

# NORTHWESTERN BANKER

**OCTOBER**  
1920

## IN THIS ISSUE

**Trying to Force State Banks Into the  
Federal Reserve System**

**Extra Work-Extra Pay Advocated by  
South Dakota Bankers**

**Tax Exemption is Insidious Foe of  
The Financial World**

Twenty-fifth  
Year

Total Number  
398

**DES MOINES**

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Our official statement for January 31st shows:

	No. Assns.	No. Members.	No. Loans.
Iowa .....	142	2,669	\$18,952,850.00
Nebraska ..	157	2,729	11,772,490.00
So. Dakota ..	123	1,720	7,050,450.00
Wyoming ..	60	504	1,150,100.00
	482	7,622	\$38,925,890.00

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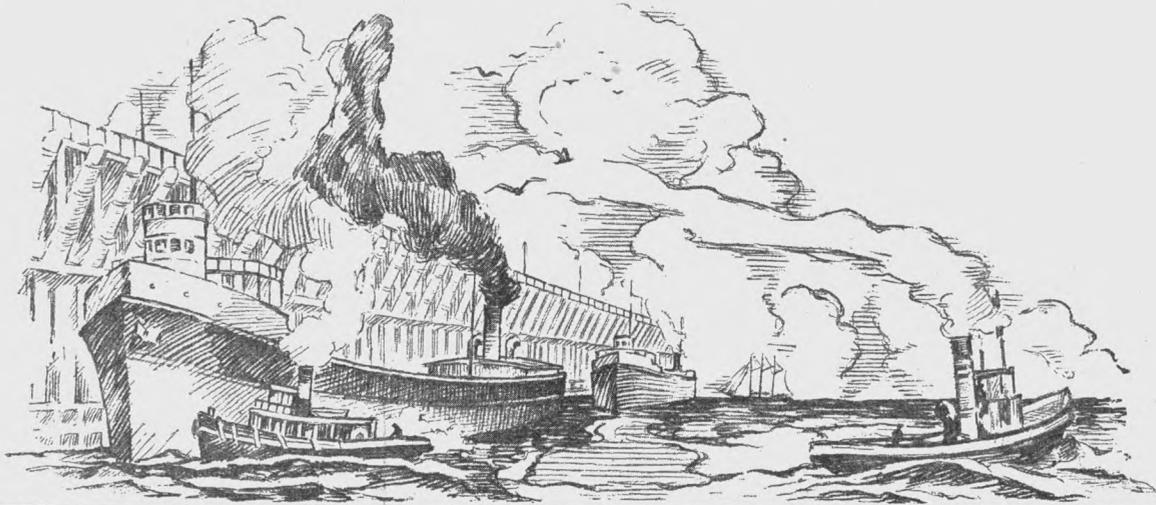
NORTHWEST IOWA  
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**FIRST NATIONAL BANK**  
OF SIOUX CITY, IOWA

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Ore Docks Ashland Wis.

**S**IEUR RADISSON, determined to "travell and see countreys," reached Chequamegon Bay in 1661, and the astonished Indians got their first view of men of the white race. Four years later, Father Allouez established a mission near the present site of Ashland, and the Indians marveled at his glittering altar ornaments and silken vestments.

With greater astonishment, however, these early French explorers would view today, if this were possible, the modern developments now centered in this same spot.

ASHLAND BANKS

are intimately identified with these great modern developments.

This Lake Superior city is an important shipping, lumbering, mercantile and railroad center.

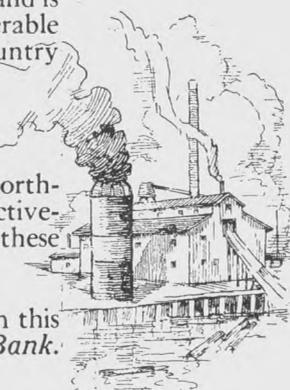
Conspicuously, it is the outlet of the Gogebic iron range. Its ore docks are miracles of efficiency.

Futhermore it forms the terminal for four important railways, and is the distributing point for coal and other supplies for a considerable inland territory. Agricultural pursuits in the surrounding country are rapidly gaining a large importance.

A close relationship exists between Ashland and Minneapolis.

