

# The Tri-State Banker

Volume II.

Des Moines, Iowa, June, 1897.

Number 6.

ESTABLISHED 1875.

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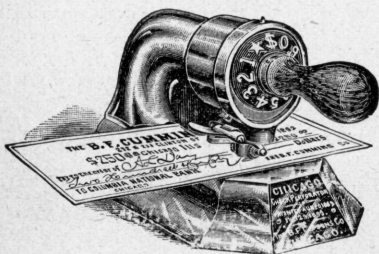
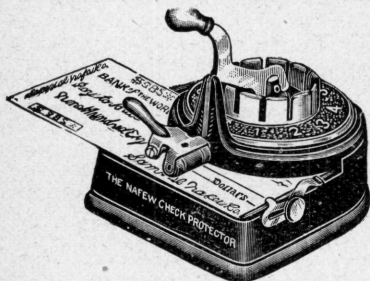
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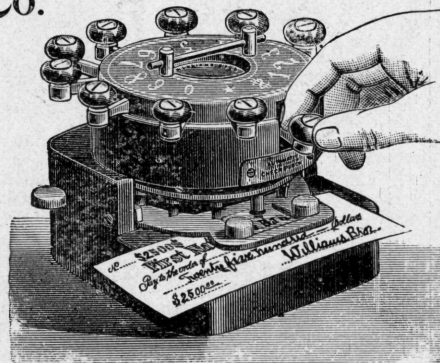
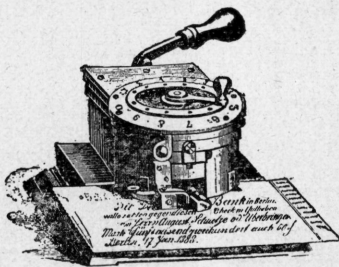
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# The Tri-State Banker.

VOLUME II.

A Bankers' Journal for the Middle-West.

NUMBER 6.

\$2.00 PER ANNUM.

DES MOINES, IOWA, JUNE, 1897.

SINGLE COPIES 20 CENTS.

## THE TRI-STATE BANKER, PUBLISHED BY THE TRI-STATE BANKER COMPANY

GEO. G. HUNTER, MANAGER.

MANHATTAN BUILDING, DES MOINES, IOWA.

A monthly bankers' Journal devoted to the interests of bankers in the Middle-West.

All communications and news items of local interest to bankers in this territory are requested.

Subscription, \$2.00 per annum; single copies, 20 cents.

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Entered at Des Moines Postoffice as second class matter.

ONE of the most prominent and successful bankers in Iowa remarked to the editor at the Ottumwa convention, "As a matter of dollars and cents, I find it pays me to attend the bankers' convention."

\* \* \*

THERE were some particularly good papers given at the recent convention. We give a few of them in this number, and the others will follow in later numbers. We particularly call attention to the article in this number by Professor Loos, of the State University. No banker can afford to miss reading it.

\* \* \*

THE Mason City bankers have extended the association a cordial invitation to meet in their city next year. Mason City is one of the growing towns of the state. Her people are jealous of the good name of the city for hospitality, and the bankers may be sure of a right royal welcome and a grand good time next year.

\* \* \*

EVERY Iowa banker will be interested in reading the new constitution and by-laws as adopted at the Ottumwa convention. The group or district system of state organization has been adopted by the Iowa Bankers' Association, and it now remains to be seen whether it can be made as successful in this state as it is in New York, Pennsylvania and other states where it has been in operation. The discussion of the merits of the system brought out many points in its favor and many against it. Many bankers over the state doubted the advisability of adopting it at this time, but now that it has been adopted, we predict that those who opposed the measure will be the first to lend their assistance in giving the new system a fair trial. A very great responsibility and not a little work devolves upon the district officers. If the group system shall be a success in Iowa it will be largely due to the fact that the officers of each district take an active interest in working up the interest and membership in their district. Let us all do what we can to make the new order a success.

EVERY banker in Iowa will be interested in reading the new constitution and by-laws of the state association providing for the organization of the state into districts and a meeting of the bankers of each district one or more times a year. Notice what district you are in and identify yourself with the new organization at the first opportunity.

\* \* \*

EVERY banker in a district will be particularly interested in the doings of the group belonging to his district. As THE TRI-STATE BANKER will give full reports of each district meeting and what is being done, it follows that every banker in the state will be interested in THE TRI-STATE BANKER. Not only will we give the district news, but all the state financial news. We help you to keep in touch with the banking interests of your own state. Subscribe now. Two dollars a year, because it is worth it.

\* \* \*

IT HAS been suggested to us that we give several pages of our journal each month to a discussion by bankers of the group system, how to make it most effective, and other subjects of special interest. We gladly do so and trust our readers will feel free to use our columns freely for any matter that will interest western bankers. During the year we shall devote considerable space to the group system, giving complete reports of each meeting, and in every way in our power increasing the interest and promoting its success.

### GIVE THE COUNTRY BANKER A CHANCE.

TO THE EDITOR AND READERS OF THE TRI-STATE BANKER:

I attended the Ottumwa convention and was much interested in the discussion of the group system. I knew very little of its workings before, but from what I learned at the convention, I am convinced that it is a good thing for the Iowa Bankers' Association and the bankers who are now not members.

There are now in the state of Iowa over one thousand legitimate banks, of these, our secretary reported that two hundred and four, or less than one-fifth were members, which, I believe, is the largest membership the association has ever had. Now, it strikes me, that the tail has been trying to wag the dog too long, and the only way the Iowa Bankers' Association can be a representative organization, standing for the banking interests of Iowa, is to number as members over half the banks in the state.

The great question is then, "How can we increase the membership?" The only answer thus far brought

out is to adopt the group system. It was shown that wherever the group system has been put in operation it has been successful, both in the good accomplished and increasing the interest and membership among those who have before taken no interest in the state association whatever. And, indeed, the result can not be otherwise. It may be taken as a self-evident principle, that the more you localize a matter, the more interested in that matter will be the people of that smaller locality. My friend from Des Moines said the danger of the group system lay in the probability that it would lessen the interest in the annual state convention. Granting for the moment his point, though I believe the contrary to be true, is it not better to have a membership of five hundred and an annual convention of fifty rather than a membership of two hundred with an attendance of one hundred.

The success of the annual state convention is not measured so much by the number present as by the number they represented. However, I am glad the objections were brought out, because the merits were the more clearly presented, and I know the objectors had the good of the association at heart, and know, too, that none will work harder to make the group system a success than these same gentlemen. We have been trying, lo, these many years, to bring the banker to the association, with indifferent success,—let us now try taking the association to the banker. There are very many bankers in the state, who can not, with safety, leave their business for two or three days to attend a state association, but he can attend a district meeting where he can get to the place of meeting and home again the same day. At a district meeting local affairs will be discussed in a more or less informal way; each banker will probably know, personally, every other banker present, and feel as free to take part as he would in a meeting at home. Then, too, the president and secretary of the group will probably be personally acquainted with most of the bankers in that group and they can accomplish a great deal more in getting these interested and to join the association than the state officers have been able to do.

If the officers of the various groups will go to work and make a systematic campaign, there is no reason why the various groups should not have an aggregate membership of five hundred before the close of the year; and as joining any group makes him a member of the state association, the latter organization will be in a flourishing condition.

The group system will be especially helpful to the country banker. By this term I mean all bankers in towns of less than ten thousand population. I shall be pleased to hear from other bankers who are interested in this new system—as to ways and means of promoting its success. COUNTRY BANKER.

[We shall be glad to publish all communications concerning the above or any other topic of special interest to Iowa bankers.—EDITOR.]

## IOWA BANKERS' ASSOCIATION.

### ADDRESS OF WELCOME.

*Mr. Chairman and Members of the Iowa Bankers' Association*,—On behalf of the citizens and of the associated banks of this city I bid you a very cordial welcome.

It is a source of sincere gratification that you have done us the honor to select our city as the place of holding your eleventh annual meeting, and I beg to assure you that we fully appreciate the advantage from a social, educational and financial point of view of meeting with such a representative body of business men.

I but voice the sentiment of the great mass of our citizens when I say that we look upon the business of legitimate banking as second to none in importance, and in its direct influence upon our growth and progress in material things.

Whatever prejudice may exist against this occupation in certain quarters, I am proud to say that the very satisfactory manner in which the banking business has been conducted in our city, and the important and indispensable service it has rendered in all that has gone to make up our material advancement for the quarter of a century covered by my observation in this community, has won for it a warm place in our esteem, and caused us to look upon it as the handmaid of social progress.

So far from entertaining feelings of prejudice or resentment against the occupation of banking, the relations of these institutions to our business community have been carried on in such legitimate ways, and upon such a high plane of commercial integrity, as to win for them the confidence and loyal support of the mass of our people, both in country and city.

When we come to consider the amount of banking business done in the past forty years in this city, without a single failure of any consequence, we may easily see in this fact alone, the sufficient explanation of the hold which our banks have upon the public confidence, and, in view, of this record, I am sure, gentlemen, that you will indulge me in the expression of a little local pride. But it is a source of equal gratification to be able to add, that what has been true of the history of banking in our own community will also apply, particularly for the past thirty years, to the entire state of Iowa.

True, there have been some failures of a serious, and even of a corrupt character, but they have been so rare and exceptional, that they only serve, by way of contrast, to intensify our justifiable pride and satisfaction in pointing to the high and honorable record of the banking business in the state at large.

We have so many things to be proud of, as citizens of this great state, and not least among them are our banks and bankers.

It is with sincere pleasure, therefore, that we welcome to our midst the Iowa Bankers' Association as

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the representatives of this great industry, and we extend to you our hospitality and the freedom of our city.

Pleasant as we hope your brief stay among us may prove to be, we appreciate that you have not assembled for pleasure alone, but to confer together upon questions of common interest pertaining to the improvement and conduct of your business.

In an age where the great watchword is "progress," and where organization and concerted action among those of kindred callings has become essential to the best results, both from the aggressive and defensive standpoints, it would be singular indeed if those engaged in the all important business of exchange, that is, of banking, should stand aloof from each other, and forego the benefits of organization for mutual improvement and defense.

As this is only your eleventh annual meeting, you will pardon me if I add that possibly you pursued the policy of isolated and independent action longer than was conducive to your best interests, so far, at least, as the creation of sound public sentiment is concerned. If you concur in this view, may I not also urge upon you the propriety of increased vigilance in future in combatting unhealthy and heretical views touching finance, and in spreading sound ideas among the people.

In a system of government resting upon the consent of the governed, such as ours, public opinion is all powerful, and no system or institution however strong, can long resist its influence. If directed in proper and healthy channels society has nothing to fear and everything to gain, but in the very nature and constitution of things, we know that nothing is more fickle nor more easily led astray and, when it is, it becomes an equally potential agency in the creation and support of false systems and injurious policies.

There is probably no occupation in respect to which an active and intelligent public opinion is so indispensable as that of banking, because it deals directly with the problems of money, credit and exchange, and these are problems which not only deeply interest and concern the masses of men, but in respect to which these same masses may be easily misguided by false and sophistical arguments and theories.

That this statement is no reflection upon the general intelligence of the people is attested by the wide divergence of opinion upon many questions pertaining to banking and the functions of money, among men of learning, who have had time and opportunity to give them careful study and examination.

On the other hand, it should be said to the great credit of the intelligence of the people at large that, after the public mind had been saturated with false ideas and vicious financial theories preached from hill and dale, in season and out of season, by the demagogue and political charlatan, and what is far more dangerous, by the honest but misguided advocate, this same people in the two or three crucial tests upon great monetary questions, occurring in the past twenty-five years, have at last yielded to sound argument and prolonged discussion, and cast their influence and suffrages against false ideas, and in favor of correct financial principles.

They are honest and desire to be right, and these few instances in our recent history of the power of agitation and discussion in moulding public opinion, and directing it into correct and healthful channels, are eloquent in suggestion as to your duty as, in a certain sense, the trustees and custodians of the monetary interests of the people, to see to it that you exert all your power and influence in the formation of sound and safe banking and financial sentiment.

Remember that the demagogue and political mountebank is ever active and never slumbers or sleeps. The aim and purpose of his life is to acquire power and official emoluments, and he is not scrupulous as to the means. With him, the end is the all-important thing; the means to it are only incidental.

If denouncing banks and bankers, and promulgating heresies about money and exchange promise the best results, these become his stock in trade.

Plausible falsehoods and theories, constantly reiterated upon subjects as inherently complex and difficult as many which pertain to banking, money, and exchange, unless promptly exposed and refuted by sound argument, gradually take root in the popular mind and crystallize into public sentiment.

A somewhat remarkable instance of this is part of the recent political history of the country, when "Coin's Financial School" was published and sold broadcast over the country, on trains, at news stands and almost everywhere. It was allowed to go unanswered for many months, because to the banker, financier, and student of money, it did not seem worthy of discussion. When the exposure finally came, it was thoroughly exploded, and shown to be utterly unworthy of credit, both as to its pretended statistics and its conclusions.

Although it took issue with the very A, B, C of monetary science, yet its fallacies were presented with so much of apparent plausibility that they rapidly seized upon the popular mind, particularly in the west, and in order to check and overcome its influences, such able students of finance as Horace White and Professor Laughlin, as well as many leading editors, felt that it could no longer be ignored, and so published elaborate articles in which it was thoroughly discredited and exposed. Says Prof. Laughlin:

"In my judgment the book would not have had so great an influence, if the public had had at hand the facts on the money question prepared for easy reference, with which to correct erroneous statements."

The history and influence of this book furnish an object lesson of how erroneous public opinion may be formed, where the agencies in its creation are allowed to operate without opposition and prompt exposure.

One of the results, if not the objects of your organization, must be to assist in removing prejudice and creating in the public mind favorable impressions, and correct ideas of the functions and benefits of banking when conducted for legitimate ends and upon sound principles.

You are and should be moulders of true public opinion concerning a business which is as legitimate and as essential to the public welfare as selling merchandise or tilling the soil, and who so capable of creating and directing friendly and wholesome sentiment as those whose occupation and life work is to deal with the problems of money and exchange.

It is, of course, indispensable to the creation of favorable opinion, that the business should be conducted upon correct and legitimate principles, but something more is necessary to protect you from unmerited criticism and undeserved prejudice, and a part of this something more, will be found to consist in organization such as you have formed, in meetings for conference and discussion such as has now brought you together, in efforts to improve the system and correct abuses wherever found to exist, in taking pains to correct erroneous impressions, and, in a certain sense, by taking the people in your confidence.

