of the wheat belt where land is cheap and crops while uncertain in some years in the long run make a good average of return.

## Earning Assets.

An interesting cross section of the banking situation in the agricultural states is seen in a statement that the banks of the north-west have a percentage of 33.8 per cent of investment securities compared with 19.5 per cent in 1923. The states show these changes: Minnesota on each \$100 of earning assets has increased its securities from 25.4 to 43.5; Wisconsin from 21.8 to 30.4; North Dakota from 6.3 to 14.; South Dakota from 2.2 to 14.3; Montana from 20.5 to 39.1. The Central Western states have made similar change in investments due not alone to the lack of local demand but the conservatism of the country banker who is taking no chances and is keeping his bank in a liquid condition. There is, of course, the argument that home demand should be considered first but where it does not exist in gilt-edged form there is wisdom in placing assets where there is possibility of quick action and where the returns were fairly satisfactory.

Airplane factories are said to be behind with orders. In a year or two the banks may be called on to loan the bright young man enough money to buy a plane just as they have been asked to loan to buy cars. Or we may have financing companies that will arrange installment buying for the flyers.

# LOOKING TO THE EAST

The Chase Securities Company recently opened a branch office in Chicago, under the management of Schuyler B. Terry, a vice president.

The Guaranty Trust Company of New York recently shipped \$500,000 in gold to Buenos Aires on the S. S. Vauban.

Hugh R. Johnston has resigned as treasurer of the Guaranty Trust Company to become vice president and treasurer of the Sterling Securities Company of Jersey City. Mr. Johnston has been employed by the Guaranty Trust Company for the past seventeen years, his first position with the company being that of bookkeeper.

According to a statement issued by the Hanover National Bank for February 28th, the deposits show a large increase over that of March 23, 1927. Total deposits now are \$195,484,730, against \$158,306,837 eleven months earlier.

Charles E. Mitchell, president of the National City Bank, who has been on a three weeks' trip in the South, is now back at his desk.

Directors of the National Park Bank recently declared the regular quarterly dividend of six percent on the capital stock payable April 2nd, to holders of record March 16.

The National City Bank plans within the next few weeks to open a branch office at Varick and Vadam streets near the Hölland Tunnel, thus bringing the number of its branches in Greater New York to Twenty four.

The Guaranty Trust Company has been appointed transfer agent for American depositary receipts of the British-American Tobacco Company, Ltd., and for American depositary receipts of the Imperial Tobacco Company, Ltd.

William T. Gray, account executive for Edwin Bird Wilson, Inc., of New York, recently was awarded fifth national prize of \$1000 and first New York State prize of \$225 in a letter writing contest conducted by laundry owners of the United States.

The Guaranty Trust Company has been appointed registrar in New York for the stock of the L. A. Young Spring and Wire Corp.

The Guaranty Survey, published by the Guaranty Trust Company of New York, deals this month with the stock market situation and says in part: "It was not until the middle of the month that the member banks of the Federal Reserve system of New York City reported an increase of \$50,000,000 in collateral loans to brokers and security dealers, the first advance in five weeks."

The total number of General Motors common and preferred stockholders for the first quarter of 1928 was 72,986, as compared with 66,209 in the fourth quarter of 1927.

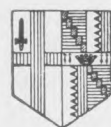
The meeting of the Eastern Regional Conference of Savings Banks under the auspices of the Savings Bank Division of the American Bankers Association, was held in New York City on March 22 and 23, at the Commodore Hotel.

Guaranty Trust Company will be prepared to deliver on and after March 14th at its trust department the following: Danish

Export Credit Committee guaranteed 4½ gold notes, maturing serially from November 1st, 1928 to November 1st, 1934, with the May 1st, 1928 and subsequent coupons attached, against surrender of their trust receipts.

The Chase National Bank announces the following changes in its branches: Robert L. Jones, formerly assistant manager of the Fifth Avenue branch, was appointed manager, and Morley R. Marris, formerly Credit man at the Grand Central Branch, was made assistant manager, succeeding Mr. Jones. Cornelius Van Zwart, formerly Credit man, was made assistant manager of the Metropolitan Branch; Harold F. Moeller, formerly a member of the Branch Administration Division, was made assistant manager of the Seventy-Second street Branch; and W. B. Offutt, formerly assistant manager of the Manhattanville Branch, was transferred to the Columbia Avenue Branch with the same title.

The National Association of Mutual Savings Banks will hold its annual conference at the New Ocean House, Swampscott, Massachusetts on June 13, 14 and 15.



## A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates over 2400 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mawretania*. and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

AMERICAN DEPARTMENT: POULTRY, LONDON, E.C.2

# MIDLAND BANK

LIMITED

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C.2

# OMAHA

### A. I. B. Debate.

The debating team of the Omaha Chapter American Institute of Banking met the Kansas City chapter in debate March 24th, taking the negative side of the question "Resolved, That the Interstate Commerce Commission should take immediate steps to further consolidation of railroad groups within the United States." The Kansas City visitors were the winners on this occasion. Three weeks previous the Omaha team met the St. Paul chapter and debated the same subject, the local team winning. On April 14th the Omaha group will meet the Minneapolis team in debate in Omaha.

### Omaha Banker to Washington.

D. P. Hogan, president of the Federal Land Bank of Omaha, left last month on a ten-day trip to Washington, D. C., to attend a meeting of the finance committee of the twelve land banks of which he is the chairman.

### Group Meetings.

The dates and places of the annual spring group meetings of the Nebraska Bankers Association have been arranged and are announced by the secretary's office as follows:

Group Two, Fremont, April 23rd; Group Three, Norfolk, April 23rd; Group One, Lincoln, May 17th; Group Four, Hastings, June 5th; Group Five, Cozad, June 6th; Group Seven, Scottsbluff, June 7th; Group Six, Chadron, June 8th.

Consecutive dates have been arranged as nearly as possible and following the usual custom a special Pullman will be chartered to make the rounds of the meetings for the benefit of those from Omaha and other points who wish to attend all of the meetings.

### Attend Association Officers Meeting

The annual meeting of the officers



of bankers associations of the central western states was held March 26th and 27th at Columbus, Ohio, and was attended by President C. A. Smith, Chairman of the Council, F. R. Haggart and Secretary Wm. B. Hughes of the Nebraska Bankers Association. They report a very enjoyable and profitable meeting. The Ohio State Association and the Clearing House banks of Columbus jointly entertained the visitors.

### Executive Council Meeting.

The annual spring meeting of the Executive Council of the Nebraska Bankers Association will be held April 17th at the secretary's office in Omaha, at which time a number of important matters will be discussed and the date and place for the annual state convention will be set.

### Omaha Credit Bank Ranks High.

The Omaha Federal Intermediate Credit Bank observed its fifth anniversary March 26th, and according to a statement of Andrew Kopperud, manager, the Omaha institution ranks among the highest of the twelve credit banks of the country with six million dollars outstanding in loans, out of a total of 74 millions loaned by the 12 banks.

In the five years it has been operating, the Omaha bank has advanced to co-operatives approximately four

million dollars. Interest charged on these loans varied from 4½ to 5 per cent, the lower rate now being in force.

### In California.

Walter W. Head, president of the Omaha National Bank, and Mrs. Head, left early in April for a three weeks' sojourn in California.

### Insurance Firm Organized.

The National Progressive Life Insurance Company of Omaha has been organized in Omaha. G. L. E. Klingbeil, former head of the North American National Life Insurance Company, is president of the new company; R. H. Moore, secretary and active manager; C. E. Corey, vice-president; George A. Haslam of Fremont, medical director and Rodney S. Dunlap of Fremont, treasurer and counsel.

### Elected to Board.

An enviable record is held by A. P. Hanson of this city, for thirty-seven years a mail carrier, but who through steady work and conservative living succeeded in building up a fortune of \$50,000. Mr. Hanson was recently elected to the board of directors of the Nebraska Savings and Loan Association, as a living example of what hard work and saving could accomplish.

## U.S. National Bank U.S. Trust Company

OMAHA

"AN UNBROKEN RECORD OF SEVENTY YEARS  
IS A GUARANTEE OF SAFE AND  
SATISFACTORY SERVICE"

### OFFICERS:

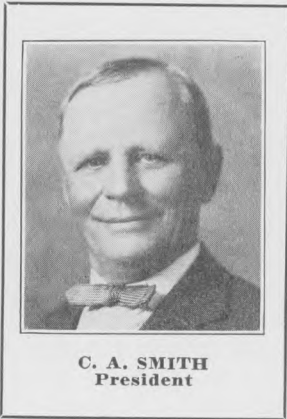
M. T. BARLOW, CHAIRMAN OF THE BOARD  
R. P. MORSMAN, PRESIDENT

G. H. YATES, V. PRES. AND CASHIER  
J. C. MCCLURE, VICE PRESIDENT  
T. F. MURPHY, VICE PRESIDENT  
C. F. BRINKMAN, ASS'T VICE PRESIDENT  
R. R. RAINEY, ASSISTANT CASHIER

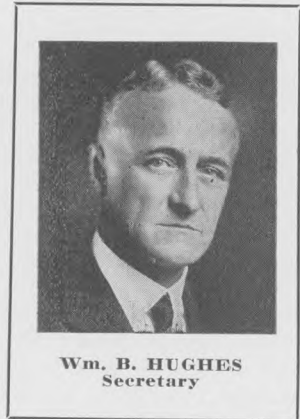
P. B. HENDRICKS, ASSISTANT CASHIER  
H. E. ROGERS, ASSISTANT CASHIER  
E. E. LANDSTROM, ASSISTANT CASHIER  
A. L. VICKERY, ASSISTANT CASHIER  
V. B. CALDWELL, ASSISTANT CASHIER

# NEBRASKA BANK NEWS

OFFICERS AND EXECUTIVE COUNCIL, NEBRASKA BANKERS ASSOCIATION



**C. A. SMITH**  
President



**Wm. B. HUGHES**  
Secretary

**OFFICERS**

C. A. Smith, President, Vice-President Tilden National Bank.....Tilden  
 F. R. Haggart, Chairman Executive Committee, Vice-Pres. St. Paul St. Bank, St. Paul  
 Frank Boyd, Treasurer, Vice-President Omaha National Bank.....Omaha  
 Wm. B. Hughes, Secretary, 908 Woodmen Building.....Omaha  
 J. P. Palmer, General Counsel, Peters Trust Building.....Omaha

**EXECUTIVE COUNCIL—Members for One Year**

Earl C. Burdick, Rep. Group 2.....Vice-President Plateau State Bank, Herman  
 W. W. Hackney, Jr., Rep. Lincoln.....President Central National Bank, Lincoln  
 P. B. Hendricks, Rep. Omaha.....Asst. Cashier U. S. National Bank, Omaha  
 F. R. Haggart, Rep. Group 6.....Vice-President St. Paul State Bank, St. Paul  
 H. C. Peterson, Rep. Group 7.....President Chappel State Bank

**Members for Two Years**

H. A. Cuthmann, Rep. Group 1.....Cashier Bank of Murdock, Murdock  
 Woods Cones, Rep. Group 2.....President Cones State Bank, Pierre  
 J. A. Boyd, Rep. Group 5.....Cashier Farmers State Bank, Kearney  
 C. F. Coffee, Jr., Rep. Group 6.....Vice-President First National Bank, Chadron  
 Frank Boyd, Rep. Omaha.....Vice-President Omaha National Bank, Omaha

**Members for Three Years**

P. R. Easterday, Rep. Lincoln.....Vice-President First National Bank, Lincoln  
 Arthur Jensen, at Large.....Vice-President Minden State Bank, Minden  
 O. A. Riley, Rep. Group 4.....Cashier State Bank of Hastings, Hastings  
 T. H. Pollock, at Large.....Cashier Packers National Bank, Omaha  
 A. L. Coad, Rep. Omaha.....President Farmers State Bank, Plattsmouth  
 A. J. Jorgenson, Rep. Group 7.....President American Bank of Sidney, Sidney

**Herre Resigns.**

**Ainsworth.**—R. M. Herre, vice president of the Citizens State Bank of this city, recently resigned to take up his work as secretary-treasurer of the Nebraska Dairy Development Company.