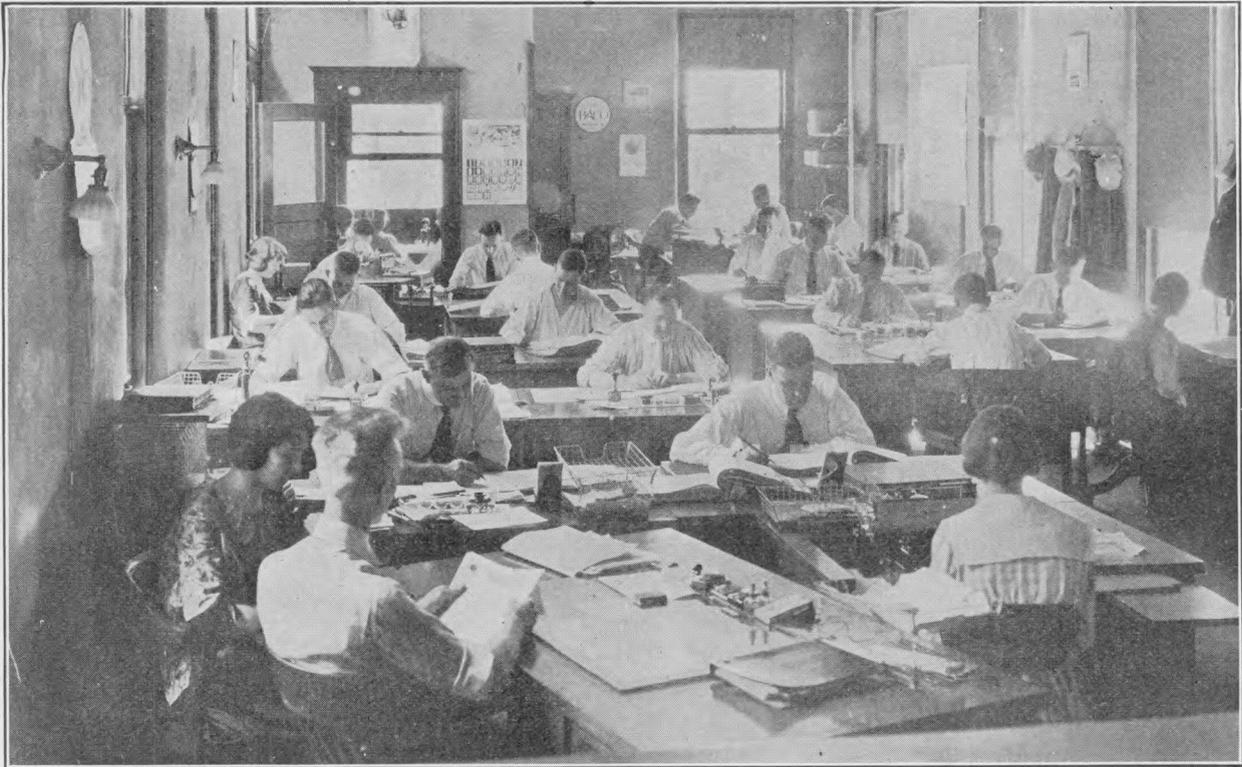
The Ashland National Bank was organized in 1884, and the Northern National Bank in 1886. In the years 1885 and 1901, respectively, these banks opened accounts with *The Northwestern*, and these accounts have been active ever since.

The passing years only serve to strengthen the bond between this northern city, Minneapolis and *The Northwestern National Bank*.



The NORTHWESTERN - NATIONAL - BANK

MINNEAPOLIS - MINNESOTA  
RESOURCES \$75,000,000



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# THE NORTHWESTERN BANKER

*The Necessary Financial Journal*

## DES MOINES

25th Year

OCTOBER, 1920

Number 398

### IN THIS ISSUE

Editorial Comment.....	By Clifford DePuy	8
Frontispiece .....	P. B. Bartley, President Montana Bankers Association	10
Forcing State Banks Into Federal Reserve System.....	By Hugh Rogers	11
Small Investor is Furnishing Capital.....	By Leslie Hanson	12
Public Accountant is Important.....	By Clarence A. Diehl	13
Timeliness in Advertising.....	By G. Prather Knapp	14
American Bankers Association.....	By W. B. Weisenburger	15
Extra Pay for Extra Work.....	By H. V. Harlan	16
Investments Suitable for Women.....	By Clara F. Porter	17
Distribution of Short Haul Products.....	By J. F. Bowman	18
When We Swallow Our Own Medicine.....	By George T. McCandless	19
Country Banker and the Farmer.....	By S. L. Moore	20
Trade Acceptance Needs Explanation.....	By Robert H. Bean	21
The Public is Entitled to the Facts.....	By C. B. Merriam	22
Tax Exemption is Insidious.....	By E. D. Chassell	23
The Ralston-Nolan Bill.....	By H. G. Hathorn	25
Remedy for High Interest Rates.....	By John Moody	26
Blue Sky Legislation is Needed.....	By Legal Department	29
Personal Paragraphs .....		30
Iowa Bank News.....		37
South Dakota Bank News.....		59
Nebraska Bank News.....		66
Minnesota Bank News.....		72
Montana Bank News.....		78
North Dakota Bank News.....		80
Bank Equipment Section.....		84
How Uncle Sam Guards Pest Remedies.....	By J. K. Haywood	93
Insurance Section.....		100
Psychology of Selling Life Insurance.....	By Dr. John A. Stevenson	100
In the Directors' Room.....		111
Iowa Farm Mortgage Section.....		112
Farm Loans and Their Safeguard.....	By Frank A. Hilliard	112
Investment Section.....		118
What the Teller Told Me.....		124
Index to Advertisers.....		126