Time forbids that I should speak of other matters in which your organization may, and doubtless will, help to mould public opinion, and I will but allude to one, because of its great importance to you and to us all.

That feature of the national bank system, pertaining to the issue of notes, cannot long be continued under present conditions, for we cannot assume that the bonded indebtedness, which now secures the circulation, will be continued indefinitely.

Besides, the premium on the bonds, the ninety per cent provision, the tax and reserve features, and the consequent reduction of circulation in the years preceding 1893, together with the lack of elasticity in the present system, to meet currency emergencies, have all obtained to create a sentiment that a new system of currency issue, if not an entire new banking system, will have to be devised, and upon this great and important problem and its wise solution, your society may, and doubtless will, exert a potential influence.

An now, gentlemen, in conclusion permit me to express the hope that your meetings and deliberations may prove as pleasant and profitable to you as your presence in our city is gratifying to us.

#### PRESIDENT J. K. DEMING'S ADDRESS.

The president, J. K. Deming, of Dubuque, cashier of the Second National Bank, delivered his annual address.

After a few preliminary remarks, Mr. Deming said: "At the Marshalltown meeting an important resolution was adopted, pledging this association to the support of the gold standard—a resolution which gave to this state the key note of that triumphant chorus of 300,000 men, who marched to victory under the banner of 'honest money,' and established the fidelity of Iowa in the eyes of the business world. To give practical expression to this resolution became the first duty of your president, and, accordingly, a circular letter was addressed to each member of the association, reminding them of their pledge and urging them to assist in promoting the cause of sound money. The circular was followed by a large amount of literature bearing upon the subject furnished by the political organizations interested with us in the defeat of the 'free silver party.' These pamphlets were sent to you for distribution, and in many cases the work was carefully followed out, and no doubt contributed to some extent in the success of the cause. While the victory was complete and the enemy routed, it is not yet safe lay down our arms. The same menace to American honor will appear again in 1900 unless in the meantime our present monetary system is revised, and in the work of educating statesmen and voters alike, the banker individually and in association may and should perform an important part.

"Early in the fall of 1896, letters began to come in from various members, expressing great anxiety as to legislation to be enacted at the special session to be called in January, and urging this association to take active steps to influence such bills as might affect banks.

"At a meeting of the executive council in Des Moines, October 21, 1896, the matter was fully dis-

**CAPITAL, \$2,000,000.**

# Continental National Bank,

**Cor. Adams and La Salle Streets,**

**CHICAGO, ILL.**

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cussed, and the president and secretary directed to select a committee of three, to be known as the "legislative committee," which was to have charge of the legislative affairs of the association for the year, and their names were not to be revealed. As no secret work was done by this committee, and that there may be no suspicion of "star chamber" work, I will here state openly, that the committee consisted of the president, the secretary and Hon. Jacob Rich, of Dubuque. Several meetings were held during the session of the legislature, and the committee was kept informed of all matters affecting banks. To arrive at a better understanding as to the wishes of the association, a circular letter was addressed to each member asking specific ideas and suggestions. Over 1,000 of these letters were sent and about fifty replies were received, only two or three of which gave any aid in enabling the committee to determine their course of action. Some wished to have the association promote the bill to place private bankers under state supervision. On the other hand, private bankers (members of the association) asked us to work against the bill. The true course seemed to be not to interfere in any matter which did not affect all classes of banks alike.

"Opinions regarding the proposed changes in the revenue laws were as varied and conflicting as the theories of the free silver orators and showed clearly that in most cases the writers were unfamiliar with the provisions of the code commissioners' report or the construction of the bill. As the majority of the corporate banks were then paying taxes upon the highest class of assessment, based upon published sworn statements, it did not seem that they could be sufferers, but rather gainers by a method of taxation which proposed to put all corporate and personal property in the same category as bank properties. In short, the purpose of the revenue bill seemed to be in the line of absolute fairness to all, and aside from one or two obnoxious features (which were afterwards mitigated) the committee saw no cause for active opposition.

"And here let me express my firm conviction that the policy of this association in the future should be to interfere as little as possible in legislative affairs. As

good citizens we should accept and abide by just laws enacted for our governance, and in no class of business will unjust laws so quickly react upon the people as they will when applied to banks. The people own the greater part of the assets of the banks—they are beginning to realize this, and they are less inclined to cut their own throats by passing unreasonable and unfair banking laws.

"There is other work for this association to do, which conforms strictly to the purposes laid down in our constitution, and which, if vigorously carried out, will give the best answer to the question which has sprung up of late, 'What good do we accomplish?' And the first thing is to inaugurate some system of mutual protection against fraud. In a line with this, I would suggest the adoption of a cipher code for use among our members, by means of which information can be quickly and safely given or obtained regarding the transfer of funds, the validity of drafts, the movements of criminals, etc. These books should remain the property of the association and be loaned to members, to be returned when whenever their membership ceases. This plan might be elaborated by issuing a book containing facsimiles of signatures of bank officers, as a further safeguard against forgery. The expense of publishing these books might ultimately fall upon the association, but for the time being could be met by a deposit by the members receiving copies, sufficient to cover the cost in each case. These are mere suggestions, but undoubtedly there are others equally or more important, which may occur to you. The practical treatment of this subject is the appointment of a standing protective committee, with full and executive power, and this I respectfully recommend to your consideration.

"In other associations of bankers, the plan of dividing the organization into groups has met with success. A committee appointed for the purpose has investigated the workings of this system with the view of incorporating it into this association, and will report this afternoon. As it contemplates a very radical change in our methods of work, I trust you will give it your careful and thoughtful attention.

"The time-worn subjects of exchange on country checks and express orders have been allowed to rest this year, it being evident, I think, to all of us that the remedy for these evils lie with the banks themselves, and not in any action of the association.

"Among the resolutions which will be offered for consideration at this meeting is one opposing a consolidation of the bankers' associations of the various states into one national organization. To this resolution I wish particularly to call your attention. The American Bankers' Association, as you all know, is composed of a membership of banks, and the responsibility of attending to the affairs of the association rests solely with a council elected from time to time by those members who happen to be represented at the annual convention. The attendance at these conventions is, and must always be, under the present plan of representation, drawn chiefly from the section of the country adjacent to the place of meeting, and cannot fairly represent the banking interests of the whole country. Nor can it be expected that the personnel of these conventions will be other than that of any chance gathering. The majority attend to listen to a few prominent speakers, vote aye or no upon questions which they have had no time to carefully consider, and to participate in the social features. In distinction to this it is proposed to hold a convention composed solely of delegates from state associations, men selected for their ability, who will go prepared to represent their state upon equal terms with representatives of other states, men whose expenses will be paid to go and attend to business, and who will feel the responsibility of their office. It seems hardly necessary that there should be two national organizations, and it is to be hoped that the American Bankers' Association will be reconstructed on some plan similar to the one here suggested. If, however, this is not done, the field must be occupied by another. The fact that we are now permitted to send a delegate, a voiceless delegate, to the convention of the American Bankers' Association does not meet the necessity.

"While this has been a year of more than ordinary activity and disturbance in the world at large, the Iowa Bankers' Association has kept peace with all men, has made no new enemies and has maintained a position of dignity in the face of many temptations and opportunities to become involved in dangerous entanglements."

#### REPORT OF THE SECRETARY.

Our last convention, held at Marshalltown, proved to be a most interesting and profitable meeting. It gave evidence of new interest in and increased life of the association. Whether that evidence was good or not may be judged somewhat by the success of this meeting. Whether we are to have the support of our financial institutions to the extent the association is entitled may be determined to a degree by our enthusiasm at this time. The secretary's report last year

and the general condition of our treasury as shown from year to year satisfied those present on that occasion that should we at any time desire to undertake any special work wherein anything more than the very ordinary expenses of the association might be incurred, that our income from dues would be inadequate to provide for the outlay and that some provisions for such work should be made. After thorough discussion, participated in by many freely, as shown by proceedings, our dues were increased from \$2 per year to \$5, the membership fee of \$5 being in lieu of dues for first year. No doubt this increase may, for the time being at least, influence some to withdraw from the association and thus in a measure temporarily decrease our membership so that when this year's proceedings are printed the list of members, while it will have many new names, may have lost some of its older names and the membership shown last year may be somewhat reduced, still we believe that with the increased dues the membership will be more stable and the dues from those remaining will give increased revenues.

Perhaps the following will bear this out :

#### SIX YEARS RECEIPTS AND DISBURSEMENTS.

YEAR.	ON HAND.	REC'V'D FROM ADV'TS.	DUES AND MEM.	TOTAL.	PAID OUT.	BALANCE
1892	\$433 03	\$156 00	\$ 579 00	\$1168 03	\$675 17	\$ 492 86
1893	492 86	175 50	479 00	1147 36	664 05	483 31
1894	483 31	93 38	482 00	1158 69	609 03	449 63
1895	449 63	139 00	565 00	1253 63	609 55	644 08
1896	644 08	150 00	731 00	1525 08	992 57	532 51
1897	532 51	150 00	1176 50	1859 01	762 68	1096 33

Up to this time the treasurer reports 204 banks in good standing, of which nine are new members. His report will show an expenditure of \$762.68 for which the secretary's vouchers are herewith. Your secretary will make a special effort to get as many who are in arrears to pay up as possible, as has been his custom from year to year. A careful comparison with reports from other state associations satisfies your secretary that our's averages with others in many things, especially in membership and in effort it takes to get members, to retain them after getting them and to care for them after getting them.

The correspondence of the office while not quite so, has been nearly, as large as in any former year. In legislative matters we have kept in touch with what has been done at Des Moines so far as it seemed to interest us directly, and quite an active correspondence has been kept up on that line.

In general, the association seems to be in good condition, yet a little more enthusiasm on the part of its friends would result in much good and in increased usefulness.

The executive council held one full meeting October 21, 1896, at Des Moines, at which time several com-

Capital, \$100,000.00 . . . . .Surplus and Profits \$15,200.00

# The Iowa National Bank

DAVENPORT

CHAS. BEIDERBECKE, President.  
A. P. DOE, Vice-President. CHAS. PASCHE, Cashier.

## New Business Invited

mittees were appointed and work for the year mapped out. A cordial invitation was sent us at that meeting by the bankers of Ottumwa to hold this convention in this city, which was promptly accepted, and we are here to enjoy and improve ourselves. The president and secretary were instructed to appoint a "legislative committee," consisting of three members. A committee of three was appointed to prepare program and arrange for this meeting. A committee of two was also appointed to investigate and report upon what is known as the "group system," report to be made at this meeting.

The legislative committee had one full meeting and at least two of its members have had frequent conferences and through your president and secretary has kept up a regular correspondence with banks and legislators. A tendency on the part of the legislators to do what seemed equitable along the lines in which we are specially interested has been noticeable, yet at all times this committee has kept matters well in hand and had there been necessity for aggressive work at any time would have been in position to render such service.

As the years go by it seems to be ever harder to secure speakers for our conventions, therefore our program committee had to give attention to its duties. This committee had much correspondence and had one full meeting, April 24, to complete program, which it here presents. To your president you owe much for this, for he generously took upon himself largely the correspondence necessary in its arrangement.

The committee appointed to report on the group system has given the matter careful attention and will make its own report at this meeting.

Concerning days of grace, I wish to say that at a meeting of the executive council of 1895 a resolution was adopted asking that a law be enacted abolishing this relic of English custom, and Mr. G. M. Reynolds, of Des Moines, was commissioned to present same to the code commissioner and urge favorable report on same. This matter has not been lost sight of by your secretary or others interested, and we have repeatedly urged this point with our law makers. However, we have failed of success. Several reasons may be given

for this, prominent among which may be the lack of interest taken by our bankers in general. Had they united enthusiastically in demanding the abolition of days of grace there can be but little question but we would have been successful. Perhaps too much reliance was placed on the passage of the negotiable instrument bill, which had it passed would have abolished days of grace. This bill passed the house, but was postponed in the senate because of the claim of some that because of the rush of business they did not have time to give the measure proper consideration, and thus we are obliged to wait another year or two. Twenty-one states have abolished days of grace and it would seem time that Iowa would soon follow.

I know that you will pardon me for urging prompt and early payment of dues. Let us take section 1, article 6, to mean just what it says, "June 1st, each year, in advance," treating this matter as we do all other maturing obligations, paying them promptly. Your association would be benefited and its work more easily carried on. Your secretary would appreciate it, for his work would be materially lightened.

Expressing the desire that our officers for the ensuing year may have the hearty and enthusiastic support and encouragement of every financial institution in the state until it becomes, in fact, as it should be and is entitled to be, the authorized representative of the banks of Iowa, I beg to submit this as my report.

REPORT OF C. H. MARTIN, TREASURER.

*Gentlemen,*—Your treasurer begs to report the business and condition of his office, as follows:

### Receipts.

From T. D. Lockman, May 29, 1896 . . . . .	\$ 532.51
From Secretary, for advertising . . . . .	150.00
From last year's dues, 77 banks @ \$2.00 . . . . .	154.00
From this year's dues, 204 banks @ \$5.00 . . . . .	1,020.00
From this year's dues, part payment . . . . .	2.50

\$1,859.01

### Disbursements.

Paid out, as per vouchers herewith . . . . .	\$ 762.68
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Balance on hand May 26, 1897 . . . . . \$1,096.33

CHAS. H. MARTIN, Treasurer.

## THE GROUP SYSTEM.

Your committee, to whom was assigned the investigation of the group system, beg leave to submit the following report :

First, the reason for its formation. We came to the conclusion that other state associations had drifted into the same channel as we have been floating in and had cast about for some means to increase the membership and interest in the practical workings of their associations. Bankers, as a class, do not take to public speaking, while, as a rule, they are good single-handed speakers, especially when off their feet, but when they get on their feet, seem to lose their heads. Whether it is on account of the weight of their arguments, or the weight of their feet, I cannot say, but their business training makes them dealers in figures other than those of rhetoric, and it is almost impossible to get them to take an active part in the discussion of papers read at state meetings. It was demonstrated at our last annual meeting that with a little prodding, a subject that had been considered at home, would bring members to their feet. It is intended in this form that each member who has anything to advance, either for himself or for his neighbors will have the opportunity to do so. When you meet in a large body, there are a great many men who have ideas, and yet they will sit in their seats and say nothing, but you put these same men among their friends and neighbors and they will

say something for or against, and to this end, a committee was appointed to investigate and report on the group system.