**Rob Bank.**

**Amherst.**—Robbers recently set fire and destroyed a new school-house to attract the attention of citizens while they robbed the First National Bank of \$2,000.

**W. A. Smith.**

**Beemer.**—William A. Smith, for many years president of the First National Bank of this city, recently died at his home from acute indigestion.

**Bank Being Reorganized.**

**Brunswick.**—The Brunswick State Bank, which has been in the hands

of the Guaranty Fund Commission, is being reorganized by the people of Brunswick, and depositors are waiving their deposits and using the money to capitalize the new bank.

**Takes Over Live Assets.**

**Clearwater.**—The building and all live assets of the State Bank of Clearwater were recently purchased by the Citizens State Bank of Clearwater, and the latter bank has moved into its new building.

**Elected Cashier.**

**Dakin.**—George Apkins was recently appointed cashier of the Jefferson County Bank of this city to succeed the late Frank Denney, who was killed in an automobile accident.

**Bank Opens.**

**Exeter.**—The reorganized Wallace & Co. Bank of this city was opened recently under a National Bank charter, after doing business under the same management as a state bank since 1879. W. P. Wallace is manager of the new institution.

**Bank to Open.**

**Fairfield.**—A new banking institution will open in this city about April 2nd.

**Attend Meeting.**

**Fremont.**—Sixty bankers from Dodge, Washington, Sarpy and Douglas counties attended a meeting of the First District Nebraska Clearing House Association which

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## The First National Bank OF LINCOLN, NEBRASKA

Established 1871

**OFFICERS**

S. H. BURNHAM, Ch. of Board.  
 H. S. FREEMAN, President.  
 P. R. EASTERDAY, Vice-Pres.  
 J. L. BURNHAM, Vice-Pres.  
 W. B. RYONS, Vice-President.  
 B. O. CAMPBELL, Jr., Vice-Pres.  
 LEO J. SCHMITTEL, Cashier.  
 HOWARD FREEMAN, Ass't Cashier.  
 FRED D. STONE, Mgr. Service Dept.

**CAPITAL & SURPLUS**  
 \$1,050,000.00

**ASSETS OVER \$10,000,000.00**

was held March 9 at Fremont. Dan V. Stephens of Fremont presided and it was decided at this meeting to hold quarterly meetings of this organization hereafter for the purpose of discussing ways and means of improving conditions in this territory.

**District Clearing House.**

H. A. Guthmann, vice-president of the Bank of Murdock; A. J. Guendel, president of the Nebraska State Bank of Grand Island, and E. I. Ellis, president First National Bank of Tekamah, have been appointed a committee by President Smith of the Nebraska Bankers Association to promote the newly organized District Clearing House with headquarters at Fremont and other district clearing houses in other districts of the state. The Fremont district takes in five counties and the first meeting was held March 9th with very successful results.

**Douthit Resigns.**

Fullerton.—B. F. Douthit, who for the past several years has been assistant cashier of the Farmers State Bank of this city, recently resigned to accept a position with the Nebraska Loan and Trust Company of Grand Island.

**Plan for New Bank.**

Kearney.—Ever since the failure of the City National Bank of Kearney last summer efforts have been in progress for a reorganization. Seven stockholders of the City National have devoted a great deal of time and now report that more than 50 per cent of the depositors have signed an agreement to waive 6 per cent of their deposits in the bank.

**Bank Opens.**

Laurel.—The Security National Bank opened for business last month with a capital of \$25,000 and surplus of \$5,000. J. J. Delay of Beresford, S. D., is the president; A. A. Soderstrom, cashier, and Earl Shuler, assistant cashier of the institution.

**Wins Promotion.**

Lincoln.—Guy E. Reed, a former University of Nebraska sprint star and for six years connected with the First National Bank previous to his departure for Chicago to accept a position with the Harris Trust & Savings Bank, has recently been elected to the office of vice-president of that bank.

**Organize Union.**

Lincoln.—A group of Nebraska bankers, farmers and business men

recently met in this city and organized the Citizens Bank Guaranty Union which will sponsor an initiated amendment to the Nebraska constitution for the purpose of placing the state's credit behind the receivers' certificates issued by the state bank guaranty fund in financing the payments to depositors of failed state banks.

**F. E. Johnson.**

Lincoln.—Frank E. Johnson, a pioneer resident of Lincoln and vice-president and chairman of the board of directors of the Central National Bank, which he helped to organize in 1907, died here April 3rd at the age of 79. Mr. Johnson was also vice-president of the Federal Trust Company.

**Elect Director.**

Nebraska City.—Otto Schneider was recently made a director of the Nebraska City National Bank, succeeding the late H. D. Wilson. Mr. Schneider, who is cashier of the institution, is also secretary of the board.

**Purchase Opera House.**

Odell.—The old opera house was recently purchased by the Odell



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**OMAHA**

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HOWARD O. WILSON, Cashier

R. H. KROEGER, Asst. Cashier

L. V. PULLIAM, Asst. Cashier

W. S. HOGUE, Asst. Cashier

State Bank and work of wrecking it has begun. The bank will erect a brick building on the site.

#### Spencer Banks Merge.

**Spencer.**—A merger of the Corn Exchange Bank and the Spencer State Bank was effected recently and the new bank will operate under the name of the Spencer State Bank and the business conducted in the building of the latter. Officers are: E. M. Bauman, president; L. L. Cook, vice-president, and L. J. Sims, cashier.

#### Banks Consolidate.

**Stamford.**—The Stamford Bank of this city recently took over the Commercial State Bank here. The capital stock of the institution has been increased from \$25,000 to \$30,000.

#### Bank Reorganized.

**Surprise.**—A reorganization of the State Bank of Surprise was effected recently when an entirely new capital stock was subscribed by local men and the bank's worthless paper was eliminated. The following are the new directors: W. H. Greenslit, Paul G. Lehr, J. G. Poe, P. J. Janak and C. J. Hanner.

## SOUTH DAKOTA

#### Smiley Resigns.

**Alexandria.**—G. S. Smiley recently resigned as cashier of the Security National Bank of this city, and the directors elected W. S. King to succeed him.

#### Soderstorm Resigns.

**Beresford.**—A. A. Soderstorm, who has been associated with the First National Bank of this city and formerly with the old American State Bank, recently tendered his resignation. Mr. Soderstorm plans to leave at once for Laurel where he has opened the Security National Bank.

#### Bank Opens.

**Brookings.**—The new Brookings National Bank opened for business on March 1st with a capital stock of \$50,000. The bank occupies the building formerly owned by the First National Bank. Officers are: James Grady, president; Philip Hall and C. A. Skinner, vice presidents, and E. R. Johnson, cashier.

#### Fills Vacancy.

**Hermosa.**—At a directors meet-

ing of the Hermosa State Bank, Andrew Hanson was elected president to fill the vacancy caused by the death of Peter Duhamel. Mr. J. Everley is vice president.

#### New Cashier Appointed.

**Oldham.**—F. F. Phillippi, who has been in charge of the closed De Smet National Bank of De Smet, recently accepted the cashiership of the Oldham National Bank of this city.

#### To Have New Home.

**Sioux Falls.**—The Minnehaha National Bank of this city recently completed negotiations whereby it became the owner of the E. L. Smith building on Phillips avenue. The bank plans to move into its new home soon. This is the oldest bank in Minnehaha county, having been established in 1885.

Directors and officers of the institution are: W. L. Baker, president; Max A. Kuehn, vice president; Ira A. Moore, vice president; B. H. ReQua, cashier; C. D. Rowley, assistant cashier; H. L. Jones, assistant cashier; E. W. Fisle, Martin J. Kuehn, John P. Blegg, Fred W. Taylor, Louis Caille and G. T. Blackman.



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## STOCK YARDS NATIONAL BANK OF SOUTH OMAHA

#### OFFICERS

FORD E. HOVEY, Pres.  
JAS. B. OWEN, Vice-Pres. L. K. MOORE, Asst. to Pres.  
F. J. ENERSON, Vice-Pres. H. C. MILLER, Asst. Cash.  
W. L. PIER, Vice-Pres. C. L. OWEN, Asst. Cash.  
W. H. DRESSLER, Cashier T. G. BOGGS, Auditor



# Bank Merger at Lincoln

Consolidation of First National and City National Banks into \$15,000,000 Institution

One of the most important financial deals ever transacted in Lincoln was consummated April 2nd with the merging of the City National Bank and the First National Bank, the institution continuing to operate under the name of the latter. Several million dollars are involved in the deal, as the assets of the City National at its last statement date were in excess of \$4,000,000, and those of the First National over \$11,000,000, making a combined total for the new organization of over \$15,000,000. The capital stock of the First National will be increased to \$800,000 to provide for the new stockholders, and the surplus and undivided profits will be \$300,000. The merger did not come as a surprise to local citizens as it was known that the matter had been under consideration for some time. The First National Bank, which has been in business for over fifty-seven years, has had the same managing officers for nearly thirty years. S. H. Burnham is president, P. R. Easterday, H. S. Freeman and J. L. Burnham, vice-presidents; W. B. Ryons, cashier; B. O. Campbell and L. J. Schmittel, assistant cashiers. Stanley Maley, who has been vice-president and managing officer of the City National Bank, and E. H. Mullooney, former cashier of that institution, and other members of the staff have become associated with the merged institution and will look after the needs of their old friends and customers.

The March 10 report of the two banks showed that the First National Bank had deposits of \$9,923,000 and loans of \$5,175,000, while the City National had deposits of \$3,754,000 and loans of \$2,298,000.

The First National Bank is the oldest financial institution in the city, having been organized in 1871, a nationalization of the old Cobb & Sudduth private bank. Amasa Cobb, later chief justice of the supreme court, was the first president and J. F. Sudduth the first cashier. John

Fitzgerald and John R. Clark afterwards became associated with the bank as president and cashier respectively. In 1899 the bank was merged with the American Exchange National Bank and S. H. Burnham became president. The City National Bank was organized in 1901 by W. T. Auld and J. H.

Auld, W. T. Auld later selling his interests to L. S. Howey, who became president. A little over a year ago the original City National Bank was reorganized under the name of the City National Bank in Lincoln with practically the same men in charge, with the addition of Charles A. McCloud as president.

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# SAINT JOSEPH

## Serious Yet Fortunate Accident.

E. H. Zimmerman, vice-president of the Tootle-Lacy National Bank, returned to his desk on April 10th, after having spent a little more than a week recuperating from injuries received in an automobile accident on the St. Joseph-Atchison highway.