Clifford De Puy  
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Manager

PUBLISHED AT 555 SEVENTH STREET, DES MOINES, IOWA

Monthly, \$3.00 per year, 50c a copy. Entered as second class matter at Des Moines post office to conform to the postal laws; everything else pertaining to the journal being strictly *first* class. The oldest financial journal west of the Mississippi River and the first in the United States to join the Audit Bureau of Circulations.

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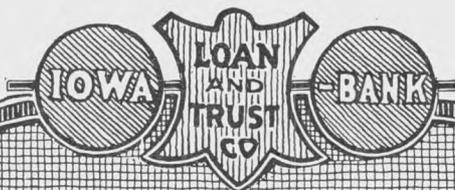
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# NORTHWESTERN BANKER

DES MOINES, IOWA

25th Year

OCTOBER, 1920

Number 398

*Editorial comment by Clifford DeRuy*

## JUST STRUGGLING ALONG

☐ The Federal Reserve Banks during the past few months tightened up on the credit they allowed to member banks and increased the discount rate higher than it had ever been before. While many industries such as the live stock, motor trucks and others have been very much in need of additional credit, which in many cases they have been unable to secure, the Federal Reserve Banks have been struggling along trying to keep the wolf from the door and pay

their running expenses, while making only \$2,500,000 a week net, or an average of about \$11,000,000 a month. These figures are based on the earnings for the first six months of this year. The total earnings of the twelve banks for the first six months of this year were over \$81,000,000, while the total expenses were over \$13,000,000, or at the rate of 151 per cent per annum on the average paid-in capital of the twelve banks.

## A NEW SERVICE FOR YOUR CUSTOMERS

☐ Everything that you do to help your customers indirectly helps your community and your bank. Your customers must succeed if you succeed. Are you doing everything you can to help your merchant, manufacturer, jobber and farmer customers run their business efficiently and economically and along modern business lines? Many merchants lose money because they do not have proper bookkeeping and cost accounting systems employed in their organizations. Some of them do not yet know how to properly employ the power of advertising, and to follow the correct lines of merchandising so that they can make the largest possible return on their investment. The merchant to whom you now refuse additional credit because you have already loaned him the full amount to which you think he is entitled might be able to increase his business and also his profits if he knew better the exact cost of doing business and inaugurated some new up-to-date plans at the suggestion of his local banker. Many big man-

ufacturers now assist their local dealers in arranging their store windows and their bookkeeping systems. The number of national manufacturers who do this, however, is very small, and it occurs to us that there is a wonderful opportunity for bankers, both in the large and small communities to offer advertising and merchandising counsel or service to their customers which would be a real value to them. This need not entail very much additional expense, only some extra time on the part of one of the officers of the bank in securing ideas and plans that have made other stores a success. The banker's present knowledge of finance and cost accounting methods would help him materially in showing the merchant how to better run his business. Here is a new idea in service to bank customers that we believe should prove helpful and beneficial to him as well as being a big talking point for the bank, and incidentally a stimulator of deposits.