We have corresponded with members from different states, and find that of the replies received, 95 per cent pronounce the system as the thing to fill a "long felt want." The other 5 per cent admit that if worked it will accomplish the good intended. What seems to have been needed in other associations is applicable to our own; the responsibility and management was circumscribed. What is needed is that responsibility for effectiveness and good work of the association be divided, and to accomplish that end, the group system was inaugurated.

The state is divided into districts, or groups, with some point as the meeting place for each group, which is the most accessible for the largest number. Each group is to be controlled by an executive committee of five. Each group can meet as many times a year as deemed advisable, but at least twice. At these meetings, matters of local interest may be discussed, such as interest on daily balances, time and savings deposits, exchange and collection rates, or any subject of local interest, as each group is officered separately and the success of each group depends upon the officers and members. Then its officers are a part of the state association, and in place of meeting once a year, you meet two or more times and discuss your matters at home.

CAPITAL . . . . . \$700,000.00  
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HEMAN DOWD . . . . . Assistant Cashier

Conducting its business along legitimate commercial lines, loaning money in moderate amounts to reputable business houses for mercantile uses only, the

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BECOMES SURETY on bonds of bank officials and employes, also on bonds for contractors and employes of mercantile houses and all others occupying positions of trust. Accepted as SOLE SURETY on bonds given in Judicial Proceedings in Iowa. These bonds executed on application for same.

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EDWIN WARFIELD, President.

Others, aside from local subjects, will be furnished each group for discussion, the same to be taken up at the annual meeting and discussed. By preparing and discussing these subjects at home, you will be prepared to go to the annual meeting "loaded for bear." Each group is presided over by a separate set of officers, who, in turn, report to the state association. You will at once see that in forming these groups, they will be made up of your neighbors in your own town, county, and the adjoining counties, so that you have with you the banks that are directly interested in whatever action might be taken in your section of the state. Much depends upon getting the group properly constructed. They should be grouped with reference to common interests, and about a common center. This is the fundamental principle to work to in forming these groups. The group meetings thus bring together those who have a certain common interest.

The first practical result is acquaintanceship of all the bankers, and therefore, increase of confidence in all business transactions with each other, touching all matters.

Second, discussion of practical banking questions and adopting such methods as are beneficial. We can promote the welfare and usefulness of our banks, secure uniformity of action, protect ourselves from unjust executions, reform abuses, and in many ways derive substantial benefits from concerted action in an organized body. An organization of this kind can be a benefit to the community at large by encouraging sound business methods amongst its members.

Your committee recommends that a committee be appointed to redistrict the state and report at this meeting. The meetings of the bankers in each group shall be held at least twice a year, at such times as may be fixed upon by the group itself, but with the general idea of letting the state association answer as a third meeting for all groups. Each group shall be controlled by an executive committee of five. The executive committee shall meet after the two group meetings as also immediately after the meeting of the state association.

The chairman of each executive committee, together with the officers of the general association, constitute a council of administration which directs the affairs of

the whole association. Thus, the chairmen of the various groups, being thoroughly in touch with the local needs and interest that have arisen at the recent group meetings, in their own sections, will be prepared to act for the best interests of the whole association. In this way the affairs of the whole association will be both localized and centralized.

Should this system be adopted, it will be the duty of the president to appoint a committee on topics, to serve for the ensuing year. This committee will select from subjects which have been brought up in various ways, a list of topics. These will be printed and sent to the chairman of each group with the request to have them presented for discussion at the next group meeting. After the meetings, the group chairman shall furnish to the state executive committee, a report of the proceedings and the consensus of opinion in their respective groups, upon the various topics discussed. The secretary of each group will report in detail the proceedings at every group meeting, and a copy thereof shall be sent to the president of the association to keep him in close touch with the workings of the entire state.

By this method, it will be seen, that all subjects of more than local interest, arising at every group meeting, reach the president, the state executive committee and the committee on topics, and from them go to other groups for discussion.

The effectiveness of this form of organization must be apparent to you. Instead of one bankers' association in the state of Iowa, meeting but once a year, there are eight to twelve, according to your sub-division. These will meet at least twice a year and all meet once a year at a stated place for general discussion and personal acquaintance. At this meeting, instead of there being presented a mass of undigested subjects, many of which, notwithstanding their importance, are necessarily postponed for a year to enable a committee to investigate—in place of this, under this system, the subjects presented are familiar to the entire association, which is in a position to discuss and take immediate action.

I cannot refrain from touching on a point which I am sorry to admit exists in many banking towns within

this state, and the remedy for the same, in my opinion, is in adopting the group system. You who have attended our state meetings, must admit that you have derived a benefit by coming here and becoming acquainted with other bankers, and each meeting makes the acquaintance stronger. The old order of business and which exists in many places to-day, was that every one stood competing with each other and each was afraid to give up the secrets of his business to the other, and his whole aim seems to be to go for his competitor rather than for the other fellow. Farmers work together—doctors, lawyers, druggists, coal and ice men, grain men, merchants, and in fact all lines of business except bankers outside of clearing house cities. In clearing house cities bankers have all learned the benefits of their association. What we need is a better and closer understanding with each other. Let us conduct our business in such a way that we are willing that the whole world should know the secret of it and notify them to investigate it. Our interests are mutual and not antagonistic. Our interests are also mutual with the interests of the people in the community in which we do business, and let us by our acts, by our precepts and by our coming in contact with them, make them understand that fact as we are understanding that our interests are advanced by mutual conduct and acquaintance among ourselves.

The advantages of the system may well be shown by quoting from a pamphlet issued by the New York Bankers' Association :

"To summarize some of the practical benefits derived from the group system: It keeps alive the interest in the work of the association throughout the entire year, and as each group has its own set of officers it keeps alive, in the interests of the association, a more numerous body of men who are naturally ambitious to make the bodies over which they preside as useful as possible. The opportunities of personal acquaintance between members of the group are increased, for frequently the meetings of one group will be attended by members of another. It results, as has already been said, in more effective work at the annual meeting of the association. It brings the members of each group into closer union for common defense and protection. In one of the smaller groups all banks are connected by telephone, and if they desire to learn the standing and responsibility of any firm or corporation doing business with any member of the group they have made arrangements to call up the secretary on the telephone, who will communicate with the other members and report the result of his investigation. This method of intercommunication has already proved effective in frustrating attempts of parties to open several accounts with neighboring banks and obtain lines of credit from each on the understanding with each bank that it was receiving all of their business. It is also effective as a preventative of loss arising from local forgeries. The group system is capable of enlargement

to a point where the banks in each group can be brought together in times of panic and tide over the periods of stringency by the issue of group certificates on approved collateral, in analogy to the methods of the clearing houses in larger cities."

We beg to submit herewith a new constitution and by-laws which, with some changes, are taken from the New York form. We also submit by-laws governing the groups, which we recommend that this association adopt. Respectfully submitted,

T. J. FLETCHER,  
C. R. HANNAN.

Address by Isaac Loos, professor of political science, State University of Iowa:

#### THE BEGINNINGS OF BANKING.

*Mr. Chairman and Gentlemen of the Convention,*—On receiving the invitation to address you on this occasion, my first impulse was to address to you an appeal in behalf of greater attention on the part of our body politic to the education of our public men, of business men on the one hand and leaders of public opinion on the other. We have at present schools for the lawyer, for the physician, for the clergy, and for our teachers; we have schools of general culture, we have the common school, and thanks to the public spirit of our citizenship, we are beginning to have public libraries here and there in the towns and cities of Iowa. But we have as yet no generally recognized schools for the training of our statesmen—I mean for the initial training of our statesmen; for I recognize clearly that the schools as such can only lay general foundations, and that it takes the school of experience to develop and perfect in every line what the school of books has begun. But be it remembered that the school of books in its best estate is after all itself a school of experience—of the garnered experience of others through the ages. The special schools of which I speak are coming in their time, yea, in part they have come. The last fifteen or twenty years have witnessed an extraordinary awakening in the direction to which I point. We have been following in this country in all our larger universities the example of our great German universities in the introduction of courses of study designed to instill in our chosen youth, who can secure the advantages of a higher education, and we are destined to play a part, as they always have since the foundation of the republic, a part out of all proportion to their numerical ratio to our population,—we are preparing, I say, to instill into the minds of our educated young manhood the principles of political science. We are beginning to teach, and with the same care that we bestow upon physics and chemistry, the science of economics, and the science of politics—which is to say the science of private as well as public housekeeping, and to-day no large American university is without its staff of a dozen or more teachers in political science and its allied sub-

ourses are now given in history, economics, statistics, finance, administration, law, education, ethics and sociology, all of which have their contribution to make to him who would serve his own community well or mould public opinion and guide the course of states. Much as I would like to address a body of our public men such as make up this convention, on the cause to which I have made allusion, and much as I believe in its far-reaching importance, and in its close relation to the ends and aims of this gathering of men whom I take to be informed not only concerning questions touching their self interest, but public spirited as well, for what class of men can more keenly feel the imperative demands of high morality and uncompromising integrity, and the mutual interdependence of parts in our body politic? I must nevertheless refrain and address myself to a subject immediately germane to your program.

It is a saying at least as old as Aristotle, but quite modern in the vernacular of our students of evolution, that if we would understand a complicated and difficult subject we must resolve it into its elements, we must study it in its beginnings, we must observe its origin. But it is with diffidence that I venture to address you on the origin of banking. For we must regret with Robertson that in searching for what is instructive in the history of the past times, we find "that the exploits of conquerors who have desolated the earth, and the freaks of tyrants who have rendered nations unhappy, are recorded with minute and often disgusting accuracy, while the discovery of useful arts, and the progress of the most beneficial branches of commerce are passed over in silence, and suffered to sink in oblivion."\*

I invite you to a consideration of the several stages in the evolution of modern banking. It must be confessed that the subject is not an easy one, that it is beset with intricacies, and that the student who undertakes to get really at the truth of things has much uncertain ground to cover. Much of our information now in the books is legendary. A good example of a long accepted and oft repeated legend is found in the statement of our encyclopedias and the numerous articles concerning the Bank of Venice, that it was organized on the basis of a public debt in A. D. 1171. Prof. Charles F. Dunbar, in an article in the *Quarterly Journal of Economics* (vol. 6, pp. 308 f.), shows from the researches of two Italian students that the date 1171 for the beginning of the Bank of Venice must be regarded as not correct. By a mass of evidence he shows that the beginning of *public banking* in Venice falls into the latter part of the sixteenth century. The question of the origin of *private banking* remains an obscure one. But there is no doubt that private banks and private bankers were well developed and established before the era of public supervision and control began.

\*Quoted in Gilbart, Principles of Banking, rev. ed., p. 1.



[STATEMENT.]

# THE BANKERS NATIONAL BANK,

✕ Chicago, Illinois. ✕

CAPITAL \$1,000,000.

## Report of the Condition at the Close of Business on the 14th Day of May, 1897.

### RESOURCES.

Loans and Discounts . . . . .	\$3,004,902 52
Overdrafts . . . . .	1,288 12
U. S. Bonds to secure Circulation . . . . .	50,000 00
U. S. Bonds on hand . . . . .	250,000 00
Premium on U. S. Bonds . . . . .	31,625 00
Other Bonds (Chicago Drainage 5s) . . . . .	108,003 57
Real Estate . . . . .	3,100 00
Furniture and Fixtures . . . . .	10,138 31
Cash and Sight Exchange . . . . .	2,761,553 29
Total . . . . .	\$6,220,610 81

### LIABILITIES.

Capital Stock paid in . . . . .	\$1,000,000 00
Surplus and Undivided Profits . . . . .	124,407 21
Circulating Notes . . . . .	36,950 00
Deposits . . . . .	5,067,853 60
Dividends Unpaid . . . . .	400 00
Total . . . . .	\$6,220,610 81
Deposits March 9, 1897 . . . . .	\$3,333,551 24

### OFFICERS:

R. S. LACEY, President.  
D. B. DEWEY, Vice-President.  
GEORGE S. LORD, Second Vice-President.  
JOHN C. CRAFT, Cashier.  
J. C. McNAUGHTON, Asst. Cashier.  
FRANK P. JUDSON, Asst. Cashier.

The accounts of Banks, Corporations, Firms and Individuals received upon the most favorable terms consistent with safe and conservative banking.

Correspondence solicited with those contemplating a change or division of their Chicago accounts.



I shall undertake to trace first the evolution of private banking. Secondly, the beginnings of legislative enactments designed to check private abuses and control the business of banking in the public interest. Thirdly, to note the beginnings of public banking, the assumption on the part of the state of the monopoly of banking, and fourthly, the conduct of public and private banking side by side, with special notice of free banking and the limitations in this fourth stage upon the privilege of note issue.

### I. *The Money Changers.*

With a unanimity of opinion that seems conclusive the first bankers were the money changers. In the ancient and mediæval world foreign trade was intercommunal rather than international. Trade was carried on between independent communities of which there were hundreds or a thousand then where now there is one. So it was necessary for every city with any pretensions,—for every city with a market, may it have been ever so narrow,—to have a place where the different coins from the several mints and countries could be exchanged against each other. The Greeks, Romans, Jews, all the commercial nations of antiquity, had these money changers. These money changers were our first bankers. We have various names to describe their business. The Greeks called them among other names by a term meaning table (*teamgitai*, from *teamga*, meaning table). In like manner the Romans called them *mensarii* (from *mensa*, meaning table), just as we call them bankers from the bench or counter, the table on which they piled their money. In the later Roman period they were more commonly called by the Romans *argentarii*, that is, dealers in silver, just as in modern England they were for a long time known as goldsmiths—the goldsmiths standing for much more than what their name suggests. In the documents of the middle ages they are much referred to under the name of *campsores*, and occasionally by terms which describe their character as joint stock companies placing their money into a common pile or *mount*.\*

For the definite and undisputed beginnings of banking in the modern sense we must go to Italy of the earlier middle age. That somewhat similar practices prevailed among the commercial peoples of antiquity may be almost taken for granted. They were, however, probably not acquainted, certainly not to the extent to which we are, with certain credit papers. We know that the Roman law recognized an elaborate body of principles as underlying credit transactions, though we are not sure of the extent to which they had organized their international, or, better, their intercommunal, exchange. They were accustomed to keep book accounts—the system of bookkeeping by double entry comes from them. They transferred debts by written documents; they had the conception of an

instrument of exchange as a document or record of debt.