Mr. and Mrs. Zimmerman had accepted the invitation of friends to drive to Atchison in the evening. The party had dinner in Atchison and were returning about nine o'clock in the evening when the driver observed directly in the path of the car, a boy riding a bicycle upon which no light was displayed. In an effort to avoid hitting the boy the car was run off the pavement where it encountered some obstacle which resulted in overturning it. Its seven occupants were all thrown clear of the car and by good fortune all avoided contact with either the fence or telephone poles and alighted in a wheat field, the surface of which, by comparison, with the road at least, was distinctly soft. No one was believed to be seriously injured, although all were bruised and badly shaken. At last reports Mrs. Zimmerman had not yet been discharged from the hospital, but her condition was not believed to be serious.

## Snyder Again to Visit Banks.

R. W. Snyder, cashier of the St. Joseph Stock Yards Bank, has so long made it a practice to utilize a considerable part of the summer months, ordinarily thought of more or less as vacation months, in calling on banks within the St. Joseph territory, that his visits have come to be looked forward to, both by himself and by the customers and friends of his institution. Few are the bankers within that wide area of which St. Joseph is the trade center, who do not know Mr. Snyder personally and well and to whom his annual visits are not pleasant occasions. Mr. Snyder is now preparing for his usual "summer tour."

## On Short Vacation Trip.

Henry Krug, Jr., chairman of the board of the American National Bank, with Mrs. Krug spent a week in Chicago recently, where they went largely as a matter of pleasure and recreation. Of course Mr. Krug took advantage of the opportunity to renew his

acquaintance with the bankers of the "windy city" and otherwise to mix a bit of business with pleasure en route.

## To Seattle Convention.

R. R. Ridge, vice-president of the First National Bank, who is also president of the St. Joseph Association of Credit Men, has recently been selected as the delegate of the latter organization to the convention of the National Credit Men's Association to be held in Seattle on June 11th. Mr. Ridge is also a member of the Robert Morris Associates, an organization of bank officers affiliated with the National Credit Men's Association. This organization holds its annual convention in Seattle concurrently with that of the National Credit Men's Association. Mr. Ridge will attend both gatherings.

## Another Record in Prospect.

Each of the past four years has proved to be a "record" year in receipts of sheep at the St. Joseph Stock

Yards. 1928 is still "young," but the first three months of the year have made a liberal contribution toward a new record for this year—and toward the continuance of the pace of "each year larger than its predecessor," which now has been maintained four years.

Sheep receipts for March totalled 164,637 head—22,569 above the receipts of March, 1927. This brings the total for the first three months of the year to 463,242, which is 104,966 in excess of the figure for the corresponding period of 1927.

All other forms of live stock, save cattle, have come in larger numbers thus far this year than during the corresponding period of last. The increase in hogs amounted to 123,326 head and in horses and mules to 2,137. The increase in car lot shipments aggregates 512, while the number being brought in by trucks has shown very marked increase, amounting in the case of hogs to more than 100%.



## STRATEGY

The St. Joseph market is one of the strategic points where it is highly desirable for your bank to have a dependable connection.

And in St. Joseph this bank occupies a strategic location, right at the Stock Yards and next door to the Post Office—and has developed a Correspondence and Transit Service that is known far and wide.

Route your St. Joseph items this way!

## ST. JOSEPH STOCK YARDS BANK

SOUTH ST. JOSEPH, MISSOURI

"THE ONLY BANK IN THE STOCK YARDS"

# IOWA

## New Bank Opens.

**Algona.**—The new Iowa State Bank recently opened in the former home of the Algona State Bank, and on the first day received nearly \$120,000 deposits and opened 115 new accounts. Roses and cigars were handed out to the visitors.

## Receives Appointment.

**Cedar Falls.**—Donald T. Eells, assistant cashier of the Security Trust and Savings Bank here for the past nine years, recently received appointment as examiner for the Federal Farm Loan board. Mr. Eells will be assigned to District No. 8, which includes the states of Iowa, South Dakota, Nebraska and Wyoming.

## Building Remodeled.

**Centerville.**—The First National Bank building is undergoing a complete remodeling. The floor is to be lowered, the building to be made longer and a mezzanine floor is to be added.

## County Bankers Elect.

**Charles City.**—At a meeting of the Floyd County Bankers Association held in this city recently, H. M. Walliser, vice president of the Security Trust and Savings Bank, was elected president. Other officers are: R. B. Reis, cashier of the Marble Rock State Bank, vice president; Merten Klaus, assistant cashier of the First National Bank, Charles City, secretary and H. J. Thompson, cashier of the First National Bank of Floyd, treasurer.

## Building Redecorated.

**Clear Lake.**—The building housing the Cerro Gordo State Bank is undergoing a complete redecoration. The walls are being repainted and the woodwork is being varnished.

## Otto Eckhardt.

**Davenport.**—Otto Eckhardt, former cashier of the Security Savings Bank of this city which closed some time ago, recently died at his home here.

## M. E. Jones.

**Denison.**—Marcus E. Jones, who has been cashier of the Crawford County State Bank for the past forty years, recently died after hav-

ing been in ill health for over a year.

## Andereck Promoted.

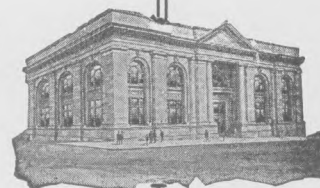
**Des Moines.**—Leland J. Andereck, assistant cashier of the Des Moines National Bank, was recently promoted to vice president and manager of the bond department of the bank. Mr. Andereck

succeeds D. J. McMurray, who resigned.

## Attend Meeting.

**Des Moines.**—L. A. Andrew, state superintendent of banking; George J. Shaller, of Storm Lake, president and Frank Warner, of Des Moines, secretary, respectively of the Iowa Bankers Association with others

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Third of a  
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to Bankers



—and the distinction of being Northwest Missouri's outstanding financial institution, this bank solicits your business in the St. Joseph territory.

## First National Bank

Felix at Fourth

SAINT JOSEPH, MISSOURI

Capital and Surplus \$800,000

*The Strongest Capitalized Bank in the state  
outside of St. Louis and Kansas City*

recently attended a regional meeting of the clearing house and state bank sections of the American Bankers Association in Kansas City. Mr. Andrew is president of the State Bank section.

#### Fills Vacancy.

**Dows.**—Dr. J. C. Powers of Hampton, was recently elected president of the Farmers State Bank of this city, thus filling the vacancy caused by the recent death of Dr. C. F. Osborne.

#### Merger Completed.

**Dysart.**—The merger of the two Dysart Banks, the Savings and the National, was completed recently and the new National Bank of Dysart has opened for business.

#### Farmers and Bankers Meet.

**Greenfield.**—A farmer-banker meeting was held here recently at the Hotel Greenfield, at which time a large number of both Farmers and Bankers were present. A banquet was served after the business meeting which was arranged by D. O. Walsworth, president of the Adair County Bankers Association. The purpose of this meeting was to discuss better cooperation between farmers and bankers.

#### G. W. Cook.

**Guthrie Center.**—George W. Cook, vice president of the First National Bank, and a resident of this city for the past forty-four years, recently died at his home here. Mr. Cook was 63 years of age at the time of his death.

#### Independence Banks Merge.

**Independence.**—The merger of the Peoples National and the First National Banks into the Buchanan National Bank, was completed recently. The Peoples National Bank was organized in 1874 with a capital stock of \$33,830. The First National Bank was organized in 1864 and began business in 1865.

#### Celebrates Anniversary.

**Logan.**—The First National Bank of this city recently celebrated its fortieth anniversary. During all of this time it has been in the hands of one family. This institution was organized in 1888 by John W. Wood and Sons and is today officered as follows: C. N. Wood, president; E. J. Wood, vice president; B. J. Wood cashier, with Frank O. Wood as one of the directors. All these men are sons of the late John W. Wood, the founder.

#### E. L. Crow.

**Mapleton.**—E. L. Crow, vice president of the First State Bank of this city, aged 76 years, recently died here following an illness of three years.

#### Bank Re-Incorporated.

**Maxwell.**—The Peoples State Bank of this city which was organized twenty years ago, was re-incorporated recently. Officers are: Harding Witmer, president; W. J. Hartung, vice president; O. W. Parker cashier, and Ernest L. Wood, assistant cashier.

#### Articles Filed.

**Randall.**—Articles of incorporation for the Randall State Bank were recently filed. The capital stock of this corporation is \$25,000 and officers are as follows: Wm. H. Willson, president; Martin Olsen, vice president, and J. H. Brecken, cashier.

#### Changes Made.

**Redding.**—The directors of the Union Savings Bank of this city held special meeting recently, at which time Roy Lee resigned as cashier of the institution, and D. M. Rich was chosen to succeed him. Other officers remain as follows: Ralph Smith, president; Dr. O. L. Fullerton, vice president, and Thomas J. Stephens, Jr., assistant cashier.

#### Riverside Bank to Open.

**Riverside.**—The new Peoples Trust and Savings Bank just organ-

ized is to open for business soon, according to the officers of the new institution. A deal for the old First State bank building was completed some time ago and the new institution will have this building as its home.

#### Organizing Bank.

**Renwick.**—Organization of the new bank, which takes the place of First National and the State Bank of Renwick which closed some time ago, has been about perfected. The bank will have a capital stock of \$25,000, and officers are as follows: C. B. Smeltzer, president; M. Babler, vice president, and D. B. Christenson, cashier.

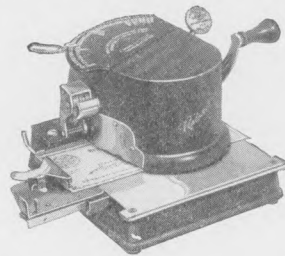
#### Select Officers.

**Schaller.**—At the regular annual meeting of the Sac County Bankers Association held in this city recently, election of officers resulted in the selection of the following: C. W. Brimhall, cashier of the Schaller Savings Bank, president; Ross Sifford, cashier of the Farmers State Bank, Wall Lake, vice president; M. E. Currie, cashier of the State Bank of Schaller, secretary and Ray Stevens, cashier of the Early Savings Bank, Early, treasurer.

#### Disposes of Stock.

**Sheffield.**—F. D. Williams has disposed of his interests in the First National Bank of this city to R. G. Wolf. Mr. Williams has been elected cashier of the Iowa State

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622 BRYANT BLDG.  
KANSAS CITY, MO.

*Local Distributors Wanted*

Bank, a new institution in the process of organization at Algonia.

**Heads Aurora Bank.**

**Sioux City.**—Verne C. Bonesteel, vice president of the Security National Bank of this city, was recently elected president of the American National Bank of Aurora, Ill.

**Building to be Remodeled.**

**Spirit Lake.**—A contract for rebuilding and remodeling the building housing the First National Bank which was damaged by fire in December, was recently let and plans are now being completed for erecting the structure.

**New Directors Elected.**

**Stockport.**—The stockholders of the new bank met in the city hall recently and elected a board of seven directors as follows: M. M. Russell, P. E. Smith, E. S. McChord, J. McKisling, W. C. Lane, B. M. Morrison and Sam Watkins. Mr. Watkins will be cashier of the institution, which will be called the Iowa State Bank.