## LIVE STOCK A LIVE ISSUE

☐ The live stock situation is deserving of the serious attention of bankers and cattle men. Owing to the tightening up of credit, cattle men have been forced to liquidate and thus sell their cattle in many cases before they have fully matured. A committee of bankers and western cattle men recently went to Washington to present

their claims to the Federal Reserve Board, and to show them that the cattle men must have more credit if the live stock industry is to be maintained. Stock raising is a vital necessity in helping to solve the high cost of living and the food shortage which has existed. Banks located in the stock raising and cattle sections

of the country through the tightening of the money market have been unable in many cases to secure the necessary funds to take care of their borrowers, thus forcing the cattle men to liquidate by shipping their stock to market in many cases before the animals were fully developed, and regardless of whether or not the market prices were at their best. The committee which appeared before the Federal Reserve Board stated that bankers and cattle loan companies should not be forced to "call" their loans. Millions of dollars in loans are maturing this fall and the committee believed a reassurance from the Federal Reserve Board that it approved of such credit extension by the banks would materially lessen the difficulties with which the live stock men have to deal. Governor Harding told the committee, however, that the Board was without power to tender direct assistance since all the individual Federal Reserve Banks control the loans they make. In other words, when a great industry needs more credit we find the Federal Reserve Board at

Washington powerless to suggest to the Reserve Banks that they should extend more credit to the live stock raisers. Many cattle and sheep raisers have been forced to dispose of young stock, which if they could have borrowed more money the stock would have been kept on the farms until they matured, thus bringing a very much larger price when finally sold. One very well known stock yards bank in a letter to its correspondents said, "The nation recovering from a wild spree of over-inflation recognizes that it cannot apply too sudden and drastic a remedy to an essential industry without severe damage to everybody. Cattle raising is an essential industry and will receive ample support. We have always been great boosters for live stock and will continue to back our correspondents with every dollar at our command to enable them to keep breeding stock on ranch and farm." This is the right attitude and should have the help and encouragement of the Federal Reserve Board, but apparently it has not.

### FUNDAMENTALLY SOUND

Ⓢ In spite of the tight money market which has existed for several months past, the country is fundamentally sound. What we need now is the proper extension of credit to legitimate business so that it can proceed along normal lines. The Federal Reserve Banks have it within their power to extend this further credit if they will, because they have locked up in their vaults a sufficient amount of gold to extend to member banks additional credit. The United States has a smaller national indebtedness in proportion to its national wealth than any of the great powers. The national debt of France is 46 per cent of its national wealth. The national debt of Great Britain is 44 per cent of its great wealth. The national debt of the United States is only 10 per cent of its national wealth. Our national wealth is about 250 billion dollars, while our national debt is 25 billion dollars. Practically all the financial writers of the country believe that conditions from now on will be much better and especially so in the middle west where the greatest crops in history are being harvested. We are fundamentally sound and there is no cause for alarm. What we need is the wise coun-

sel and sound judgment of business men and bankers in the handling of their affairs so that the tidal wave of prosperity which is now being held back will be held back no longer. There must come a decline in prices, and if that decline comes gradually there is nothing to fear from a financial standpoint. People everywhere, however have put off building new homes, expanding their businesses, and are cutting down on their purchases of clothing and other articles because they have felt that eventually the prices would be much lower and they would then do their buying. It is better to have a running stream of water than a stagnant pool. It is better to have business activity than to have business inactivity. Business conditions have been very perplexing for some time and there may be more problems to solve in the near future, but in any event we know that we are fundamentally sound as a nation and the only thing we need is wise leadership in all of our commercial and political activities to come out on top with flying colors, and thus be assured of continued prosperity in the future.

**"A CASHIER'S CHECK"** For \$3.00 is all that is required to secure the monthly visits of the Northwestern Banker for an entire year. Each issue contains from 108 to 136 pages of mighty interesting matter pertaining to banks and banking interests in the territory covered by the magazine.

**"OUR CORRESPONDENTS"** Every bank in the Northwest is invited to a place on this list. Send us items of local interest, tell us about your bank and its growth, prospects, etc., also any other financial news of interest to bankers in your section. We are always glad to hear from our friends.

**"SIGHT DRAFTS"** We always carry a large "Reserve" of good will and additional service, and will promptly honor drafts made upon same by any bank. This department is for your special benefit. It may be made of very great benefit to your bank. Do not fail to avail yourself of its privileges.

**"A CLEARING HOUSE"** Our columns are a clearing house for all our readers. Express your views on any

topic of interest to the banking fraternity and submit same for publication. You do not have to agree with us, or with anyone else. We learn things by an interchange of ideas, and people with whom we disagree often prove valuable teachers. We shall be glad to hear from you.

**"NO PROTEST"** Has ever been offered to the statement that the field covered by the Northwestern Banker is the money-producing section of the American continent, rich in hogs, cattle, corn, etc., and dotted with thousands of prosperous banks, all doing a good business, and the majority of them are readers of "The Northwestern."