During the middle ages intercommunal trade was carried forward on a cash basis.\* Buyers and sellers assembled in the same place, and the sellers brought with them their wares to exchange against money. On the other hand, as we have already said, coins and coinage were in such condition as to require the utmost care to provide against loss and uncertainty. Coin systems changed usually from city to city, and frequent tampering with the weight and fineness of the money pieces and the forced circulation of domestic coins, made the occupation of the money changers not only important and even necessary, but remunerative as well. Buyers with cash in hand needed to change their coins against the money demanded by the seller, or the seller would accept a coin only to exchange with that of his own land, and this accommodation was readily afforded by the dealers in all the varieties of the varying mints.

But there were other difficulties which the ingenuity of the merchants in the course of time overcame. Two of these conspicuously were the inconvenience of counting large sums of money and the still greater inconvenience of transporting large sums of money over distances sufficiently great to be burdensome and costly. The journey from the fair or market place to the merchant's place of residence was not unaccompanied by dangers to the person of the merchant, and still more was the danger if he carried on his person or in his train a considerable bag of moneys. It is one of the occupations of the story teller who deals in mediæval life to paint for us graphic situations of assaults, of robberies and of escapes. If we consider on one hand the cost and the dangers of this transportation, and on the other hand its inconveniences as the merchant offered his wares from place to place and journeyed from city to city for purchasing perchance a return cargo, we might well foresee that some way would be devised to dispense with it all. The first difficulty was overcome by the invention of book credits and the remedy for the second was found in the device of letters of exchange—bills of exchange we call them.

The business of money changing developed into a great business, and the successful men in these pursuits were able to establish branch offices in different parts of the world, and when they could not do this they were able to arrange with friends engaged in the same occupation to recognize each other's calls, and so avoid not only the cost of transportation for particular merchants but to reduce this cost in their own interest. No sooner was this device well established than it was seen only that balances needed from time to time to be transported, and these only at fixed periods, as we so well understand at the present time—bankers understand them well. The multitude can not yet see that money is not the only medium of exchange, that in the

\*Crump, Manual of English Banking, ch. 1.

\*Cf. Knies, Der Credit, I., 164.

# PEOPLES TRUST & SAVINGS BANK

CLINTON,  
IOWA.

Capital	\$300,000 00
Surplus	\$21,000 00
Total Assets over	\$1,600,000 00

## OFFICERS.

ARTEMUS LAMB, Pres't.  
CHAS. F. ALDEN, V.-Pres.  
J. H. INGWERSEN, Cash.  
G. E. LAMB, Asst. Cash.

## DIRECTORS.

Chas. F. Alden.  
S. W. Gardiner.  
T. M. Gobble.  
A. M. Ingwersen.  
A. Lamb,  
C. Lamb.  
L. Lamb,  
Daniel Langan.  
P. S. Towle.



ACCOUNTS of Responsible  
Banks, merchants and  
corporations solicited. X

Business conducted strictly along the  
lines laid down by the Iowa Banking  
Laws. X X X X X X X

greatest transactions of modern business money is merely a counter, a standard by which we reckon values—while the exchanges of commerce are conducted by a system of book credits, often without the intervention of as much as a copper.

There are on record certain legends purporting to say who first drew a letter of credit. It is entirely possible that so simple a transaction, as this no doubt was to the first parties to it, received little notice on the part of the participants. Only these plain and very simple assumptions underlie the transaction, that there were at the beginning as now two parties in distant places, known to each other, one of whom asked the other in writing to grant a certain favor in the form of an advance in money to a third party or bearer present in the place of a second party, and known to second party, or reasonably capable of being identified to the second party; the second party being in a position and having the will to do so, complies with the request of the first party—and the letter of credit is realized. But it is not yet an institution. It becomes a permanent part in the ordinary intercourse of business life, an institution, only after repeated and customary practices of this sort establish themselves. It is entirely probable that the earliest letters of credit—bills of exchange—were begotten under circumstances of extraordinary emergency, for in commerce and commercial exchange, no less than in other human pursuits, necessity is the ever fertile mother of invention. When men have come to write about them and to talk about them they may be assumed to have already become a part of the ordinary intercourse of life among the chosen few whose purses, or those of their friends, are of sufficient dimensions to be recognized across seas or across portions of a continent. It takes a much longer step and requires additional time and the gradual development of a machinery for the transfer of credit before unknown parties can be thus accommodated. When they are so accommodated it is through agencies which make that their business. The first agencies of this sort were of course the money changers, the primitive or primary bankers, as we already denominated them.

## II. The Money Changer Merged into the Modern Banker.

The beginning of the use of letters of credit dates from the period of the crusades. During these centuries the centers of trade greatly multiplied, and great fairs came into vogue, at the end of which it was customary to set apart a week for the balancing of accounts between the money changers. Such balances were occasionally paid in exchange by letter, and present money was exchanged against absent money (*presentem pecuniam pro absenti pecunia*). It was customary to acknowledge "value received." The penalty for drawing a letter on another place where the drawer had no deposit—no money—was immediate and severe; and it is a tribute to the merchant class that so early was good faith warranted that the use of these letters of credit became general. Let us retrace now the step so far taken and anticipate those which follow. First there was the money changer who conducted his business on a cash basis. To this was joined the gradual development of orders drawn from one place on branch houses or friendly correspondents in other places. Briefly, we observe the money changer is turning into a modern banker, as we saw him gradually developing the bill of exchange or letter of credit, and the transfer of book credits. The oldest banking paper, therefore, thus is not the bank note nor the check, but the draft or bill of exchange. The next step, or another step, in the development of the money changer into the banker is taken when he begins to make short time loans; the third when he received deposits and lets these for short periods, giving deposit receipts entitling holder to demand money on call; and the fourth or last when these deposit receipts are themselves put into circulation, whence the use of the check and the bank note.

We have seen that the special demands\* on the money changer came with the periods of the great market days and the great fairs. This gave them a respite which they learned to utilize. During the interval short time loans at a good interest began to be systematically undertaken with results that gradually

\*Knies, Der Credit, II., 218f.

assumed large proportions as a discount business. In such advances a quickly turnable mortgage was usually required from the borrower. The development of their business led them to provide themselves with huge iron chests and other devices for the safe keeping of their stores, and this attracted a body of custom in the form of deposits for safe keeping; in the meantime these deposits were loaned at interest, and the capital of the operator was augmented. The fourth step came when these deposits began to be transferred on the book of the bank, or provisionally placed in circulation by a transfer of a certificate of deposit. The latter took place whenever these money changers, or goldsmiths, as they came to be called in England, gave their own notes instead of moneys deposited. When these steps had been taken the banking functions were complete. These latter functions were conspicuously developed by the Bank of Amsterdam in the third stage of banking,

which we may here speak by anticipation. That private bankers performed all these functions before public notice of the customs of merchants was taken seems to be well authenticated. The time came, as we have abundant evidence for believing from the recorded history of Venice, when it seemed expedient to force private bankers by express enactments to treat their clients with fairness and honor. We may call this the second stage, during which attempts were made to exercise control and check private abuses.

### III. Legislative Supervision and Control.

The history of banking in Venice may here be followed in illustration of this stage. As early as 1270, it was deemed necessary to require the money changers "to give security to the government as the condition for carrying on their business. \* \* \* It is not shown that they were then receiving deposits." \* Clear evidence of this practice is first conveyed in an act of September 24, 1318, in which provision is made for the better protection of depositors. Somewhere between 1270 and 1318 the money changers of Venice were becoming bankers. Soon the number of *bancus scriptæ* or *bancherius scriptæ* (the bank or banker who keeps written accounts of transferable deposits) becomes considerable, and acts for their regulation frequent. We know, by name, a number of the private banks which flourished between 1349 and 1594. Most of them went through phases of failure, reorganization and resumption, once or oftener. "Ferrara, a close student of this subject, knows of only one which, after an existence of a hundred years, closed its affairs by payment in full."—This was the bank of the House of Soranzo. We know of twenty banks in this period, by name, but Tomaso Contarini, in a speech in the Venetian senate in 1584, speaks of one hundred and three, of which ninety-six came to a bad end and only seven succeeded. But this did not prevent Contarini from arguing in

behalf of establishing a public bank. Notwithstanding a train of disasters nearly two centuries and a half long, the services rendered by the banks were held indispensable to preserve the trade of the city. A series of acts show plainly that these services were rendered by means of deposit accounts.

How early the bankers of Venice discovered that they could make use of money not actually deposited is not known, but "the idea must have occurred to them soon after the transfer of deposits became common." The keeping of deposit accounts led to the discovery that it was possible to increase the amounts transferred in the books beyond the amounts of coin actually in hand because so soon as men ceased to call for coin and accepted credit transfers in lieu thereof, it must have dawned upon the bankers that they needed a cash treasury of coin only to the extent to which their creditors would still be disposed to call for coin instead of credit. This apprehended, the theory of a reserve becomes plain. Then, as now, it was difficult, in fact impossible, to determine the exact amount of coin money that might be thus called for, and the wish to make the most of their dealing in credits kept them always sufficiently near the danger line, and not infrequently tempted them so far beyond it as to make a safe return impossible. Whenever their cash was low, it began to be inconvenient for certain bankers to be at their places of business. Accordingly, it was decreed by the Venetian senate (1445) that bankers must be present daily for a certain number of hours or incur fine (penalty) for their irregularity. The law aimed to regulate private bankers by prescribing rules in accordance with which credits might be written off or deposits allowed; and we notice among other provisions of an act of 1526 "that credit in bank shall not be written off to any one for any amount in his absence; but credit shall be written with both parties present." Evidently the check system in its modern form had not yet developed.

Lawmakers found it worth while to command the payment of deposits on demand, as we see by an item from act of 1526: "Bankers \* \* \* must pay, to those who wish, in cash at once and in hand their money in good and heavy gold, or good moneys at the market rates, or rates current at our office." In default of this a fine of twenty-five ducats was imposed.

Those who opened banks did so to make gains. Loans were an indispensable condition in this project; and these were made to the state and to individuals, but principally to the state. Loans to individuals were by one act, act of 1467, limited to ten ducats. The prohibition of interest impeded the making loans to individuals, and probably hindered the growth of legitimate banking. Loans to the state were common and apparently unrestricted.

The tendency to an excessive use of credit is on every hand apparent in the early history of banking in Venice. Attempts were made to restrict the use of deposit

\* Dunbar, Quar. Jour. Econ., V.I., 308. Paragraphs following on Bank of Venice are mainly based on same article.

Capital, \$300,000.

Surplus, \$300,000.

Deposits, \$1,500,000.

# Farmers Loan & Trust Company,

## SIoux CITY, IOWA.

THIS BANK has no borrowed money; no notes re-discounted and has 70 per cent of demand deposits in cash. — — — — —

More than 500 Par Points.



.....A General Banking Business Transacted.

WE SOLICIT your business and are always pleased to extend reasonable accommodations to our customers. — — — — —

credits to such amounts as had actually been paid in. This was impossible. And men spoke admiringly, if not enviously, of the banker "who can satisfy his own desires for fine furniture and jewels by merely writing two lines in his books"; who can "accommodate his friends \* \* \* merely by \* \* \* a brief entry of credit"; who "can buy estates or endow a child without any actual disbursement."

The effect of over-issue, to which bankers were tempted, was of course ultimately embarrassment in meeting the demands of depositors, and the resorts to expedients for avoiding payment. Embarrassments of this kind, as well as actual fraud, account for the long series of acts against abuses in banking.

#### IV. *The Inauguration of Public Banking.*

The earliest example of a public bank is probably found in the Bank of Venice. The Venetian senate became satisfied of the necessity of a radical change of system. An act passed in December, 1584, for the establishment of a public bank was repealed in April, 1585. This bank was to have been known as the Banco della Piazza di Rialto. In April, 1587, a public bank was reconstituted. In the interval Venice, much to the injury of her business, was without a bank, public or private. The bank founded in 1587 was sometimes called the Banco di Rialto and sometimes Banco della Piazza. "The acts of 1584 and 1587 differed in some important particulars, but they agreed in their main purpose of giving to a public institution the deposit business so long retained by the private banks." The act of 1587 sufficiently represents the revolution in Venetian banking which took place in 1587. "The Bank of the Rialto was not a bank in the modern sense, as the private banks superseded by it had been. The republic \* \* \* declined to undertake the investment of the funds intrusted to it, sought no profit from the use of its credit, and, in short, merely undertook to keep the money of the depositors in safety, and to pay it out or transfer it to others at the will of the owners."

The organization of the Bank of Amsterdam and England now follow as of course. A no less instructive example is the system of John Law. Nothing can

better illustrate the frequent doctrinaire attitude of the legislator towards questions of public policy than the manner in which the Dutch states general took hold of the problem in curing the confusion in the currency which prevailed in Amsterdam in the seventeenth century. Coins of full weight tended to disappear, except when a premium in the light coin of early day use brought them out. The confusion extended to foreign exchange as well as to domestic trade. The legislators attacked the deposit bankers and dealers in specie and exchange. "By a statute of July 15, 1608, the business of deposit holding was absolutely prohibited, and the receiving or paying out of money for another person, or its transfer by writing or by word of mouth, directly or indirectly, was forbidden under a penalty of 25 per cent, one-half to be levied upon the banker and the other upon the customer." The dealing in bills of exchange and the culling of heavy coins for profit was likewise prohibited. This measure in point of severity ranks with our Iowa constitution provision of 1846, prohibiting the establishment of banking in our state. Upon the demand of the merchants the measure was moderated a few weeks later, and within a year another measure, which had been under consideration for several years, was substituted for it. An ordinance creating the *Amsterdamsche Wisselbank*, or Exchange Bank, since known as the Bank of Amsterdam, was passed on the 31st of January, 1609. A deposit system was now carried forward under public control and the transferable deposits or credits soon came to be known as bank money and outranked in their acceptability the uncertain pieces of metal then in circulation. The new bank provided a secure system of deposits and a fixed standard of payments, and entered upon a long and honorable career.