**Fill Vacancies.**

**Vinton.**—A. H. Ellis, son of the late W. C. Ellis, was recently elected vice president and manager of the Farmers National Bank of this city. Hays Main, who has been employed in the bank for a number of years, was elected an assistant cashier.

**C. F. Emler.**

**Walcott.**—Charles F. Emler, former cashier of the Farmers Savings Bank of this city, recently died at the hospital here following an operation. Mr. Emler was one of the organizers of the Farmers Savings Bank here and served in the capacity of cashier for 16 years. He was 68 years of age at the time of his death.

**E. I. Johnson.**

**Williams.**—Everett I. Johnson, a pioneer citizen of Williams, Iowa, recently died in California at the home of his daughter. At the time of his death Mr. Johnson was president of the State Bank of Williams, although for the past several months he had not been active.

**MINNESOTA**

**Receives Appointment.**

**Albert Lea.**—A. C. Erickson, president of the Albert Lea State Bank of this city, recently received the appointment as an official ar-

bitrator on the national panel of the American Arbitration Association.

**Change in Officers.**

**Austin.**—A change was recently made in the personnel of the Farmers and Merchants State Bank of this city. Two new vice presidents succeed Claude Spieker, both gentlemen having purchased an interest in the institution. Mr. Spieker plans to devote his entire attention to his private business interests.

**Robert Keyes.**

**Deerwood.**—Robert Keyes, president of the First National Bank


here for the past five years, recently died as a result of heart disease. He was 46 years of age.

**Effect Consolidation.**

**Eyota.**—The Citizens State and the Farmers State Banks, were recently consolidated and will hereafter operate under the name of the latter.

**Shandorf Resigns.**

**Faribault.**—L. F. Shandorf, cashier of the Farmers and Merchants State Bank of this city for the past twenty-two years, recently resigned. A. W. Lapeska, who has been assistant cashier of the institution for



**CONSTRUCTIVELY CONSERVATIVE**

FOR THIRTY-NINE YEARS this bank has served an ever-widening circle of satisfied customers. Its business has been builded on a foundation of constructive conservatism. Its policy is to practice the fundamental virtues of sound banking. On the basis of its traditions it solicits the accounts of banks in this territory.

*The*

**TOOTLE-LACY NATIONAL BANK**  
of SAINT JOSEPH, MISSOURI

the past six years, succeeds to the cashiership.

L. K. Thompson of Owatonna has been elected a teller of this institution. Francis Vogelsburg succeeds Mr. Lepeska.

#### George Hathaway.

**Ishpeming.**—George Hathaway, cashier of the Miners National Bank of this city, recently died at his home after having been ill with pneumonia for the past week. Mr. Hathaway was one of the best known bankers in this section, and at the time of his death was 57 years of age.

#### Town to Get New Bank.

**Morristown.**—The State Bank of Morristown is to open here soon, taking the place of the Farmers State Bank, recently closed. W. W. Pye, president of the State Bank of Northfield and at one time vice president of the State Bank of Webster, will be president of the new concern.

#### Miller Resigns.

**South St. Paul.**—Warren Miller, vice president of the Drovers State Bank and connected with this institution for the past eight years, recently resigned to practice law.

#### Joins Land Bank.

**Spring Valley.**—Harry H. Steffens was recently notified of his appointment as examiner with the Federal Land Bank of St. Paul. Mr. Steffens was former cashier of the Farmers State Bank of this city.

## WISCONSIN

**Alma.**—At the annual meeting of the stockholders of the American Bank of this city, the capital stock of the institution was increased from \$25,000 to \$50,000. The election of officers resulted in the selection of the following: Charles A. Kirchner, president; Valentine Thoeny, vice president and Willard Kirchner, son of the president, cashier.

#### Bruce Bank Organized.

**Bruce.**—The Bruce State Bank was organized recently with a capital of \$15,000 and surplus of \$3,000. Officers are: M. P. McNally, New Richmond, president; A. C. Schultz, Bruce, vice president, and G. E. Mulrooney, New Richmond, cashier.

#### Bankers Hold Meeting.

**Chilton.**—The Calumet County Bankers Association recently held a meeting and banquet at the Hotel

Chilton, at which time nearly every bank in the county was represented. Elwyn N. Evans, of the First Wisconsin Trust Company of Milwaukee, was the principal speaker. His address was on insurance trusts.

#### Becomes President.

**Chippewa Falls.**—A. A. McDonnel, vice president, was recently made president of the Lumberman's National Bank of this city, to succeed the late S. B. Nimmons.

#### Purchase Interest.

**Coloma.**—Alan A. Gibbs, who has been connected with the Bank of Hancock for the past sixteen years, recently purchased the interests held by H. L. Rehkamp in the Coloma State Bank of this city, and has succeeded Mr. Rehkamp as cashier.

#### Edminster Resigns.

**Cornell.**—A. J. Edminster, who has been president of the State Bank of Cornell since its founding a number of years ago, recently resigned. A. L. Fox, local real estate man, has been elected to the vacancy caused by the resignation of Mr. Edminster. W. C. Stoll, a retired farmer, has also been elected a vice president of the institution.

#### Resign.

**De Forest.**—Mr. and Mrs. C. B. Smith, respectively cashier and assistant cashier of the Bank of De Forest for the past five years, recently resigned to accept similar positions with a Milwaukee bank.

#### Heads Bank.

**Horicon.**—William Firehammer, vice president, was recently elected president of the First National Bank of this city, at a recent meeting of the directors, the vacancy being caused by the recent death of Miles J. Pluck.

#### Resigns Vice Presidency.

**Eagle River.**—A. H. Stange of Merrill, recently resigned as vice president of the First National Bank here. Judge Alex Higgins was elected to succeed to the position.

#### New Cashier.

**Kaukauna.**—Charles D. Towsley, son of the late F. A. Towsley, former cashier of the Bank of Kaukauna, was recently elected cashier of the institution succeeding his father. The new cashier has been identified with this institution for the past twenty-four years.

#### Bank Holds Opening.

**Kenosha.**—The United States National Bank recently held a formal opening of its new banking and office building, at which time the officers of the institution entertained at an elaborate dinner, their banking friends of the state. This new building is an eight story structure, the first floor and basement occupied by the bank and floor above by offices.

#### Promoted.

**La Crosse.**—At a meeting of the directors of the National Bank of La Crosse, I. E. Ruggels, former assistant cashier was promoted to the cashiership of the institution succeeding the late Joseph F. Bartl.

#### Opens Trust Department.

**Madison.**—The Security State Bank of this city recently established a trust department and is now empowered to act as administrator or executor of estates, trustee, guardian, or agent in any fiduciary capacity.

#### County Bankers' Banquet.

**Monroe.**—A banquet and dance were given by the members of the Green County Bankers Association at Monroe on February 9th, at the Swiss room of the Eugene Hotel.

## NATIONAL BANK OF COMMERCE

LINCOLN, NEBRASKA

CARL WEIL, Vice-President  
BYRON DUNN, Cashier  
Capital \$300,000.00

M. WEIL, President

ERNEST C. FOLSOM, Vice-President

B. G. CLARK, Ass't Cashier

Surplus \$100,000

Undivided Profits \$100,000

## The Stock Yards National Bank

KANSAS CITY STOCK YARDS, KANSAS CITY, MO.

Capital, Surplus and Profits, \$500,000.00

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E. B. Bradbury, Vice-President

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**SUPERIOR TRANSIT SERVICE**

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There are no avoidable  
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your outside items through

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Kansas City

# ILLINOIS

## New Cashier.

**Aledo.**—E. R. Petrie, who has been a state bank examiner for the past seven years, was recently elected cashier of the Aledo State Bank of this city, succeeding the late I. C. Johnston. Mr. Petrie was formerly connected with this bank prior to his becoming an examiner in 1921.

## J. R. Beggs.

**Arcola.**—J. R. Beggs, for the past thirty-three years president of the First National Bank of Arcola, recently died at his home here. Mr. Beggs entered the employ of the First National Bank forty years ago and served in all positions.

## Bank to Open.

**Astoria.**—The Peoples State Bank of this city is to open here soon with the following directors: George Elden, president; David Geiman, vice-president, and W. R. Davis, cashier. The following comprise the board of directors: George Elden, Joel Onion, William Tregalles, Dave Gieman and R. C. Johnson.

## Fills Vacancy.

**Carrollton.**—C. H. Eldred, who has been assistant cashier of the Carrollton Bank of this city for the past few years, was recently promoted to the cashiership of the institution. Mr. Eldred succeeds the late John L. Eldred, whose death occurred some time ago.

## Increases Capital.

**Chicago.**—The Ridgeway State Bank of this city recently announced that the capital stock of the institution had been increased from \$100,000 to \$200,000. At the same time the surplus was increased from \$20,000 to \$35,000.

## Becomes Vice-President.

**Chicago.**—C. A. Beutel, who has been cashier of the Bank of America for some time, has also been elected vice-president of the institution.

## Banks to Merge.

**Chicago.**—The Humboldt State Bank will soon take over the business of the Keystone State Bank, according to an announcement made by Chilton C. Collins, president of the Humboldt Bank. The capital of the new institution will be increased from \$300,000 to \$500,000.

## ILLINOIS BANKERS ASSOCIATION

### President

J. M. Appel.....Highland Park

### Vice President

Omar H. Wright.....Belvidere

### Treasurer

J. H. Crocker.....Maroa

### Secretary

M. A. Graettinger.....Chicago

## Banks Merge.

**Chicago.**—The National Bank of Commerce and the Chicago Trust Company recently merged under the latter name, and opened for business in the new quarters at Clark and Monroe streets. Officers of the National Bank of Commerce have assumed their new posts in the Chicago Trust Company. Edwin L. Wagner, who was head of the National Bank, is now vice president and a director of the merged institution; Ralph N. Ballou, vice president and cashier, is a vice president, and Lee A. King, assistant cashier, retains the same position in the new bank. This merger gives the Chicago Trust Company total resources of approximately \$44,000,000.

## Banks to Merge.

**Chicago.**—Negotiations have been concluded for the merger of the North Park Trust and Savings Bank with the Albany Park National Bank, the future name of the

institution to be the Albany Park National Bank and Trust Company. Officers will be: Murray MacLeod, president; Thomas C. Johnson, G. C. Lowe, Frank Camp and E. C. Nagel, vice presidents, and J. H. Jeffries, cashier. The Albany Park National Bank is a member of the Federal Reserve System, was organized in 1920 and has been under the same management since.

## Bank to Open.

**Clayton.**—A new bank will open in this city soon under the name of the Clayton State Bank, with a capital stock of \$30,000. It will occupy the building of the former Exchange Bank which was merged with another bank some time ago. Walter H. Craig will be cashier of the new concern.

## County Bankers Meet.

**Columbia.**—H. N. Kunz, cashier of the First National Bank of this city, was recently elected president of the Monroe County Bankers Association; Philip Klein, cashier of the Farmers State Bank, Valmeyer, vice-president; Jacob F. Schmidt, cashier of the First National Bank, Waterloo, secretary, and Russell Gregson, treasurer.

## Purchases Interest.

**Forrest.**—B. J. Shaver recently

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**FIRST TRUST AND  
SAVINGS BANK**

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\$ 450,000,000.00

Frank O. Wetmore, Chairman  
Melvin A. Taylor, President



purchased the B. C. Miller stock in the First State Bank of this city.