The Bank of England, established in 1694, but reorganized in 1697, is perhaps the best type of a modern state bank considered as an immediate financial agent and assistant to the government. By its revised charter of 1697 it was given a monopoly of note circulation, and in consideration of this privilege it made large advances to the government by selling its shares in exchange for government stocks. The

notes issued were made payable to bearer on demand. Though its form has since been changed, in its original outline it became the model, a hundred years later, on which Alexander Hamilton organized the first United States bank, and it has since been copied in more or less complete form by all countries having established state or national banks.

I have so far said little of the speculative element in banking, except by implication when speaking of the abuses which lead to public supervision and control. I desire before closing to call attention to this danger by recalling the career of John Law in Paris. It is with the name of Law that we associate the greatest speculative mania on record. We know the system of Law better by its collapse than by the sound principle which entered into the initial organization of his bank, and we are apt to confuse two things which ought to be kept distinct, a confusion which to this day leads an occasional bank official to a choice between the penitentiary and the pond. The confusion to which I allude is the failure to keep separate and distinct legitimate commercial banking and dealing in futures, or gambling in stock market. Extravagant as the banking schemes of John Law were, they received their fatal blow from a haste to grow rich in the mania that set in to secure on the one hand stocks in his bank and on the other hand shares in a company which he organized on the model of the Dutch and English East India companies for the development of the West Indies, of New Orleans, of the Mississippi. That Law was right in his expectation of great things from the Mississippi valley time has well proven, but Law made no allowance for time, and thousands became victims to a mania to buy on an advancing market. One marvels that the multitude can ever be so blind as to forget all fear of a possible limit to dividends on even a wise investment. But it is a thing which society has yet to learn that an honest investment can pay only a limited dividend. Directly the speculative mania has nothing to do with banking, yet indirectly it has at times everything to do with it; and at all times a speculative judgment is requisite for safe and yet profitable banking. John Law undertook to introduce order and life into the decrepit and decaying fiscal and currency system of the France of the second decade of the eighteenth century. He undertook to replace the coin circulation of France by a paper circulation, to refund the French national debt, and to collect the taxes at a great saving to the government. The management and operation of other European banks, notably of the Bank of Amsterdam and that of England, had given Law ground for some of his hopes, but not support for them in their extravagant form. He seems to have been ambitious to bring all the specie of the country into the vaults of his bank and to substitute therefor a paper currency. But so far the history of banking has proven such radical effort hopeless. And they will continue to be hopeless.

#### V. *Free Banking and Restriction upon Note Issue.*

A new lesson was taught by Scotland that an honest, conservative and thrifty people can be trusted to organize and maintain a system of banking without limitations or restrictions save only those which their own prudence and business foresight impose. But the Scotch system of the last century and the earlier half of the present is not a system which operates itself. It cannot be introduced into a new country with a heterogeneous population and imbued with a zeal for sudden and speculative gains. It would not be suitable for our own conditions; particularly would it be unsuitable in those parts of our country which are without banking facilities. New England and certain of the middle and north central states could perhaps be more nearly entrusted with a system of freedom. But in our own experience we have so well learned the lesson of danger from non-legislative control and restriction during the era of wildcat and red horse banking, that we are disposed to distrust the absence of strict legislative control and administrative supervision.

We have now concluded our review of the beginnings of banking. I think we may view the origin and development of banking in these four successive stages:

First, the money changers.

Second, the merging of the money changers into bankers, as these develop systematic communication with each other through letters of credit, or bills of exchange; and as they develop gradually, the use of book credits, the practice of short time loans, and the custom of buying time papers for cash.

Third, the period during which the legislatures of certain cities and territorial states undertake to correct abuses in the practices of the money changers or goldsmiths who have turned bankers.

Fourth, the period of public banks, the creation of banking corporations to act as fiscal agents of the state and with monopoly of note issue under state sanction.

Fifth, the period of free and speculative banking, which develops with advancement of deposit and discount, within which the older and newer usages merge into a well established and definitely recognized business, such as it is to-day.



# THE POLK COUNTY SAVINGS BANK, DES MOINES, IOWA.

Capital \$100,000.

Your Business Solicited.

Established 1882.

JOHN A. GARVER, President.

C. W. PITCAIRN, Vice-President.

A. J. ZWART, Cashier.

Almost every vagary that one meets in this year of Our Lord, 1897, fresh from the brain of some newly discovered original thinker, can be met with many times over, in the literature of proposals now in existence. One of the most persistent proposals, is the scheme in one form or another, to put into circulation notes based on a land guarantee, instead of a specie in reserve; and noble dukes have been found to risk their all in experiment, only to find their dreams dreams, and the late proposals from a western state to have the government advance two per cent loans to all farmers on call, has its antetype in the proposal of Pierre Joseph Proudhon, the noted founder of French anarchism, who demanded that the French government organize a national bank to advance two per cent loans on call, to whomsoever may come.

We can well afford to study and to encourage all the people to study, the history of banks and banking, that we may not go on forever repeating the mistakes, and learning over again, by failure, the lessons that well might have been learned once and for all time.

## RESOLUTIONS.

*Gentlemen,*—Your committee herewith submit without recommendation the resolutions attached for your consideration.

W. W. LYONS,  
TOM D. LOCKMAN,  
C. H. MCNEIDER,  
*Committee.*

*Resolved,* That in accordance with the rules of the American Bankers' Association we now proceed to elect five delegates to represent the Iowa State Bankers' Association at the next convention of the American Bankers' Association in Detroit, Michigan, in August, 1897. (Adopted.)

WHEREAS, The purpose of all associations of bankers is the welfare, improvement and safety of the banking business in general, and

WHEREAS, Such purposes can be best attained through systematic union of all bankers associations; therefore be it

*Resolved,* That in the opinion of the Iowa Bankers' Association it is advisable that there shall be a national organization composed of delegates from the bankers' associations of the various states, and

*Resolved,* That the secretary of the Iowa Bankers' Association be instructed to correspond with the proper officers of other bankers' associations, inviting them to join in a national association and to send two delegates to a preliminary meeting to be held within the next six

months at such time and place as may be agreed upon; and

*Resolved,* That the president shall appoint two delegates from this association to attend such preliminary meeting, and that their expenses shall be paid by the association. (Adopted).

WHEREAS, For the purpose of general, statistical, and comparative information, it is desirable that published reports of national and of state banks should indicate their respective conditions upon the same date; and

WHEREAS, It rests with the auditor of this state to determine when and how often the banks under his control shall publish statements; therefore be it

*Resolved,* That it is the sense of this association that the date of the four published statements of the state banks of Iowa should be uniform with dates of four of the statements of the national banks published upon call of the comptroller of the currency; and

*Resolved,* That a copy of these resolutions be sent to the auditor of state, and that he be requested to confer by correspondence with the comptroller of the currency with the view to carrying out the suggestions indicated herein. (Adopted.)

WHEREAS, By reason of the restrictions of section 5137 of the national bank act, national banks are unable to loan money upon real estate security; and

WHEREAS, Such restrictions apply not only to the deposited funds of the national banks, but also to the funds representing the invested capital of said banks; therefore be it

*Resolved,* That it is the sense of this association that national banks should be permitted to loan upon real estate security to the extent of their surplus fund; and

*Resolved,* That the secretary be instructed to prepare and circulate a petition to congress reciting these resolutions, and praying that the section of the national bank act referred to herein be amended so as to permit national banks to loan upon real estate to the extent of their surplus fund; and

*Resolved,* That the secretary be instructed to correspond with bankers' associations in other states urging them to circulate similar petitions. (Tabled.)

The Iowa Bankers' Association having learned that Calvin Manning, of Ottumwa, one of its members, is spoken of very highly as one of the two commissioners from the United States to the Paris exposition of 1900, — take great pleasure in recommending and endorsing Mr. Manning for that position. (Adopted unanimously.)

*Resolved*, That we tender the thanks of this association to the people of Ottumwa for their hospitality, for the kindly welcome that we have received and the elegant banquet served; to the speakers for able and instructive papers; to the press of the city for the full reports of our meetings. (Adopted, rising vote.)

WHEREAS, The constitution of this association now provides that all members shall report to the president any defalcation or robbery coming to their notice; be it

*Resolved*, That in order to afford protection to our members the sum of five hundred dollars (\$500.00), or so much as may be necessary shall be used during the next year for the purpose of prosecuting such defaulters and forgers, said sum to be expended by a committee of three, consisting of the president, secretary and treasurer of this association. (Adopted.)

*Resolved*, That the secretary's salary be three hundred dollars per year, and that he be allowed the services of a stenographer when needed. (Adopted.)

*Resolved*, That the expenses of the presiding officer, secretary and treasurer in attending this convention be paid by the association. (Tabled.)

#### THE BANQUET.

The banquet tendered the visiting bankers by the Ottumwa bankers was an unqualified success in every respect. The banquet was served by the ladies of the Presbyterian church.

The arrangement of the tables was unique, all radiating from a central table, at which sat the toastmaster and those who were down on the program for responses to toasts. The tables were ornamented with flowers and the finest cut glass and silverware from the best homes in Ottumwa. At 9 o'clock the large company present was seated and the service of the banquet occupied about two hours. Then followed the feast of reason and the flow of soul under the direction of Hon. Calvin Manning, toastmaster.

Rev. F. E. Brush, of the First Methodist church, responded in a most graceful manner to the sentiment, "The Stranger Within Our Gates." He stated that he himself was a comparative stranger, having had a residence of but a few months in Ottumwa. However, it had been sufficiently long to endear him to the people and cause him to realize that a more hospitable and open-hearted class of people were not to be met within the state of Iowa. He knew that the visiting bankers were enjoying themselves because, under the circumstances, they couldn't help doing so and he was confident that they would carry away with them a warm appreciation and friendship for Ottumwa citizens.

#### THE STATE OF IOWA.

The response to this sentiment was most appropriately left to the honored executive of the state, Governor Francis M. Drake. Governor Drake stated that he came to Iowa when it was Wisconsin territory,

though his brother, who was two years older than himself, claimed that it was then Michigan territory, afterwards becoming Wisconsin territory. His first recollection of Iowa was seeing old Chief Blackhawk and the members of his tribe about Ft. Madison. Dr. Brush had referred to the money power. The speaker was a firm believer in the adage "that knowledge is power," and in this respect Iowa is powerful. The toastmaster aptly remarked that "in all that is good Iowa has the best." This is true with reference to Iowa's great agricultural, manufacturing, mercantile and other vast interests. We are proud of Iowa, and the speaker found a special reason for thankfulness in the fact that he had been a resident of the state ever since the state was born.

#### THE TOUGH CUSTOMER.

Hon. S. F. Smith, mayor of Davenport, responded in a happy and facetious manner to the toast, "The Tough Customer." Mayor Smith is unquestionably a politician. He paid a compliment to the ladies, to Ottumwa, to the newspapers—indeed his talk was full of compliments and the thing that he said the least about was the tough customer. With native modesty we assume that this was because of the fact that Mayor Smith had found none of that species in Davenport. The Mayor is a happy speaker and we do not wonder that he was elected on the republican ticket in a city that has for years been overwhelmingly democratic.

#### A GLIMPSE INTO THE FUTURE.

Major Samuel Mahon, of Ottumwa, delivered one of his usual happy speeches in response to this sentiment. He said that he presumed the gentlemen present would not ask him to quote from Scripture. While a perusal of the Bible would give him reasonable hopes as to the ultimate future of the wholesale grocer, he would have to confess that there was very little encouragement when it came to quoting Scripture as to the banker and money-lender. However, he thought there had been an improvement since the days the Scriptures were reduced to writings. The Major spoke at some length as to the value of organization in various lines of business and the benefits to be derived from such meetings as were now being held in Ottumwa. These meetings are significant of the future. They are a benefit to all participating and will result in much good to the public, the proper service of which is the basis of all lasting and real success. The Major prophesied for the future a higher and broader plane in business affairs than mere selfish aggrandizement. To the bankers he said: "With wisdom, conservatism, honesty and the fear of God, you will be largely instrumental in giving to this great nation a true and proper socialism."

#### THE RAILROADS AND BANKS.

Toastmaster Manning, in a few appropriate remarks, introduced General Manager W. C. Brown, of the Burlington system. He said in part:

"In a recent conversation with the president of one of our western colleges, I was reminded that in discussing the development of transportation facilities in this state, Iowa's first railroad was seldom mentioned.

"Iowa's first railroad was a branch of some importance of a system of railroad which was famous in its day. It was a peculiar railroad. It never had a charter, and had no well-defined right of way. It had no code of signals, but in the creation God had set in the northern heavens a star which guided the conductor and his helpless, lowly passengers through the darkness of the night across the trackless prairies to the land of freedom. It was a railroad 'not made with hands, whose builder and maker was God.' Its southern terminus was enshrouded in the clouds and darkness of human slavery, but its northern terminus was luminous with the glorious sunlight of liberty. It was in Iowa that the poor, downtrodden traveler on the 'underground' railway breathed in his first inspiration of the air of freedom, and the chains of bondage which had fettered a race for generations were struck from the limbs of the bondsmen when they set foot on Iowa soil. Well might it then have been said of Iowa, as it has been of England—

" 'Slave cannot breathe in Iowa  
If their lungs receive our air;  
That moment they are free,  
They touch our country and  
Their shackles fall.'

"Less than 'three score years and ten' has passed since the Hon. Chas. Carroll laid the first rail of the first railroad in the United States. Charles Carroll was the last surviving signer of the Declaration of Independence. Fifty years had elapsed since the promulgation of that sublime declaration of principles, and the venerable patriot may have realized in some measure the tremendous importance, the far-reaching beneficent influence of the drama in which he had taken so prominent a part half a century before; but certain it is that neither Charles Carroll or any person in that vast assemblage who witnessed the laying of that first bar of railroad iron, realized that he was performing for the commercial and industrial world a service similar in importance and significance to the service he rendered to the cause of humanity and free government when he, with fifty-four other patriots and heroes, affixed their names to the grandest declaration ever conceived by the mind or penned by the hand of man. The first settled in our fathers and their children forever the title to the precious heritage we now enjoy. The second made possible the marvelous development of the century now drawing to its close, and added a thousand fold to the value of an American birthright.