#### To Enlarge Rooms.

**Galesburg.**—Officers of the Galesburg National Bank and of the First National Bank are making plans for extensive alterations and changes in the banking rooms of the present Galesburg National Bank so as to house the business of the merged banks when the consolidation is perfected and the two banks become the First Galesburg National Bank and Trust Company.

#### Merger Completed.

**Galesburg.**—The Knox County State Bank was recently absorbed by the Farmers National Bank, both of this city. The latter institution was organized in 1865 and the former in 1903.

#### Bank Sold.

**Havana.**—The Farmers State Bank of this city was recently sold to a new organization consisting of men living in and near this city.

#### New Bank Opened.

**Kewanee.**—On March 1st the Peoples State Savings Bank of this city, an outgrowth of the defunct Savings Bank of Kewanee which closed in September, opened its doors for business. Officers are: Charles D. Terry, president; James H. Andrews, vice-president; Sam. M. Cox, vice-president; J. N. Gamble, vice-president, and Charles S. Eastman, cashier.

#### E. G. Baltz.

**Madison.**—Elmer G. Baltz, 36 years of age, cashier of the First National Bank of this city, was recently shot to death by robbers who escaped with nearly \$25,000.

#### Bank on R. of H.

**Quamba.**—At the annual meeting of the stockholders of the Quamba State Bank, held recently, the surplus was increased \$2,000 out of the bank's earnings, thus making a total surplus of \$20,000 and qualifying it as a Roll of Honor bank. The usual dividend was also declared to stockholders. Officers were re-elected for the ensuing year as follows: Frank P. Powers, president; Otto Allman, vice president, and Mary R. Powers, cashier.

#### To Have New Building.

**River Forest.**—An announcement was recently made by the officials of the River Forest State Bank to the

effect that work would begin soon on a new home for this institution, to be located at Lake street and Franklin avenue. The new building will cost approximately \$100,000.

#### Building Damaged.

**Rochelle.**—Fire of unknown origin recently damaged the building housing the Rochelle Trust & Savings Bank here, the amount of which was estimated at between \$15,000 and \$20,000.

#### O. W. Walker.

**Shelbyville.**—Ora W. Walker, president of the Shelby County

State Bank of this city, died at his home recently. Mr. Walker had been connected with this institution since 1895, when he accepted the cashiership.

#### A. I. B. Chapter to New Building.

The New York chapter of the American Institute of Banking recently opened its new quarters in the Graybar building. Thirty-nine courses in business, economics, banking and foreign and domestic trade are offered during the winter session. This is the twenty-seventh year of this chapter.

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NATIONAL BANK  
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OF CHICAGO**

## WYOMING

### New Assistant.

**Casper.**—P. W. Comer recently accepted the assistant cashiership of the Stockmen's Bank here, after having spent the last ten years with the Kemmerer Savings Bank, of Kemmerer.

### Dickenson Resigns.

**Cheyenne.**—C. F. Dickenson, deputy state bank examiner, recently resigned and Earl Banks of Sundance was appointed to succeed him.

### Organize Trust Office.

**Cheyenne.**—A rapid increase in the amount of trust business has moved the board of directors of the Stock Growers National Bank of this city to create a trust department, with J. M. Garrett in charge. This department will act as an executor of wills, administrator of estates, guardian, etc.

### H. T. Blackburn.

**Douglas.**—Harry T. Blackburn, one of the organizers of the Maverick Bank, one of the first to be formed in Eastern Wyoming, recently died in California.

### Stock Given as Dividends.

**Kemmerer.**—The First National Bank of Kemmerer recently increased its capital stock from \$100,000 to \$150,000. The additional stock was distributed to stockholders as a dividend. The First National Bank was organized and opened for business in July 1900. It was capitalized at \$25,000. Two of the original directors are still members, P. J. Quealy and Arthur Robinson. R. A. Mason, vice president of the institution, has been connected with the bank since 1901.

### R. H. Homer.

**Laramie.**—Robert H. Homer, president of the Albany National Bank here, recently died in San Diego, Calif., at the age of 78 years. Mr. Homer assisted in the incorporation of the Laramie National Bank, and was at one time president of the Wyoming Bank here, both of which have since been consolidated with the First National Bank of Laramie. Mr. Homer became president of the Albany National in 1901 and has retained this position since that time.

### To Organize New Bank.

**Parco.**—Organization of the Parco State Bank, which in the near future will purchase and take

over the business of the First National Bank of Parco, was recently announced by State Examiner A. L. Putnam, at Cheyenne. The new bank will be capitalized at \$15,000, and the stockholders will include J. E. Cosgriff, now president of the Continental National Bank, Salt Lake City, Utah; George A. Bible, cashier of the First National Bank, Rawlins; R. D. Newell, assistant cashier of the First National Bank, Rawlins, and Joseph E. Kierney and Thomas Weadick, of Parco. The ownership of the First National Bank here recently passed from F. E. Kistler, P. J. Quealy and associates to owners of the First National Bank of Rawlins.

### Automatic Machine Installed.

**Rawlins.**—An automatic book-keeping machine has been installed by the First National Bank of this city. It was purchased in order to speed up the handling of the bank's commercial business, which has been increasing for some time.

### Fair Elected Vice President.

**Sheridan.**—W. E. Fair, at present cashier of the American National Bank of Cheyenne, recently accepted the position of vice president of the Bank of Commerce, at a meeting of the board of directors of that institution. Mr. Fair succeeds to the position formerly occupied by E. B. Allen, who assumes the presidency of the bank. Mr. Fair will not be a new comer to the city, having been active in the Bank of Commerce during the years 1907 to 1914. After leaving the Bank of Commerce he was made an assistant state bank examiner, in which capacity he remained for a couple of years, and then became a national bank examiner. When the American National Bank at Cheyenne was organized in 1919, Mr. Fair became cashier of the institution, and has continued in that position up to the present time. C. R. Massey, former president of the Bank of Commerce for the past twenty-four years, resigned. Mr. Fair was also made a member of the board of directors.

### To Retire.

**Sheridan.**—After 21 years as an officer of the Bank of Commerce here, C. R. Massey, president of the institution, recently announced that on January 1st he would retire. Erle B. Allen, vice president, has been elected by the board of directors to succeed Mr. Massey. Mr. Allen was connected with the State Bank of Sheridan, which concern

was consolidated with the Bank of Commerce in 1903. Other officers are Guy Sturgeon, cashier; B. G. McKeen and Carrol R. Thorn, assistant cashiers. A vice president will be chosen later to fill the vacancy left by the promotion of Mr. Allen.

### New Bank Formed.

**Sheridan.**—An announcement was made recently of the organization of the Sheridan Trust and Savings Bank to take over the control of the Sheridan National Bank here. The new concern has a capital of \$173,400. A. K. Craig, president of the Sheridan National, becomes president of the new institution. Other officers are: Carl L. Sackett and Clarence Wulfjen, vice presidents and A. J. Ham, cashier.

### To Remodel Building.

**Torrington.**—Vic Ellis, cashier of the Goshen County Bank, recently announced that work would begin soon on the remodeling of the old First National Bank building into a modern store building.

### STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

Of Central Western Banker, published monthly at Omaha, Nebraska, for April 1, 1928.  
State of Missouri  
County of Jackson  
SS.

Before me, a Notary Public, in and for the state and county aforesaid, personally appeared L. B. McBride, who having been duly sworn according to law, deposes and says that he is the Editor of the Central Western Banker, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation, etc.) of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor and business manager are:  
Publisher, Central Western Publishing Co., Omaha, Neb., and Kansas City, Mo.  
Editor, L. B. McBride, 919 Baltimore Ave., Kansas City, Mo.

Managing Editor, none.  
Business Manager, R. A. Tunberg, 416 Arthur Bldg., Omaha, Neb.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other incorporated concern, its name and address, as well as those of each individual member, must be given.)

Central Western Publishing Co., a corporation, 416 Arthur Bldg., Omaha, Neb., and 919 Baltimore Ave., Kansas City, Mo., whose stockholders are: C. C. Jones and Mrs. C. C. Jones, 3222 Victor St., Kansas City Mo.; L. B. McBride and Mrs. L. B. McBride, 639 West 59th St., Kansas City Mo.; Ruth Gehring, 6501 Peery Ave., Kansas City, Mo.; Chas. E. Burke and Mrs. Chas. E. Burke, 4016 Sheridan Road, Chicago, Ill.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of the total amount of bonds, mortgages, or other securities are (If there are none, so state): None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe any other person, association, or corporation has any interest direct or indirect in said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is: (this information is required from daily publications only).

(Signed) L. B. McBRIDE,  
Editor.

Sworn to and subscribed before me this 9th day of April, 1928.

(Signed) H. S. GIBSON,  
Notary Public.

(SEAL)  
My commission expires Nov. 15, 1930.

## TIDINGS FROM THE WEST

## COLORADO

**10 Per Cent Dividend.**

**Aguilar.**—N. B. Cook, special deputy bank commissioner in charge of the affairs of the First State Bank of this city, recently announced that depositors would receive a 10 per cent dividend soon.

**Kinsey Resigns.**

**Brighton.**—Guy B. Kinsey recently resigned as cashier of the First National Bank of this city, and has become vice president of the American State Bank of Brighton. Mr. Kinsey had been connected with the First National for the past thirty years.

**Deposits Increase.**

**Colorado Springs.**—Bank deposits in this city showed a heavy increase over the same period last year, according to reports issued by the local banks as of February 28th.

**Pay Dividend.**

**Crawford.**—A 25 per cent dividend, the largest ever declared by that institution, was recently paid out to the stockholders of the Crawford State Bank of this city. Officers of the institution are: W. B. Roe, president and L. J. Savage, cashier.

**Buys Austin Bank.**

**Delta.**—A deal of considerable importance was recently closed when the Colorado Bank and Trust Company of this city purchased certain of the assets and assumed the deposit liability of the Austin State Bank. John McCune who has been assistant cashier of the Austin State will become identified with the Trust Company.

**Banks in Good Shape.**

**Denver.**—Total deposits in the six banking institutions in this city were \$152,307,590.43, as of February 28. The reports showed less than half of the total deposits were loaned out.

**Offer Reward.**

**Denver.**—The Colorado Bankers Association recently announced that it would pay one thousand dollars reward for the arrest and conviction of bank bandits, this being done for the first time in the history of the state.

**Quarters Moved.**

**Denver.**—The old Globe National Bank which is in the process of liquidation, was recently moved from its quarters at Seventeenth and Champa streets, to the corner rooms on the ground floor of the Equitable building at Seventeenth and Stout Streets.

**To be Finished Soon.**

**Denver.**—The new home of the Denver National Bank, now under construction at Seventeenth and Champa streets, will probably be finished within the next ten months.

The main entrance to the banking offices will be in the center of the building facing on Seventeenth street.

**Appointed Deputy Chairman.**

**Denver.**—William L. Petrikin, president of the Great Western Sugar Company, was recently appointed deputy chairman of the board of directors of the Kansas City district of the Federal Reserve Bank. The appointment was announced from Washington.

**Purchases Home.**

**Denver.**—The South Broadway National Bank recently purchased the six story building in which its banking office is located for a consideration of more than \$100,000. The first floor is occupied by the bank and the other five stories are leased for offices.