"The story of the development of the railroad during the sixty-eight years since the laying of the first bar of railroad iron is a history of the mighty progress of the nation. From this small beginning—from nothing—the railroads of this country have grown to

185,000 miles, handling annually 700,000,000 tons of freight and 500,000,000 passengers, employing a little less than 1,000,000 men to whom is paid annually more than \$725,000,000 in salaries, and a larger sum to labor employed indirectly in the production and manufacture of supplies and equipment.

"Nearly 70 per cent of the gross earnings of the railroads of the country is returned to circulation almost at once through the medium of labor employed and taxes paid.

"The railroad and the bank have many features in common. Both are possible only through the concentration under one management of the money of hundreds and thousands of individuals. Both, if properly understood, perform an important and beneficent function for the community, the state and the nation. Both are, and have been from their inception, misunderstood and little appreciated. The responsibility for the effect of almost every calamity from a deluge to a drouth, has been laid at the door of the one or the other, and hard times, from whatever cause, have always made the railroad and the bank the target for the professional politician and the demagogue.

"The state of Iowa has had some rather pronounced ideas upon the subject of railway regulation, and has taken a leading position in the enactment of restrictive legislation, some of which has been very bad and most of it of questionable benefit to the state. But while the people of Iowa are jealous of what they conceive to be their rights, they are disposed to deal fairly and to respect the rights of others, and her disposition of the railroad question by the submission of all controversies to a commission elected for that purpose seems as fair a settlement of a troublesome question as could be reasonably hoped for. There should be no conflict between the railroads of Iowa and any other interest in the state. The railroads are the steadfast friends of the state and are working constantly for her improvement and advancement. More than 30,000 citizens of Iowa are connected with her railroads as employees, having dependent upon them more than 100,000 others, who look to the railroad for support. These citizens share with all other citizens in their love and loyalty to this grand old Hawkeye state. They love her history and her

## The Havill Deposit Ledger

Arranged with the Ledger Index Balance Sheets.

(PATENTED NOV. 26, 1895)

COMBINES the best points of the old-style Deposit Ledger, with its compact grouping of debits and credits and daily balances of accounts, rendering the examination of an account in all its details easy and satisfactory, with the advantages of the Boston System, in its grouping together the accounts in alphabetical order and the arrangements of the balances so that a daily trial balance can be taken easily. For circular, address

O. H. HAVILL, St. Cloud, Minn.

traditions. They rejoice in and feel that they have in some small measure contributed to the prosperity of the present, and cherish with all other citizens the fondest hopes for her future. Many of us knew Iowa when banks and railroads were an exceedingly scarce commodity. Without these two instrumentalities much of the wonderful development we have seen would have been impossible. To take from the present those things which have been made possible by the railroads and the banks, would be to turn back the hands upon the dial of progress fully one-third of a century. We have the right, as citizens of Iowa gathered together on this occasion, to congratulate ourselves upon what we have seen, upon the progress and development in which we have been permitted to bear an humble part, and remembering these things, we can, with reverent, gratified hearts, echo the words of the poet: "Great God, we thank Thee," etc.

#### AMUSING EXPERIENCES OF A CASHIER.

This was a sentiment responded to in a happy manner by Mr. Ackley Hubbard, of Spencer, Iowa. Mr. Hubbard is one of those quaint good fellows whose stories have an added relish because of the way they are told. Even the ladies—at whose expense he related some funny experiences—enjoyed his response exceedingly. Mr. Hubbard is winning quite a reputation as an after-dinner speaker.

#### PIONEER BANKING IN IOWA.

This was the closing toast of the evening and was responded to by Ottumwa's pioneer banker, Mr. W. B. Bonnifield. Whenever Mr. Bonnifield writes or talks he gives expression to some things of interest and value, and this occasion was no exception to the rule.


We regret that space will not permit us to give the toasts in full. The occasion was one of great enjoyment to all present, and the visiting bankers were deeply grateful to the bankers and citizens of Ottumwa, whose courtesy and good fellowship gave them so delightful an evening.

#### DELEGATES IN ATTENDANCE.

J. F. Latimer, Pres. Bank of Hampton, Hampton.  
T. E. B. Hudson, Pres. Farmers & Mchts., Hampton.  
L. P. Holden, Pres. Franklin County, Hampton.  
A. R. Carter, Pres. Citizens, Hampton.  
S. Y. Eggert, Cash. Bank of Ackley, Ackley.  
Peter A. Dey, First National, Iowa City.  
John Rath, owner John Rath Exchange, Ackley.  
Rodney Hill, Cash. Citizens, Britt.  
Wm. K. Ferguson, Cash. First National, Algona.  
A. E. Jackson, Cash. Farmers & Merchants, Tama.  
S. F. Smith, Drctr. Davenport National, Davenport.  
Wm. L. Shepard, Drctr. Marquardt Sav., Des Moines.  
E. W. Hazard, Cash. State Bank of Hull, Hull.  
H. H. Turner, Cash. Farmers Ex., Steamboat Rock.  
Ackley Hubbard, Cash. Citizens State, Spencer.  
R. H. Moore, Cash. Brooks & Moore, Traer.

Eug. L. Guild, Cash. Bank of Conrad, Conrad.  
W. R. Jameson, Asst. Cash. Farmers Ex. State, Dows.  
O. H. Witmer, Cash. Far. & Mcht. State, Newton.  
A. J. Zwart, Cash. Polk County Savings, Des Moines.  
W. W. Lyons, Pres. Bankers Iowa State, Des Moines.  
J. H. Bales, Pres. City State, Eldora.  
G. W. Curtis, Cash. Bank of Redfield, Redfield.  
R. W. Birdsall, Cash. State, Dows.  
J. H. Drake, Pres. First National, Albia.  
C. R. Wooden, Cash. J. R. Wooden Bank, Centerville.  
Arthur Reynolds, Cash. Des Moines Nat., Des Moines.  
Geo. Glick, V.-Pres. First National, Marshalltown.  
B. J. Thompson, Cash. Winnebago County State, Forest City.  
Geo. M. Barnett, Cash. Centerville Nat., Centerville.  
J. D. Whisenand, Cash. Central State, Des Moines.  
Abraham Dixon, Pres. State Savings, Coon Rapids.  
W. E. Crum, Pres. Bedford Bank, Bedford.  
M. M. Head, Cash. Greene County State, Jefferson.  
Miss Bertha Embree, Asst. Cash. Citizens State, Grand Junction.  
H. N. Silliman, Cash. State Bank of Cedar Falls.  
R. A. Crawford, Cash. Valley National, Des Moines.  
B. F. Robinson, Cash. Armstrong Bank, Armstrong.  
A. N. Spalding, Cash. Ainsworth Savings, Ainsworth.  
E. C. Abbey, Cash. Farmers Savings, Garner.  
L. B. Clark, Pres. State Bank of Belmond, Belmond.  
D. T. Denmead, Pres. City National, Marshalltown.  
John R. Wallace, Cash. State Bank of Bloomfield.  
H. J. Howe, Cash. Fidelity Savings, Marshalltown.  
D. D. Prilaux, Drctr. American Savings, Maquoketa.  
Walter Doe, Drctr. American Savings, Maquoketa.  
A. C. Miller, Cash. Home Savings, Des Moines.  
C. P. Walker, Cash. Farmers, Paton.  
Miss Nellie Johnson, Cash. Commercial, Rippey.  
A. F. Balch, Marshalltown State, Marshalltown.  
C. R. N. Miller, Cash. First National, Mason City.  
C. H. Martin, Cash. Peoples Savings, Des Moines.  
Simon Casady, Cash. Des Moines Savings, Des Moines.  
Geo. E. Winter, Cash. Commercial State, Mason City.  
F. H. Helsell, Pres. Bank of Sioux Rapids.  
J. M. Woodworth, Cash. Coml. State, Marshalltown.  
E. H. Rich, Cash. First National, Ft. Dodge.  
Geo. E. Pearsall, Cash. Citizens National, Des Moines.  
O. E. Dutton, Cash. First National, Manning.  
Jas. T. Whiting, Cash. National State, Mt. Pleasant.  
J. L. Edwards, Cash. Merchants National, Burlington.  
H. F. Collier, Cash. Helmer & Gartner, Mechanicsville.  
A. H. Gale, Cash. City National, Mason City.  
Chas. J. Weiser, Pres. Winneshiek Co. Bank, Decorah.  
A. M. Henderson, Cash. Marengo Savings, Marengo.  
C. C. Haas, Cash. Farmers Savings, Marengo.  
Wm. Buxton, Jr., Cash. Warren Co. Bank, Indianola.  
Geo. F. Orde, Cash. Northern Trust Co. Chicago, Ill.  
J. H. Ingwersen, Cash. Peoples Trust & Savings, Clinton.  
R. Van Vechten, Cash. Cedar Rapids National.  
H. M. Carpenter, Cash. Monticello State, Monticello.

- C. B. Mills, V.-Pres. Security, Sioux Rapids.  
 A. J. Wilson, Pres. Marathon Savings, Marathon.  
 M. C. Struble, Cash. Security Savings, Wellman.  
 Arthur Tower, Asst. Cash. Amer. Ex. Nat., Chicago.  
 F. P. Judson, Asst. Cash. Bankers National, Chicago.  
 C. N. Hagler, Prop. Bank of Lime Springs.  
 O. P. Miller, Lyon County Bank, Rock Rapids.  
 J. I. Sweeney, Cash. Mitchell County Bank, Osage.  
 Fred Heinz, Pres. Far. & Mechc. Savings, Davenport.  
 S. T. Goltry, Cash. First National, Marathon.  
 Geo. A. Dissmore, Cash. Iowa National, Des Moines.  
 C. E. Blackert, Cash. Commercial Savings, Milford.  
 J. H. McCord, Asst. Cash. Lake View State.  
 Frank Patch, Hartley State, Hartley.  
 Chas. R. Hannan, Cash. Citizens State, Council Bluffs.  
 C. J. Lenander, Asst. Cash. Farmers & Traders Savings, Bancroft.  
 — Geo. G. Hunter, TRI-STATE BANKER, Des Moines.  
 H. E. Paul, Cash. Corinth State, Corinth.  
 James A. Patton, Cash. First National, Council Bluffs.  
 A. L. Rockhold, Cash. Bank of Lineville.  
 W. L. Moyer, Asst. Cash. Am. Tr. & Sav., Chicago.  
 Frank P. Hayes, Sec. Missouri Bankers Association,  
 Schuyler County Bank, Lancaster, Mo.  
 Chas. L. Merrill, Asst. Cash. National Bank of Commerce, St. Louis.  
 A. A. Crane, Asst. Cash. National Bank of Commerce,  
 Minneapolis.  
 W. E. Statler, Sec. Bankers Acct. Co., Des Moines.  
 E. M. Scott, Cash. Security Savings, Cedar Rapids.  
 Jno. W. Cravens, Cash. First National, Spirit Lake.  
 W. H. Freeman, Pres. Citizens State, Oakland.  
 J. M. Dinwiddie, Cash. Cedar Rapids Savings.  
 F. M. Wilson, Cash. Bank of Templeton, Templeton.  
 Geo. P. Day, Cash. Merchants National, Sioux City.  
 W. Y. Barnet, West. Rep. *American Banker*, New York.  
 H. M. Bostwick, Cash. First National, Woodbine.  
 W. M. Paul, Cash. Paul's Bank of Thurman.  
 H. C. Taylor, Dct. Taylor-McGowan Bank, Bloomfield.  
 Amos Steckel, Pres. Exchange, Bloomfield.  
 Edward P. Seeds, Drctr. Delaware County State, Manchester.  
 J. T. Brooks, Cash. Bank of Hedrick.  
 Isaac A. Loos, Prof. Political Science State Univ. Iowa.  
 F. B. Shafer, Cash. Frankel State, Oskaloosa.  
 Fred. H. Smith, Bookkeeper Washington National.  
 O. H. Leonard, Cash. Poweshiek Co. Bank, Brooklyn.  
 N. H. Wright, Asst. Cash. First National, Brooklyn.  
 F. W. Wesner, Jackson County Bank, Maquoketa.  
 J. A. Bradley, Cash. First National, Centerville.  
 G. S. Gilbertsall, Pres. and Cash. Buffalo Center State  
 and Forest City National, Buffalo Center and Forest City.  
 J. K. Deming, Cash. Second National, Dubuque.  
 L. W. McLennan, Cash. Citizens, Afton.  
 F. M. Drake, Pres. Centerville National.  
 A. D. Simmons, Simmons & Co., Osceola.  
 W. T. Day, Cash. Castana Savings.  
 Henry C. Kohl, Cash. Walcott Savings.  
 Chas. E. Walters, State Bank Examiner, Des Moines.  
 W. E. Keeler, Asst. Cash. First National, Mt. Pleasant.  
 Lee P. Ketcham, Cash. Putnam Co. Bank, Mendota, Mo.  
 H. O. Penick, Asst. Cash. Chariton Bank.  
 Edw. A. Temple, Pres. Bankers Life Assn., Des Moines.  
 R. T. Forbes, Bankers Fidelity & Surety Company,  
 Cedar Rapids.

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## Bank Printing and Lithographing.....

# THE IOWA PRINTING COMPANY

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We recommend for Bankers' use **The National Safety Paper**. This paper has been in the market for twenty-five years and is the only sure protection against fraudulent alterations.

**Don't send your work out of the state until you have first given us an opportunity to submit samples and prices.**

J. B. Mowrey, Pres. Ottumwa National.  
 C. E. Bonder, Cash. Ottumwa National.  
 L. E. Stevens, Asst. Cash. Ottumwa National.  
 W. B. Bonnifield, Pres. First National, Ottumwa.  
 W. B. Bonnifield, Jr., Asst. Cash. First Nat., Ottumwa.  
 M. B. Hutchison, Cash. First National, Ottumwa.  
 Calvin Manning, Cash. Iowa National, Ottumwa.  
 F. Von Schrader, Pres. Ottumwa Savings.  
 Otto Von Schrader, Asst. Cash. Ottumwa Savings.  
 R. P. Brown, Cash. Ottumwa Savings.  
 Cary Inskeep, Cash. City Savings.  
 And twenty others not registered.

#### CONVENTION NOTES.

Talk about no interest. Part of the time there were half a dozen men on their feet at once striving for recognition by the chairman.

Let every man do his part in making the group system a success. We have an opportunity to double the membership this year. Shall we do it?