**Heads C. of C.**

**Englewood.**—F. E. O'Dell, cashier of the First National Bank of this place, was appointed president of the local Chamber of Commerce, at its regular monthly meeting.

**Hold Meeting.**

**Florence.**—The Fremont County Bankers Association recently met in this city in its regular monthly meeting, at which time George B. Harrison, president of the Denver National Bank, was the principal speaker.

**New Cashier Elected.**

**Hayden.**—L. E. Fitzgerald, deputy bank commissioner for many years past, recently became identified with the Yampa Valley Bank of this city in the capacity of cash-

ier. Mr. Fitzgerald succeeds J. B. Sibley, who has been cashier of this institution for nearly three years and who now resigns to move to Denver.

**A. S. Marshall.**

**La Junta.**—A. S. Marshall, vice president of the Colorado Savings and Trust Company of this city, recently died at his home here.

**Celebrates Anniversary.**

**La Junta.**—The La Junta State Bank recently celebrated its thirty-fifth anniversary and coincidentally, it was also the birthday of R. A. Steen, president of the institution. Mr. Steen has been president of the bank since its organization.

**New Director.**

**Trinidad.**—Albert Moses, owner of the H. Moses and Son Department Store here, one of the pioneer establishments of Trinidad, was recently elected a director of the Trinidad National Bank at the annual meeting of the stockholders.

**To Land Bank Post.**

**Wiley.**—James MacDonald, assistant cashier of the Wiley State Bank, was recently appointed examiner for the Federal Land Bank of Wichita, and has resigned his position with the Wiley Bank.

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# Managing A Bond Account

Like Every Other Department Investments Require Intelligent Attention

F. V. HENSHAW, New York City

Broadly speaking, there are three ways of handling a bond account. The first is to leave it alone regardless of market prices and changes that may affect the securities. A banker once said to me that there are some men who, having money to invest, will worry a while and, having decided to buy a block of bonds, will then put them in the safe with a sigh and say to themselves, "Thank God, that is settled."

The second way is to endeavor to keep track of prices and developments affecting the investments, but fail to realize the opportunities for avoiding losses and making profits that are indicated by these facts and figures. In many cases I imagine that these failures to act are due to lack of the courage of the conviction, or to lack of authority on the part of the officer who is charged with the duty of caring for the bond account.

The third, and only effective way, is constantly to note and study all developments that affect or may affect the security of your bonds, and all others in their class, so that you may, as far as possible, have an opportunity either to dispose of issues that are likely to be impaired or purchase those that are likely to improve in value before the market has reflected the underlying conditions. At the same time, the market prices of such bonds should be watched with vigilance as by so doing profitable exchanges may often be found.

I have been rather forced to the conclusion that the officers of many savings banks have, perhaps unconsciously, a fixed idea that bonds must be held to maturity, and that a bond maturing in fifty years is necessarily a fifty-year loan. The mere fact that an investment in any bond having a liquid market may be made to mature any day by the simple process of selling appears to be strangely overlooked. Market changes can affect the savings bank to a considerable extent. There are a number of the highest grade railroad bonds that, for all practical purposes, are equal in security and desirability. In the course of a year the prices of these bonds will fluctuate considerably

for reasons that have nothing to do with the intrinsic value or security of the bonds, and these fluctuations in prices are by no means coincident among the various issues. For example, out of ten bonds, equally desirable, there may be at any time nine of them selling on the same basis and one of them a point or so lower. It is thus often possible to make a number of trades in the course of the year at a material profit, and without any sacrifice of conservatism or safety.

You will observe that this is not speculation in any sense, but merely taking advantage of fluctuations due solely to the momentary conditions of supply and demand. Transactions of this kind are at present confined largely to the old standard railroad, and the more important public utility issues, since these for years have settled down in their position and have always a ready market available to anyone.

Other opportunities to make profits frequently result from studies which reveal values that the market has not yet reflected. With so many people studying investments, it would hardly seem possible to find many opportunities of this kind; yet it is surprising

how often the obvious is overlooked. It is possible, from time to time, to make profits in transactions that leave the securities owned either unimpaired in security or actually improved.

I wish to emphasize the statement that maintenance of the security of the investments is the first consideration in the kind of transaction that I am suggesting. In any proposed transaction of this kind the first question should be as to whether the security of the bond to be purchased is equal or better than that of the one to be sold; and the second, as to the relative market position of the two issues. If, for example, the two issues are of equal quality and have both advanced to about the same degree, nothing is gained by making a trade.

To carry out these ideas I offer the following suggestions:

Never lose sight of the fact that the prices of high-grade bonds having a liquid market vary with money rates, and consequently the fact that today's price shows a loss on a certain bond bought years ago does not necessarily mean that such bonds are undesirable, but merely that money has gone up. A loss or gain in such invest-

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ments held for a period of years depends on your ability to estimate the future course of money, not on the quality of the bonds.

Remember that all securities, like other man-made things, are subject to change and consequently none of them are good enough to put away and forget.

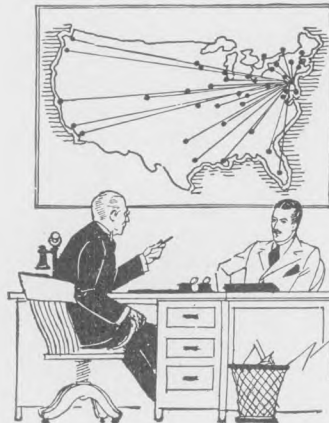
Avoid excessive diversification in your bond list. You do not want to put all your eggs in one basket, but I suggest that you do not have so many baskets that you cannot watch them. Furthermore, I think it of importance to hold good sized blocks of relatively few issues rather than small amounts of a great number of issues, since this relieves the officers of the bank of unnecessary burdens, and, more important, places them in a much better position to handle purchases and sales.

Lastly, I would urge all boards of directors and trustees to give a reasonable measure of discretion to the officer in charge of the bond account, so that he can act promptly when desirable. It is obvious that many of the opportunities referred to above do not last long, and I know of many cases where profits have been lost because of the delay in obtaining the approval of a board or committee.

The best banker is not necessarily the best "mixer" or the best "joiner." Those things help perhaps in acquaintance but the best banker is the one who uses hard level headed sense in handling his bank, regardless of who is asking accommodations.

The optimist is one who thinks the small bills the government is to put out will be easier to get than the large ones.

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BONDS / SHORT TERM NOTES / ACCEPTANCES

## The Trend of Interest Rates

*(Continued from page 6)*

they needed to carry on their operations. Many other things had been left undone in order that we might devote our economic resources to military endeavors. Upon the close of hostilities, we proceeded to make up this deficit of durable goods which were considered necessary to comfortable and satisfactory living and to efficient production. As a consequence, the construction industry entered a period of great activity and remained at high tide for a series of years. This was probably the chief single source of demand for

capital. At the close of the war, the automobile was an instrument of transportation which appealed to all classes and which had passed the experimental stage. At that time, there were less than six million motor cars in use. Since then the number has expanded to twenty-two million. With this expansion, came a widespread demand for improved highways. No such demand could be foreseen—even in 1922. Yet it came and swelled the amount of capital which people desired to proportions previously unheard of.

The immediate future gives no promise of a corresponding increase in the demand either for building construction or for automobiles. 1928 will undoubtedly see a great activity in both of these lines, but compared with the increase in the supply of capital, it is not of proportions to put any strain upon the bond market.

The demand for larger public utility and manufacturing plants, and for additional railroad facilities will undoubtedly continue. But hardly at a higher rate than we

have witnessed in the last five years. It is a fairly safe prediction then that our domestic demand for capital will not increase materially. If the rate of interest falls, we will undoubtedly find new sources of demand for capital. But they will come into the market only on a basis of lower rates and higher bond prices.

Nor is there a prospect of increased foreign borrowings. The European nations, especially Germany, have been bidding actively for capital here during the last three years. That source of demand will hardly continue in large volume. France, despite popular notions to the contrary, does not need to borrow capital and will not do so. She may refund a few loans which are already outstanding, but she will not demand new capital. For France is essentially a capital accumulating and capital exporting nation. Unless Russia can reorganize herself politically and industrially in such manner as to command confidence in our capital market, European borrowing is certain to decline after 1928. The less developed nations of South America and the Orient will borrow considerable amounts of capital. But upon the whole the outlook is not for a great increase. It is a safe

prediction that the total demand for capital in the next half decade will not increase as rapidly as does the supply of our investment funds.

With this outlook for capital accumulation and for investment demand, the investor will be obliged to accept smaller returns upon his funds. There have been periods in the history of this country when good railroad and industrial stocks sold at a price which capitalized their dividends at four per cent and their earnings at six or seven per cent. High grade bonds sold on a three and one-half per cent basis, and good government securities yielded even less. Toward such an era our industrial and financial process is carrying us during the the next few years.

#### HELPING THE LOCAL UTILITY.

The vast expansion of the public utility is affecting greatly the investment movement of the Central West. In every community is a utility, either with its offices there placed or operating from some nearby center that is offering to its customers and employs its securities. These are usually very attractive, for the public utility regulated as to its rates and earnings by public commissions is becoming stabil-

ized and with the vast consolidations going on is managed with economy and efficiency. The saving in expense and the preparation for obsolescence are making the utility shares, whether telephone, power or gas—and in an increasing degree transportation—one of the sound investment offerings of today.

Banks have in the past been uncertain whether or not to encourage investment in these securities, fearing to lose deposits. But customers have rights and it is better to have their money go into a concern which is paying out wages in the community and is giving service at home than to send it afar for foreign bonds and other securities that keep the funds out of local use for years. The utility is a part of the home business life. It reaches into every home and it is essential that the home investor be interested. It is better that there be home ownership than ownership in an eastern financial center, as is necessary if home money does not finance the undertaking. It is becoming more important every day that the West finance its own enterprises; thereby it will assume financial independence and encouragement to invest at home is sound procedure.

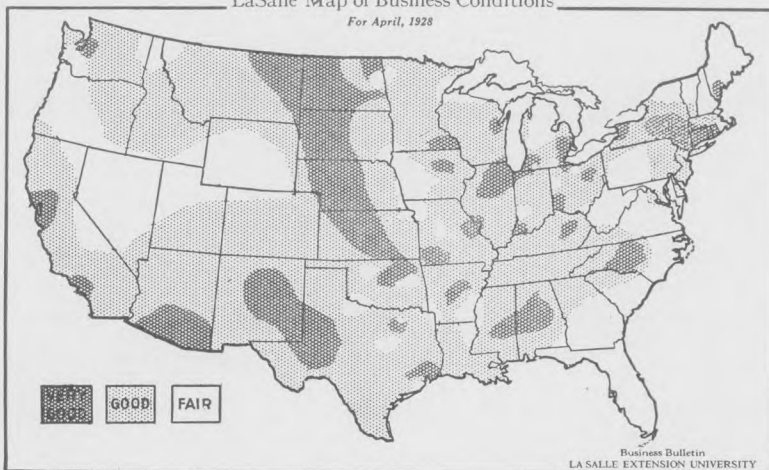
#### Tenants and the Bank.

The recent census shows that Kansas has on its farms 42.1 per cent of tenants and only 57.9 per cent owners. Tenantry has increased nearly 3 per cent in five years for the state as a whole and in the western part as high as 23 per cent in some sections. What does this mean to the rural bank? The farm owner is without doubt a better customer than a tenant; he is there to stay; he has a fixed investment and he has collateral with which to back up his credit. If a major portion of our farmers are to be tenants, as seems likely at the present rate of progress in that direction, the banks will have a less desirable clientele than when most of the farms were operated by their owners. It calls for closer attention and for more careful watchfulness to serve a list of customers who are here today and gone tomorrow and whose credit is problematical under the best of conditions. Tenantry in the interior is growing and it is by no means a happy tendency for the banker to consider.

The St. Joseph Stock Yards Bank is "lining up" for the summer vacations and it is expected early vacationers will ere long be in position to tell of the large ones that got away.

LaSalle Map of Business Conditions

For April, 1928



#### Industrial Revival Points Way to Greater Trade Activity Map Supplied by Research Division of LaSalle Extension University

This month's Business Condition Map is different. Rather decidedly so, for we have inverted the system of shading. Those areas in which conditions are rated as VERY GOOD stand out in bold relief against a background of GOOD and FAIR areas. The map now focuses the attention on those sections where business is best and puts the emphasis where it belongs. Marked revival in industrial activity is shown in the Detroit, Calumet, and Akron districts in the Middle West, and in the region of which New York City is the hub. The Winston-Salem and Birmingham districts are the bright spots of the old South. The Southwest offers many good business opportunities, especially in the vicinity of such trading centers as Dallas, Houston, Beaumont, Albuquerque, Phoenix, and Tucson. Along the Pacific, Los Angeles, San Francisco, and Seattle stand out; and Sacramento, though

less important, is enjoying particularly good business. Getting back again to the interior, we find Joplin, Cedar Rapids, St. Louis, Evansville, and Cincinnati to be favorable spots in a broad field of diverse conditions. Those districts where coal mining, lumbering, and textile manufacturing are dominant factors are faring least satisfactorily, but there is a brighter future for lumber and textiles than for coal. In other words, improvement can be expected sooner for the south Atlantic and upper Pacific states than for the soft-coal fields. The warmer sun of spring and summer should dissipate many of the clouds that are hanging in the business sky. Conditions, by and large, warrant conservative confidence, but it should not be forgotten that, even in localities where opportunities are best, competition is keen and business-getting requires energy and a close study of market requirements.

# INTERESTING LEGAL DECISIONS

By M. L. HAYWARD

## MISTAKES—OF FACT AND OF LAW.

If A pays B for goods, with the mistaken idea that the goods had been delivered and are in transit, A may recover his money, under the familiar legal rule that money paid under a mistake of fact may be recovered. On the other hand the broad general rule is that money paid under a mistake of law is beyond recovery.

Now, what is the rule where A owes B, pays in full, and then pays a second time through forgetfulness of the fact of the previous payment?

"My mistake was as to the fact of payment," A contends.

"Your mistake was in thinking that I could collect, which is a mistake of law," B argues.

On this point the Georgia, Indiana, Iowa, Louisiana, Mississippi, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee Texas and Virginia courts have ruled in A's favor.

"And money paid in good faith under forgetfulness of a previous payment is paid under a mistake of fact and may be recovered," says the court in laying down the rule.

## A POLITICAL DEAL.

Mr. Fogg, the imperturbable Englishman, who circled the globe in 80 days, according to Jules Verne's veracious report, fought one duel during the trip.

The duel in question was staged in America, grew out of an American election—and the election was for justice of the peace, but a genuine election situation is revealed in the official report of the case of Martin vs. Francis, a decision of the Kentucky Court of Appeals.

In this case it appeared that X and Y were the regular nominees of the Republican and Democratic parties respectively for the high and lucrative office of jailer of a Kentucky court, and the election looked like "anybody's fight."

"You withdraw, just when it's too late to put up another Republican, I'll go in by acclamation, appoint you deputy jailer, give you

all the proceeds of the office for half the term, and deposit \$500 with Z as security that I'll carry out my agreement," Y proposed. X withdrew, the arrangement was duly carried out, Y sued to collect his \$500 from Z, and the Kentucky courts ruled as follows:

1. The agreement between X and Y was void.

"We have no hesitation in saying that the arrangement was immoral, illegal and against public policy," said the Court.

2. That Y could not force Z to refund the deposit.

"Neither of them should be afforded any redress in a court of justice on account of anything arising out of this business," said the Court on this point.

## "HAD HE SURVIVED."

If A owes B \$500, and B leaves A \$1,000 by will, A's debt may be deducted when the legacy is paid.

In a Massachusetts case reported in 82 N. E. 704, it appeared that A owed B, B left a legacy to A with a proviso that if A died before B, then A's heir would hold the legacy "in the same way it would have gone to A had he survived."

A died before B, his heir claimed the legacy, and the estate tendered the legacy—less A's debt to B.

"A being dead, it is the same as if the legacy had been left to me direct, I'm not responsible for A's debt, and the legacy must be paid to me in full," the heir protested.

The Massachusetts Supreme Court, however, in the case referred to, ruled that the heirs stood in A's shoes and that the debt must be deducted.

## THE TWO CAROLINAS.

If A sends a telegram to B to buy stock at 89, the telegram when received read 98, B acts on it and is damaged, the telegraph company may be liable for damages.

A different situation arises where A wires B, "Have gotten tickets for California"; the telegram when delivered reads, "Have got ten tickets." A invites eight friends to join the party, and there is consid-

erable embarrassment and humiliation when the mistake is found out.

The American courts are divided on these so-called "mental anguish" cases. Some courts—including North Carolina—allow damages, while other—including South Carolina—have ruled that the telegraph company is not liable.

Consequently, a case could arise where a telegram is sent in North Carolina to be delivered in South Carolina, the telegraph company fails to deliver, mental anguish is occasioned thereby, and the telegraph company is sued in North Carolina.

"The telegram was started in North Carolina, where the courts allow damages for mental suffering," the injured party contends.

"The mental suffering was caused by the failure to deliver in South Carolina, where the courts will not allow damages," the telegraph company points out.

This identical point came before the North Carolina courts in a case reported in 45 S. E. 938, where the court ruled that the telegraph company was liable.

## THE "DEPOSIT PURCHASE DEPARTMENT."

A Michigan department store maintained a "deposit purchase department," which received deposits up to \$500, issued pass books, paid interest at 4 per cent, and paid the deposits in money or goods on demand, without complying with the Wisconsin law declaring that soliciting receiving or accepting money on deposit as a regular business was carrying on a banking business.

"You're carrying on a banking business contrary to law," the state pointed out.

"We are not receiving deposits as a regular business, but merely as incidental to our mercantile transactions," the department store contended, but the Wisconsin court ruled in favor of the state in a case reported in 141 Wis. 577.

"It is not difficult to surmise that if this practice became general with mercantile houses, their deposits would in time equal or exceed the deposits of the banking or trust companies," the state court said.

# The Privileged Communication

## Fraud Vitiates Even This Familiar Rule

By M. L. HAYWARD

"Let's see, it's been three years since you left Elmdale, hasn't it?" attorney James D. Parker suggested.

"Yes—three years ago the 22nd of last month," "Birdie" Bradley agreed.

"And you went under a sort of a threatening cloud, if I remember correctly."

"Well, hardly that," Bradley admitted, "but I must say that I felt a little more at ease looking out across the Pacific."

"Over the Daggett affair, wasn't it?"

"Yes. That was the disturbing element."

"And now Daggett's dead, buried and forgotten, so it's safe enough to venture back."

"That's about the size of the situation," Bradley agreed.

"Well, I suppose you want to consult me professionally," Parker suggested. "I have very little time for society in office hours."

"Yes—and I'll come to the point. When I left here I had \$3,000 to my credit in the Elmdale Savings Bank and I really didn't have time to check out the cash and get away safe, and I didn't like to draw a check on my way."

"Because you'd have trouble cashing it in a strange city, and the check'd give an idea of the direction you were travelling in," Parker suggested.

"That's about right. Well, after I'd got clear of Elmdale slick and clean I met Pete Nevers—you remember Pete, cashier of the Elmdale Savings Bank—down at the Prime Minister Hotel in Mapleview."

"Yes—go on."

"All this is in strictest confidence?"

"Sure—under the absolute seal of professional secrecy."

"But what if you're asked it in the court about what I'm telling you?"

"Not the slightest chance in the world," was the positive reply. "Professional communications between attorney and client are absolutely privileged and cannot be given in evidence. I learned that general principle the first week I studied in Judge Armstrong's office."

"Well, I partly explained my situation to Nevers, told him I had a

hurry up call to San Francisco to look after some business there, and asked him if he couldn't help me out so's I could take my cash with me.

"The bank's closed now, and I leave here on the late express, but I thought you might arrange it for me," I told him.

"Sure," he says, walked across to the telegraph booth, and sent a wire to the Elmdale Savings Bank asking them to wire to the manager of the Prime Minister Hotel to pay Nevers \$3,000.

"Someone'll be at the bank to look after it," he told me.

"Well, inside of half an hour the wire came back, the clerk counted out the money, I kept in the back ground, and—"

"Did you see the telegram?"

"Yes—looked right over his shoulder."

"Did it say what he wanted of the money, or mention your name?"

"Not a scratch. He might'a been going to bet on a horse race for all the telegram showed."

"Did the clerk see him pay you the money?"

"No—and the clerk didn't know me from Adam's half-brother. Nevers and I went to a little cafe across the street and Nevers handed over the money. I gave him a check on the Elmdale Savings Bank for \$3,000, and you know the rest. Nevers looked out, saw a kid run in front of a big Hudson car, dashed out, threw the child out of the way, and never spoke after they took him to the hospital."

"I remember reading about it and I was at his funeral, but naturally I never heard about the check nor what became of it."

"It's in my pocket now. Nevers left it on the table when he ran out, and I had the presence of mind to pick it up."

"And now you want to collect the deposit from the Savings Bank?"

"That's the idea."

"What do I get out of it?"

"How would 25 per cent of what you get sound?"

"Satisfactory."

"How'll we go to work at it?"

"Draw a check in my favor—I'll present it, and if it's paid, all well and good enough."

"And a mighty good day's work for you."

"And if they don't, then we'll have you sue the bank for wrongfully dishonoring your check."

A month later the case of Bradley vs. Elmdale Savings Bank came to trial before Judge Bliss. Bradley went on the stand and swore that the deposit had never been paid to him and that the bank had refused to honor the check.

"That closes the case for the plaintiff," Parker stated.

"I appear for the bank, and will call Mr. Parker as the first witness for the bank," Rex Costigan announced.

"But I protest, your Honor," Parker shouted. "I'm counsel in the cause and cannot be sworn as a witness. I claim my attorney's privilege."

"If Mr. Costigan is willing to take the risk of your evidence you cannot complain," the Judge retorted. "Let the witness be sworn."

Parker was duly sworn, took his place in the witness box, and Costigan's first question "raked him fore and aft, and on the right," as the old court clerk expressed it.

"Didn't Bradley tell you that Peter Nevers, the deceased cashier of the Elmdale Savings Bank, paid him this deposit in full at or near the Prime Minister Hotel in Mapleview when he (Bradley) was on his way to the coast?" Costigan demanded.

"Yes—yes—but I refuse to answer; I claim the professional privilege," Parker screamed. "An attorney cannot be compelled to disclose statements made to him by a client in his professional capacity." "I'm quite willing to accept the unwittingly true first part of the answer," smiled Costigan.