There was a great difference of opinion in regard to adopting the group system. However, now that it has been adopted, all will go to work with a will to make it successful.

Geo. F. Orde has just been promoted to the cashier-ship of the Northern Trust Company of Chicago. Mr. Orde attended the convention, as usual, and renewed acquaintance with the Iowa bankers.

Charles H. Martin, the association treasurer, was continued another year. The money of the association could not be in better hands. His report showed a balance in the treasury of over \$1,000.

The position of presiding officer of the convention is not an easy place to fill by any means. He must be well versed in parliamentary law, and he must also have a measure of Czar Reed's ability to expedite action.

It was remarked by bankers who have attended the state conventions for years that there was more life in the Ottumwa convention, more discussion and, altogether, it was the best convention ever held by Iowa bankers.

E. P. Judson, assistant cashier of the Bankers National Bank, Chicago, attended the convention and was initiated into the good graces of Iowa bankers. Mr. Judson will come again, and his bank can well afford to send him.

Mr. Forbes, the manager of the new Iowa Surety Company which has recently been organized by the leading bankers of Iowa, attended the convention. Mr. Forbes is a genial fellow, and we predict success for his company.

Chas. R. Hannan will make an aggressive president, and with the hearty co-operation of the other bankers, will do much for the association. We differ with him in some of his views, but we shall work with him in

every way calculated to build up the association and promote its success.

J. M. Dinwiddie, the efficient secretary of the association, was continued in the position he has filled so well. Mr. Dinwiddie has grown up with the association, and probably no man has the association more at heart than has he.

Mr. Deming made a most excellent president. His address at the convention was typical of the man—strong, conservative and dignified. It reviewed the history of the past year and was full of suggestions for the future usefulness of the association.

Mr. A. A. Crane, assistant cashier of the National Bank of Commerce, Minneapolis, attended the convention and renewed acquaintance with his Iowa friends. The bank could have no better representative, for Mr. Crane makes friends wherever he goes.

W. L. Moyer, of the American Trust & Savings Bank, Chicago, attended the convention. Mr. Moyer is becoming well known in Iowa, where he numbers his friends by the score. The American Trust & Savings is building up a large business with Iowa banks.

Chas. L. Merrill, assistant cashier of the National Bank of Commerce, was present at the convention shaking hands with the Iowa bankers he had met at the St. Louis convention. The National Bank of Commerce, St. Louis, is one of the largest and best banks in the south. St. Louis bankers are looking after Iowa business.

#### IOWA'S SUMMER RESORT.

Spirit Lake is the largest and most important of a group of inland seas situated in the northwestern part of Iowa, the highest point in the state. It is about 1,300 feet above sea level, six miles long and nearly as wide, with every foot of beach lined with trees. Its waters are clear as crystal.

The Hotel Orleans is the most prominent feature of this popular resort, and is entitled to the excellent reputation which the Messrs. Abell have made for it. Beautifully situated on a neck of land, its front verandas overlooking the waters of Spirit Lake while from its back verandas a fine view is had of East Okoboji. The Orleans is a \$125,000 plant with 225 rooms for guests, each one an outside room. Broad verandas extend entirely around the building on every floor. The building and grounds are lighted by electricity. The hotel opens for fishing parties May 15th, and for regular summer guests, June 25th. The rates are so reasonable that one may enjoy a summer outing at small expense compared with eastern resorts, and yet receive every attention, comfort and luxury. The rates are from \$10.50 to \$17.50 per week, transients \$3.00 per day. Children occupying rooms with parents half rates. For full particulars address, Manager Hotel Orleans, Orleans P. O., Dickinson county, Iowa. \*

## NEW ARTICLES AND BY-LAWS.

## CONSTITUTION.

## DECLARATION.

In order to promote the general welfare and usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance, and from the discussion of subjects of importance to the banking and commercial interests of the state of Iowa; and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, customs and laws which affect the banking interests of the entire state, and for protection against loss by crime, we have to submit the following constitution and by-laws for the "Iowa Bankers' Association."

## ARTICLE I.

SECTION 1. This association shall be called the "Iowa Bankers' Association."

SEC. 2. Any national or state bank, trust company, savings bank, or banker, may become a member of this association upon the payment of such annual dues as shall be provided by the by-laws, and may send one delegate to the annual meeting of the association; and any member may be expelled from the association upon a vote of two-thirds of those present at any regular meeting.

SEC. 3. Delegates shall be an officer or director of the institution they represent, or a member of a banking firm, or an individual doing business as a banker.

SEC. 4. Delegates shall vote in person; no voting by proxy shall be allowed.

SEC. 5. All votes shall be *viva voce*, unless otherwise ordered; any delegate may demand a division of the house.

## ARTICLE II.

SECTION 1. The officers of this association shall consist of a president, vice-president, secretary, and treasurer, who shall be elected annually. The officers shall be *ex-officio* members of the executive committee of their respective groups.

SEC. 2. No president or vice-president shall succeed himself in office.

SEC. 3. For the better realization of the aims of this association, the members shall be divided into nine groups as nearly as possible according to geographical divisions.

SEC. 4. The administration of the association shall be vested in a council to be known as the council of administration, composed of the chairman of each group, who, when unable to serve, shall appoint a substitute. The president, vice-president, secretary and treasurer of the association shall be *ex-officio* members of the council of administration. The president shall remain *ex-officio* member of the council of administration for one year after his successor is

elected, and shall be known as honorary member of the council of administration.

SEC. 5. Any five members of the council of administration shall constitute a quorum, and the vote of each member shall be counted one vote for each member in his group.

SEC. 6. The council of administration shall have control of the business during the recess of the association, and a majority of them shall have power to call a special meeting whenever they deem it necessary. They shall submit at each annual meeting a report of their official acts and recommend to the association such action as they may deem proper.

SEC. 7. The expenses of the council of administration of the association, in carrying out the business to be done by them, shall be provided for by the annual dues of the members of the association; provided, however, that the council of administration shall have no authority to incur or contract on behalf of this association, any liability whatever beyond the annual dues hereby authorized, and only that for the purpose designated.

## ARTICLE III.

SECTION 1. It shall be the duty of the president to preside at the meetings of the association, and he shall be chairman of the council of administration.

SEC. 2. It shall be the duty of the vice-president to preside at meetings of the association and council of administration in the absence of the president.

SEC. 3. The secretary shall make and have charge of the records of this association, and shall attend to such correspondence as may be necessary.

SEC. 4. The treasurer shall have the custody of the money and property of the association, and shall collect the annual dues and pay the liabilities of the association upon vouchers approved by the chairman of the council of administration.

## ARTICLE IV.

SECTION 1. This constitution may be altered at any regular meeting of the association, by a vote of two-thirds of those present. Printed notice of proposed changes shall be mailed to each member at least fifteen days previous to annual meeting.

## ASSOCIATION BY-LAWS.

SECTION 1. The membership fees of this association shall be five dollars for banks having a capital of \$200,000 or less; ten dollars for banks of \$200,000 to \$500,000, until otherwise ordered. After the first year's membership there shall be collected from each member five dollars as annual dues, and no member can withdraw without filing notice of such intention with the secretary, after first paying all dues in arrears, if any.

SEC. 2. The annual dues of the association shall be considered due on the first day of June of each year in advance.

SEC. 3. It shall be the duty of each member of this association to notify the chairman of the council of administration of any fraud or crime practiced on any bank or banking firm that may come within his knowledge, that may be of general interest, and the chairman shall immediately notify each member of the association.

SEC. 4. The annual meeting shall be held at such times and places as shall be determined by the association, which may be changed by the council of administration for good reasons, but the association may delegate to the council of administration the selection of a place of meeting.

SEC. 5. Any member desiring to withdraw from the association must give notice in writing to the chairman of the executive committee of the group of which he is a member at least three months in advance.

SEC. 6. The association shall be composed of nine groups, consisting of members of the association, geographically divided as follows:

*Group 1.*—Consisting of the counties of Fremont, Carroll, Page, Crawford, Montgomery, Mills, Cass, Shelby, Harrison, Pottawattamie and Audubon.

*Group 2.*—Consisting of the counties of Lyon, Osceola, Sioux, O'Brien, Plymouth, Woodbury, Monona, Ida, Sac and Cherokee.

*Group 3.*—Consisting of the counties of Dickinson, Emmet, Palo Alto, Clay, Buena Vista, Pocahontas, Calhoun, Webster, Greene, Humboldt and Kossuth.

*Group 4.*—Consisting of the counties of Adams, Taylor, Union, Ringgold, Decatur, Clarke, Wayne, Lucas, Warren, Marion, Madison, Adair, Guthrie, Boone, Dallas, Polk, Jasper, Marshall and Story.

*Group 5.*—Consisting of the counties of Winnebago, Worth, Mitchell, Hancock, Cerro Gordo, Floyd, Wright, Franklin, Butler, Hamilton, Hardin, Grundy.

*Group 6.*—Consisting of the counties of Howard, Winneshiek, Allamakee, Fayette, Clayton, Black Hawk, Bremer, Dubuque, Buchanan and Delaware.

*Group 7.*—Consisting of the counties of Tama, Benton, Linn, Jones, Jackson, Poweshiek, Iowa, Johnson, Scott, Clinton, Cedar and Muscatine.

*Group 8.*—Consisting of the counties of Mahaska, Keokuk, Monroe, Wapello, Jefferson, Appanoose, Davis and Van Buren.

*Group 9.*—Consisting of the counties of Washington, Louisa, Henry, Des Moines and Lee.

Members from one group may be transferred into another upon application of the executive committee of the group to which they belong and the approval of the executive committee of the group to which they desire to be transferred.

SEC. 7. Each group shall hold at least two meetings each year, and may hold four, or more, at such times and places as each group may determine; provided, however, that one of such meetings, to be called the annual meeting, shall be held not later than December 1st. Unless otherwise arranged, the meeting shall be held as follows:

Annual meeting shall be held at same place and immediately following the annual convention of the association. Other meetings at such times and places as may be determined upon by each group after this year.

Each group shall elect, at its annual meeting a chairman, an executive committee consisting of five members, and a secretary.

SEC. 8. The council of administration shall meet at least twice a year, or oftener, subject to the call of the chair. One of such meetings to be held after the annual meetings of the groups, and not later than January 1st, and one may be held just previous to calling the convention to order.

SEC. 9. These by-laws may be amended or altered at any regular meeting of this association, by a vote of two-thirds of the members present.

#### ORDER OF BUSINESS.

1. Address of welcome.
2. Address of the president.
3. Report of the secretary.
4. Report of the treasurer.
5. Report of the council of administration.
6. Reports of special and other committees.
7. Unfinished business.
8. New business.
9. Election of officers on last day of meeting.
10. Adjournment.

#### GROUP BY-LAWS.

##### OFFICERS.

1. The officers of this group shall be a chairman, secretary and treasurer.
2. The offices of secretary and treasurer may be held by one representative if the members of this group at a regular meeting so direct.

##### EXECUTIVE COMMITTEE,

3. The administration of the group shall be vested in an executive committee of five.

##### ELECTION.

4. The officers and executive committee shall be elected at the annual meeting each year and shall hold their respective offices until their successors qualify.
5. The officers of this group shall be *ex-officio* members of the executive committee.

##### STANDING COMMITTEES.

6. There shall be five standing committees of three. The chairman of each standing committee shall be a member of the executive committee.

7. The standing committees shall be as follows:

1. Arbitration.
2. Uniform action.
3. Reception and program.
4. Protection against fraud.
5. Press and publication.

# The Methods and Machinery of Practical Banking.

By C. B. PATTEN, for many years cashier of the State National Bank of Boston.

**THE SEVENTH EDITION OF THIS REMARKABLE BOOK IS NOW ON SALE.**

The most prominent bankers of the country say this is the best book published on practical every-day banking, and that it ought to be in the hands of every one learning or desiring to become more proficient in the banking business. Many of the larger banks have given each of their clerks a copy, as high as thirty copies having been bought by one bank and many others purchasing from fifteen to twenty-five copies. It is not a book of theories of what the banking business ought to be, but what it is under present conditions. The following synopsis of the contents will give an idea of its value:

**CHAPTER I.—THE BANK CLERK AND HIS PROFESSION.** Introductory. The education of bank officers. Always be prompt. Faithfulness in work. Good nature indispensable. Raise the standard high.

**CHAPTER II.—THE PAYING-TELLER AND HIS CASH.** Form of paying-teller's book. How to receipt for payment of check. Paying part of a check. Small certification. "Good when properly indorsed," with form. Count your money. Checks presented after drawer is dead. Money found outside the counter and what to do with it. Inside and outside the grating. Tellers as detectives. About raised checks. If the teller is short. The teller and his specie. Valuable points about the abrasion of coin. United States treasury notes, National bank notes and silver certificates. Mutilated and counterfeit paper money and what to do with it. Branding worthless bank notes.

**CHAPTER III.—THE RECEIVING-TELLER AND DEPOSITORS.** Form of his book. Entries in, writing up, balancing, proving and delivery of pass-book. Form of London bank pass-book.

**CHAPTER IV.—THE BOOKKEEPER'S DESK.** How he should keep his books, with practical forms. Condition of the bank and how shown. How to handle canceled checks, with simple form. How to make out reports and returns to Comptroller, with forms. The Skeleton Ledger, with form correctly ruled and printed.

**CHAPTER V.—THE COLLECTION DEPARTMENT AND MESSENGER.** Forms of note covers. The collection record. Different forms of notifying parties. A cashier's notice in 1821. Duties of the messenger. Why a drawee would not pay a draft. What to do with perishable property. Where there is doubt about drawee's place of business. What "in exchange" and "with exchange" mean. Interest upon grace. Where draft has bill of lading attached. Should money be paid back. How early in the day is a note due. Notes payable at bank. Paying notes and drafts by check. Responsibility for collections. "Tramp" collections. Old and new systems of collection.

**CHAPTER VI.—THE BANK'S NOTARY AND PROTESTING.** Responsibility of bank for work of notary. Protesting. Where draft is sent by express. Lost and mislaid paper. Protest of joint note. Where no residence or place of business. Accustomed to being protested.