"But none of it's admissible under the general rule of law protecting professional communications between attorney and client," Parker argued.

"There's no doubt about that being the general rule, Mr. Costigan," the Judge remarked.

"Yes—and I admit it, but the rule is also well established that the rule does not extend to the statements made to a lawyer in connection with a criminal or fraudulent claim," Costigan argued.

"Have you any late case to support that proposition?" the Judge asked.



"Yes—Standard Fire Insurance Company vs. Sallie Smithhart, a decision of the Kentucky Court of Appeals reported in 183 Kentucky, 679," Costigan went on, producing a bulky calf-bound volume. "In that case Sallie burned her buildings to defraud the insurance company went to the lawyer to employ him to collect the insurance money, and the Kentucky courts ruled that statements made by her to the attorney were good evidence notwithstanding the general rule referred to by the witness.

"Such communications were not made to the attorney in his professional capacity, as they were such as he could not receive in such capacity, and, therefore, were not privileged. Hence the trial court erroneously excluded from the jury so much of the testimony of the attorney as would detail the communications made to him touching the connection which she had with the burning of the house, but the other statements proposed to be made by the attorney were properly excluded," Costigan read.

The Judge turned to the witness. "Answer the question," he ordered.

"May it please your Honor, we withdraw this case, and consent to a verdict in favor of the bank, with costs," Parker announced.

"Very well, but that will not prevent your client from being prosecuted for perjury, and the State Bar Association will no doubt deal with your case," the Judge reminded him.

#### Chain Stores' Future.

Where is the rural bank going to find its business if the chain store absorbs the business of the community? is a question that comes up frequently. It will depend on the store. If it is developed into simply a means of taking everything out of the community and leaving nothing in, the small town is in for trouble. If it becomes a part of the town, its management having an interest in the store and taking part in the town's activities, it will not be much change, for many stores now are not owned wholly by the managers. Unquestionably there is a readjustment of retail buying going on in the Central West. Just where it will end is not easy to predict, but the next five or ten years will see a very great change in methods of merchandising and of financing of local interests. That it will be favorable to the local bank is doubtful—but usually things eventually readjust

themselves, and are not as bad as many predict.

#### Messages of Cheer.

Looking over the previews of the year 1928, as given by the bankers of the country, one is impressed by the note of cheer that marks their utterances. In every instance, even where there is no outpouring of exuberance, is found reason for hopefulness and the vast prosperity with which the country is blessed seems to be considered likely to go on for another year. The banker brings messages of cheer and he always does this.

Even in his home town he is the official cheer leader as to business and he buoys up the courage of many a person who is prone to weaken when things are not too bright. The national view of the coming months is typical of the banker, for he always can find something on which to hang hopes. Messages of cheer help sustain courage and the bankers do their full part.

#### To Establish Branch.

The National City Bank will soon establish a branch at Park avenue and Thirty-second street, New York.

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A large number of crooks have followed the general practice of procuring genuine items, usually for small amounts, which they then raised. The name of the payee usually was changed, while occasionally his endorsement was forged. The item was then cashed through such channel as might be available. It has been said of horse stealing that it is all profit except the halter. Check altering as heretofore practiced may well be

placed in the same general category.

Forgery of endorsements on a check or draft has the usual and general effect of rendering all subsequent endorsers liable to the drawee bank which cashes the item. That bank, in turn, is ordinarily liable to the maker of a check or draft which it has cashed upon a forged endorsement. Generally speaking, then a bank may protect itself and its depositor against loss resulting from forged endorsements by the relatively simple expedient of exercising due care in the acceptance of items.

This leaves three major hazards: alteration of amount, alteration of payee's name, forgery of signature.

Numerous devices are and long have been on the market for protecting the amount. Generally these shred the paper in such manner that figures or letters expressing the amount are cut through the paper and impregnated with indelible ink. The general use into which these devices have come has increased the hazards the crook must accept and has compelled him to center his activities on altering payee lines and forgery.

Now comes the latest device, which writes the name of the payee and provides a special signature plate of the drawer, all of which is impressed into the paper in the same manner heretofore employed for the protection of the amount. The machine signature does not displace the ordinary signature, but supplements it. Since the machine is kept by its owner the crook cannot have access to the signature plate for the purpose of completing his forgery. Thus every avenue of fraud, save forgery of endorsement, is protected.

### Iowa Stands Pat.

A correspondent from Iowa writes: This state is tired of being held up to scorn as practically bank-

rupt because we have had a little bad luck with bank failures and farm depression. Half the farms of Iowa never have had a mortgage on them; over 90 per cent of the banks are as strong today as ever. The land boom was bad for us but it is over and we propose to stop the wild statements of the politicians about our troubles and make them tell the truth. Vote getting by exaggerating financial conditions seems to me rotten policy." Good for Iowa. Don't wonder it is weary of having its troubles exploited—but likely there will be more of it until after election.

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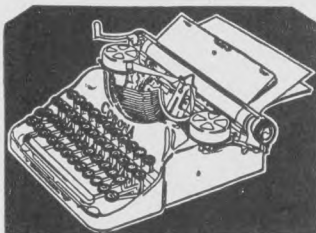
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**EBE.** A National Bank with \$25,000 capital and over \$250,000 deposits in a good Southern Iowa town of 500. 130 shares of stock carrying management can be bought at fair price. Paper guaranteed.

**KOB.** A \$20,000 state bank in a good, one bank town in eastern Kansas. Bank has deposits of nearly \$200,000. Its minimum earnings during any calendar year in the present decade were 19¾%. Earnings last year, 27.9%. 104 shares of stock carrying management offered with residence of cashier for \$24,500.

**MRA.** The only bank in a 300 to 400 Northern Missouri town. Bank has capital of \$20,000 and deposits in excess of \$175,000 with surplus and profits of more than \$12,000. Bank has a good earning power. Pays cashier \$200 a month. 100 shares offered at \$21,000.

**HRB.** A \$10,000 state bank in western Kansas which has not missed a dividend in thirteen years, and during that time has earned more than 330% of its capital. Stock invoices above \$200. 67 shares and residence of president offered at \$19,575.

**HPB**—In a growing bank in Kansas, 147 shares of stock are offered at book value, with paper guaranteed. Town has population 400. Bank has capital of \$25,000, surplus of \$12,500 and deposits of about \$230,000.

**MWA**—In a small town in Missouri twelve shares of stock are offered at book value, or a total amount of investment of \$2,500, carrying cashiership. Cashier draws salary of \$100, with outside earnings which are nearly as much as the salary. Town has 200 population, two churches, and good grade school. \$10,000 capital and deposits of nearly \$90,000.

**ACD.** \$25,000 capital, \$5,000 surplus and \$250,000 deposits. The active president of this bank wishes to sell about 75 shares of stock to a capable man who would take the Cashiership. This is located in an Oklahoma town of over 4,000 population.

**BBB.** This is an unusually attractive bank with small capital in a good, thoroughly modern, eastern Kansas town of more than 1,000 population. The bank shows good earning power and stock offered carries two salaries aggregating \$3,000. \$14,000 required.

**GTD.** Only bank in a 500 population town in eastern Oklahoma. Capital \$15,000, surplus and profits over \$4,000 and deposits well over \$100,000. Annual dividend 8%. President's salary \$3,000. 90 shares of stock carrying presidency offered at \$135, together with president's residence.

**CMB.** \$10,000 state bank in a one bank Kansas town. Bank has \$75,000 deposits. Pays a good salary. Control offered at slightly above book value with residence of president. Investment required, \$11,000.

**JAA.** Only bank in 400 population town in western Missouri. \$15,000 capital, more than \$85,000 deposits. Salary \$180, plus outside earnings. 49 shares offered at slightly above book value with cashier's residence. Investment required \$11,000.

**MSB.** Only bank in small eastern Kansas town. Bank shows very good earnings. Salary and commissions approximate \$2,400 a year. 47 to 52 shares of the stock offered very slightly above invoice value. Requires investment of \$10,000 to swing.

**HSA.** \$8,000 will purchase 25 shares of stock carrying the position of cashier in bank in small, one bank town in western Missouri. Bank has over \$100,000 deposits, \$15,000 surplus and earned 38% last year.

**GJB**—26 or 51 shares of stock are offered in this bank which has \$10,000 capital, \$5,000 surplus and deposits of nearly \$85,000 at a price of \$200 per share. Seller also wishes to sell his modern five-room bungalow at \$4,500. Bank declared 17 per cent dividend last year.

**PBB**—70 shares of stock are offered in this bank which has deposits of nearly \$100,000, at a price of \$120 per share. This bank is located in a small town close to Kansas City, with electric lights, high school and excellent surrounding territory.

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**February 28, 1928**

**RESOURCES**

Loans—	
Commercial Paper.....	\$3,937,500.00
Loans to Customers.....	1,616,576.24
	<b>\$5,554,076.24</b>
Banking House and Real Estate.....	215,000.00
Federal Reserve Bank Stock.....	15,000.00
United States Obligations.....	1,495,156.25
5% Redemption Fund.....	7,500.00
Cash and Sight Exchange.....	2,719,521.53
	<b>\$10,006,254.02</b>

**LIABILITIES**

Capital Stock .....	\$ 200,000.00
Surplus and Profits .....	324,232.95
Circulation .....	146,200.00
Deposits { Individual .....	\$5,364,581.29
{ Banks .....	3,971,239.78
	<b>9,335,821.07</b>
	<b>\$10,006,254.02</b>

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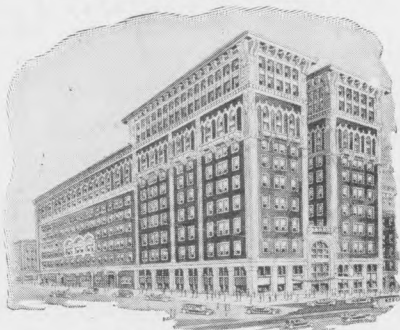
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- the Attractive Rates
- the Dining Facilities
- the Handy Location



**500 Rooms**

Room without Bath . . . . .	\$2.00 and up
Room with Bath . . . . .	\$2.50 and up
Double Room and Bath . . . . .	\$4.00 and up
Room with two single beds and Bath .	\$5.00 and up

**COFFEE SHOP**

Service at all times in addition to the regular dining room.

**Hotel Baltimore**

12th Street and Baltimore Ave.  
KANSAS CITY, MO.

**The Inter-State National Bank**

Kansas City, Missouri

**Officers**

**GEO. S. HOVEY**  
President  
**J. M. HELTINGS**  
Vice-President  
**DAVID T. BEALS**  
Vice-President  
**A. B. CHRISMAN**  
Cashier  
**F. B. MOORE**  
Assistant Cashier  
**G. H. JAMES**  
Assistant Cashier  
**J. J. NOONE**  
Assistant Cashier  
**G. S. BRADBURY**  
Assistant Cashier  
**ROBT. B. HOVEY**  
Assistant Cashier

Located in The Live Stock Exchange Building, at the Kansas City Stock Yards

Capital, Surplus and Undivided Profits \$1,500,000.00

Over forty years of dependable banking service.

**The Inter-State Cattle Loan Company**

is owned pro-rata by the stockholders of the Inter-State National Bank and has Capital and Surplus of over \$850,000.00. Furnishes guaranteed cattle loans to customers of the Inter-State National Bank.