**CHAPTER VII.—THE DISCOUNT CLERK AND THE LOAN.** Discount records with forms. Responsibility of discount clerk. Maturities. Memorandums and tickets with forms. How to take care of the notes. Reckoning interest illustrated by various modes. A mark of ownership. Calculating time. Discount time. Rates to depositors. Demand collateral notes, with form. The rate for loans. Buying paper. The broker's responsibility. Business and accommodation paper contrasted. "Manufactured" paper. Many name paper. Long and short paper. Influence of crops and trade. A safeguard. Discounting when bank's reserve is not up. National banks and real estate loans.

**CHAPTER VIII.—THE BANK'S COLLATERALS.** How to file them, with forms. Responsibility for collaterals illustrated. Collateral vs. personal security. Specimen of ancient form of bank collateral note.

**CHAPTER IX.—BONDS AND COUPONS.** Registered bonds. Destroyed United States bonds. How a young man collected the money for the ashes of burned bonds. Stopping payment of bonds and coupons. How to handle coupons, with form. A very bad practice.

**CHAPTER X.—THE CASHIER AND HIS DUTIES.** Responsibility generally defined. Relation between president and cashier. His special duties. His signature. The bank's correspondence. The cashier's record, with form. His daily memorandum, with form. The cashier's agenda and scrap book. About paying dividends, with many valuable hints.

**CHAPTER XI.—THE STOCK—ITS OWNERSHIP AND TRANSFER.** Form of stock certificate and record book. How to transfer stock. An experience in a probate court. Non-residents' estates. How a treasurer tried to transfer shares. How to transfer stock to dead persons. How to treat lost certificates. Form of bond. When shareholders change their names, with actual illustrations.

**CHAPTER XII.—THE BANK'S CIRCULATION.** Form of circulation record. Stolen notes. Rules for the redemption of mutilated bank bills. Redeeming fragments of bills. Where bank bills are lost. Over-issue of bank notes. The redemption bureau and its workings.

**CHAPTER XIII.—THE MAIL AND THE TELEGRAPH.** The importance of using both judiciously. Form of letter record. Registering letters. Correspondence by telegraph. How to use the wires rightly. Certifying by wire. How to wire money, with actual illustration. Cipher telegrams.

**CHAPTER XIV.—EXCHANGE AND LETTER OF CREDIT.** The practical workings of exchange explained. Letter of credit and circular note, with form. How a letter of credit is used. Identification not necessary. The author's interesting experience.

**CHAPTER XV.—A CHAPTER ON CHECKS.** What a check is and is not. How checks should be drawn. Checks to order of one or two persons. Safeguards against fraud. Errors in check-drawing, how treated. Advice of checks drawn. Issuing duplicate checks. Form of guaranty. What certificates of deposit are. Stamped endorsements. Endorsements by treasurers illustrated by good and bad forms. Guaranteeing endorsements. Qualified endorsements. Stopping payment of checks. How to cancel checks.

**CHAPTER XVI.—NOTES AND DRAFTS.** Explanation of all important features. How to write them correctly. Drafts and acceptances, with form.

**CHAPTER XVII.—THE PRESIDENT AND DIRECTORS.** Their duties and responsibilities. Meetings and records. Directors in their relation to the officers of and dealers with the bank. The selection of directors. Types of bank presidents. Endorsement by president.

**CHAPTER XVIII.—SOME WORDS ON MANAGEMENT.** Moods of business men. Dealings with strangers. The bank doctor. Proper division of labor. Banking conveniences of to-day. Keep up with the times. Overworking bank officers. Salaries of bank officers. The question of bank clerks and marriage. About vacations. Banking hours. Curious petition of Boston bank clerks. Lunch in the bank. Bank attorneys. When the bank examiner comes. Bank defalcations. Sunday bank work. Not a model bank, illustrated.

**CHAPTER XIX.—ON PERSONAL MATTERS.** The relation of the different departments. Bank officers should be uniformly courteous. How leisure time should be employed. About handwriting. Signatures. Pen paralysis. Death of an officer. Where bank officers should reside. Bank clerks' investments. The bank's secrets. Studies of bank clerks.

**CHAPTER XX.—BUSINESS AND PLEASURE.** Rusty clerks. Habits of study. Bankers' institutes. The vacation and how to spend it.

**CHAPTER XXI.—BONDS OF SURETYSHIP.** Moral value of a bond. Fidelity companies and their inquiries. Taking the oath. Officers' bonds with extended National banks. Renewal not necessary.

**CHAPTER XXII.—COMMONPLACE CARES.** Location of banking rooms. Internal arrangement. Care of waste paper. Bank locks and vaults. Keeping old books and papers.

**CHAPTER XXIII.—THE CLEARING-HOUSE SYSTEM.** Full description of its workings. Loans between banks. Return of dishonored checks. A personal experience. How returns are made, with form.

**CHAPTER XXIV.—OUR ENGLISH COUSINS.** How banking is done in England. Open and crossed checks described. How a bank is started in London. Banking profits. Some practical deductions.

**CHAPTER XXV.—TRUST COMPANIES.** What they are and their practical workings.

**CHAPTER XXVI.—THE SUFFOLK BANK SYSTEM.** Graphic account of its workings, with pictures of some of the officers. Personal reminiscences.

**CHAPTER XXVII.—EVERYDAY QUESTIONS AND OTHER MATTERS.** The charity question. Small accounts. Special deposits. Dis-closing depositor's accounts. Forged endorsements. Ink responsibility. Legal and illegal holdings. What is a legal signature. Signing by mark. Valuable signatures. Proper use of banking terms. The reserve question. Women in banking. Methods of identification. Breasting a panic. Ultra vires. Banks and clergymen. The amusement question. Canadian banking.

## SUPPLEMENTAL CHAPTERS.

**CHAPTER XXVIII.—INSIDE WORKINGS OF A BANK.** How to make examinations and know they are correct. A quick method of discovering crooked book-keeping. Tellers' differences and how to remedy them. Journal entries and charge tickets. Best method of opening ledgers, with ruled and printed form, showing how to do it. Stopped checks and how to handle them, etc.

**CHAPTER XXIX.—LAWFUL MONEY RESERVE OF NATIONAL BANKS.** Complete tables and examples showing how reserve is computed. Funds available for reserve under the law now in force. Form of report submitted to the Comptroller of the Currency—*fac-simile*.

**CHAPTER XXX.—A CHAPTER ON SIGNATURES.** How some bank officers write their names (with *fac-similes*). Blind signatures and plain writing contrasted. Forgery prevented.

This book gives a great deal of practical information which no man can learn through everyday experience, except at a great loss of time, and, in many cases, a loss of money as well. Bank officers of many years' experience commend it as well as those just learning the banking business. J. W. Woodworth, cashier of the Commercial State Bank, Marshalltown, says:

"Patten's Practical Banking is a most excellent work, and one that may be read with profit by any banker in the land, no matter whether he has had years of experience or is simply a junior clerk. Many times *experience is an expensive teacher*. The writer of this book has evidently worked his way patiently, and with his eyes open, through every department of a bank."

For Sale at Publisher's Price, \$5.00.

ADDRESS, THE TRI-STATE BANKER, WESTERN AGENTS,  
DES MOINES, IOWA.

## APPOINTMENT OF STANDING COMMITTEES.

8. Within ten days after the annual meeting each year the chairman of the group shall appoint the standing committees, subject to the approval of the executive committee.

## DUTIES OF OFFICERS.

9. It shall be the duty of the chairman to preside at all meetings of the group and he shall be the representative of the group at council meetings, whenever possible for him to serve. If unable to serve he shall appoint a substitute.

10. The secretary shall keep and have charge of the records of the group and attend to such correspondence as shall be necessary.

11. The treasurer shall have the custody of the money and property of the group, and pay the liabilities upon vouchers approved by the chairman of the executive committee.

## VACANCY.

12. In case of vacancy in any office or committee in the group, the executive committee may fill the vacancy for the unexpired time.

## RULES.

13. The rules of the assembly of the state of Iowa shall be the rules of this group so far as applicable.

## BY-LAWS MAY BE AMENDED.

14. These by-laws may be amended or altered at any regular meeting of the group by a vote of two-thirds of the members present.

## ORDER OF BUSINESS.

Address of the chairman.  
Report of the executive committee.  
Report of standing committees.  
Unfinished business.  
New business.  
Adjournment.

The Bankers Accident Insurance Company of Des Moines has just passed its fourth birthday, and a few figures are herewith given to show what a healthy infant it is as compared with other companies at that age. The comparison is made with two companies that are generally considered among the most prosperous and successful of their kind in the United States.

At close of first year.	Certificates Issued.	Total Assets.
Bankers Accident Insurance Co. . .	6,755	\$43,498.60
Bankers Life Association (from July 1, 1879, to December 31, 1882. . .	1,114	43,484.48
Iowa State Traveling Mens Assn. . .	616	88.12

During the fourth year the Bankers Accident has settled four death losses and one hand loss, besides paying 264 indemnity claims promptly, and all with the greatest satisfaction to the members.

During the fourth year of the Iowa State Traveling Mens Association it paid only ten claims, not one of which exceeded \$150. This company is now nearly seventeen years old and is known to be one of the best accident companies in the United States, having now

about 10,000 members and over \$20,000 of cash on hand, and has never failed to meet its claims promptly. It is saving annually to its membership over \$110,000 on what the same insurance would cost in stock companies.

This fact comes largely from the persistency of its membership, which is kept up through the aid of its members and without cost to the company, the same as the Bankers' membership note plan is doing for the Bankers Accident Company. When the Bankers Accident membership notes are paid out and the company begins to pay dividends to the persistent membership this will be clearly demonstrated, and make the Bankers even more popular than it is to-day. \*

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CAPITAL \$300,000.00.

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Des Moines, Iowa.

P. M. CASADY,

PRESIDENT.

SIMON CASADY,

CASHIER.

LELAND WINDSOR, ASS'T CASHIER.

## NATIONAL

## State Bank of Burlington

(Oldest Established Bank in Iowa.)

CAPITAL, \$150,000.

SURPLUS AND PROFITS:  
\$160,000.

## OFFICERS:

J. T. REMEY, President.

CHAS. STARKER, Vice-Pres.

JOHN J. FLEMING, Cashier.

J. W. BROOKS, Ass't Cashier.

## DIRECTORS:

C. E. Perkins.

J. C. Peasley.

J. T. Remy.

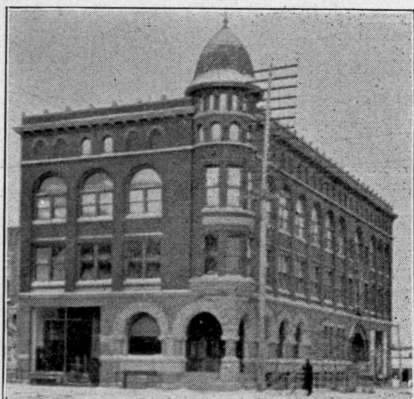
Chas. Starker.

Chas. W. Rand.

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## OFFICERS.

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M. P. TURNER..... Vice-President  
J. A. MCKINNEY..... Cashier  
M. M. PATTEN..... Assistant Cashier

## DIRECTORS.

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J. S. Patten.  
J. D. McGarraugh,  
M. P. Turner, A. Holland,  
J. A. T. Hull,  
Leander Bolton,  
Henry Wagner,  
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Interest Allowed on Special Deposits.

We Respectfully Solicit Your Patronage.

# THE NORTHWESTERN NATIONAL BANK,

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SURPLUS AND PROFITS, \$500,000.

MINNEAPOLIS, MINN.

GEORGE A. PILLSBURY, Prest.  
JAMES W. RAYMOND, Vice-Prest.

GILBERT G. THORNE, Cashier.  
WILLIAM COLLINS, Asst. Cash.

CONDENSED STATEMENT OF THE NORTHWESTERN NATIONAL BANK, OF MINNEAPOLIS, MINN., AT CLOSE OF BUSINESS, MAY 14, 1897. COMPTROLLER'S CALL.....

## ASSETS.

Cash on hand.....	\$ 474,095.68	
Due from other Banks.....	1,160,240.69	
U. S. Bonds.....		\$1,834,336.37
Other Bonds and Stocks.....		50,000.00
Redemption Fund.....		153,696.21
Overdrafts.....		2,250.00
Loans and Discounts.....		None
		3,004,677.69
		\$5,044,960.27

## LIABILITIES.

Capital Paid up.....	\$1,250,000.00	
Surplus and Undivided Profits, (net).....	454,535.15	
Circulation.....		11,950.00
Deposits—		
Due Banks.....	\$1,072,063.29	
Demand Deposits.....	2,256,441.83	\$3,328,475.12
		\$5,044,960.27

Two per cent paid to correspondent banks on balances averaging over \$1,000.00. . . . .

# VALLEY NATIONAL BANK . . . . . OF DES MOINES.

J. J. TOWN, President.

C. H. DILWORTH, Vice-Pres't.

R. A. CRAWFORD, Cashier.

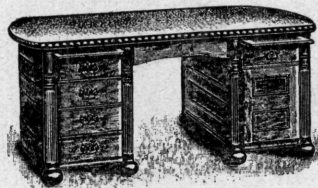
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# Report of the Condition of the SECOND NATIONAL BANK

OF DUBUQUE, IOWA,

At the Close of Business, Friday, May 14, 1897.

## RESOURCES.

Loans and Discounts.....	\$756,220.40	
Overdrafts.....	327.77	
U. S. Bonds, 4 per cents.....	50,000.00	
Other Bonds.....	200,591.76	\$1,007,139.93
Furniture and Fixtures.....		5,000.00
Due from Reserve Agents.....	586,280.49	
Due from other Banks.....	81,855.79	
Cash on hand.....	104,382.98	
Redemption Fund.....	2,250.00	774,769.26
Total.....		\$1,786,909.19

## LIABILITIES.

Capital Stock.....	\$400,000.00	
Surplus Fund.....	\$ 67,000.00	
Undivided Profits.....	15,315.75	82,315.75
Circulation.....		45,000.00
Deposits (Individuals).....	639,612.47	
Deposits (Banks).....	619,980.97	1,259,593.44
Total.....		\$1,786,909.19

## OFFICERS.

GEO. B. BURCH, President. J. K. DEMING, Vice-Pres. and Cashier.  
HERM ESCHEN, Asst. Cashier.

## DIRECTORS

GEO. B. BURCH, WM. L. BRADLEY, W. H. DAY, H. B. GLOVER,  
J. K. DEMING, F. A. RUMPF, GEO. W. KIESEL.