**"SURPLUS AND UNDIVIDED PROFITS"** Increase very rapidly with those banks, whose advertisements appear regularly in the columns of this magazine. Full information as to rates and our special service will be promptly furnished on application. Your business solicited and appreciated. The "Banker" has been twenty-four years in its present field.





**P. B. BARTLEY**

President Montana Bankers Association, Vice President and Cashier Conrad Trust and Savings Bank, Helena, Montana.

P. B. Bartley has been a resident of Montana for twelve and a half years, moving from Auxvasse, Missouri, where he owned the Auxvasse Bank, to become assistant cashier of the American National Bank, of Helena. In 1910 he assisted the late W. G. Conrad in the organization of the Conrad Trust & Savings Bank and was made cashier when the bank opened. Later he was elected vice president and is now vice president and cashier of the institution. Mr. Bartley is also president of the Whitehall State Bank, Whitehall, Montana, and president of the Pondera Valley State Bank, of Conrad.

The wonderful growth of the Conrad Trust & Savings Bank is largely due to the ability and management of Mr. Bartley, who has been the directing head since its organization. The bank is one of the six in Helena, which is the financial center of the state, and is recognized as one of the largest and strongest financial institutions in Montana.

# NORTHWESTERN BANKER

*The Necessary Financial Journal*

TWENTY-FIFTH YEAR

OCTOBER, 1920

NUMBER 398

## Trying to Force State Banks into the Federal Reserve System

Experience of Woods Cones is strong argument for opponents of tactics adopted by certain Reserve Banks

By Hugh Rogers

**B**OTH friends and opponents of the Federal Reserve Banks will admit that certain abuses have developed in the growth and extension of the Federal Reserve System. Certain officers have gone beyond the strict meaning of the law and have taken measures, to force banks into the system, that deserve wholesale condemnation.

The original purposes of the Federal Reserve law were excellent and no individuals should be allowed to bring the entire system into disrepute by unfair and unauthorized measures. The future of the Federal Reserve Banks depends upon the support and good will of both the bankers and the business men of the country. And the only way to correct the abuses that have grown up is to give them full publicity.

The following affidavit by Woods Cones, president of the Cones State Bank, of Pierce, Nebraska, is both sensational and enlightening. It is worthy of careful reading by all bankers.

"In the Superior Court of Fulton County, Georgia.  
AMERICAN BANK & TRUST CO., et al

vs.

FEDERAL RESERVE BANK, et al  
THE STATE OF NEBRASKA,  
PIERCE COUNTY,

ss.

"Personally appeared before the undersigned attesting officer Woods Cones, who makes this affidavit to be used as evidence in the above stated case and who being first duly sworn deposes and says:

"That I am and for many years have been the president of the Cones State Bank of Pierce, Nebraska, and as such officer of said bank, I was interviewed sometime last September by a Mr. Jones, claiming to represent the Omaha branch of the Federal Reserve Bank of Kansas City, Missouri. I was urged by him to join the system. I refused and was then asked to sign a card agreeing that my bank would remit all items at par sent us by mail by the Federal Reserve Bank. I refused to sign and was told that I would be compelled to at an early date, as there was no limit to the power of the Federal Reserve Bank.

"Early in October of the same year, the local express agent presented quite a number of checks on our bank from the Federal Reserve Bank and we gave him a draft for the full amount, payable to the Federal Reserve Bank. A short time after, another bunch of

checks of the same kind came in the same way, but the express agent was instructed to collect in cash. I offered him silver dollars for the checks and he said he did not have time to count it and accepted an Omaha draft for the face of the checks.

"Following this, W. S. Lower, claiming to represent the Omaha branch, came with some checks and demanded legal tender in payment. We offered him a draft payable to the Federal Reserve Bank but refused to pay him the currency without better identification than was produced by him. After considerable loud talk and threat to protest the checks he accepted a draft. Shortly after this Mr. Lower came again, properly identified, and demanded cash on checks he had and we refused payment on account of improper and insufficient endorsement. He stormed around for a day and finally accepted a draft payable to the Federal Reserve Bank.

"November 14, 1919, a high powered auto containing four people, drove into Pierce and stopped in front of the bank, but the engine was kept running. Two men, W. S. Lower and M. L. Bishop, got out of the car, armed with revolvers and entered the bank. As agents of the Federal Reserve Bank, they demanded the currency on checks drawn against the Cones State Bank of Pierce, Nebraska, of the aggregate face value of \$31,900.00, some of which had been held for over three weeks. While one of our bank force was counting out the money (about \$13,000.00 more than we are legally required to carry in our vault) to Mr. Bishop, Mr. Lower told us that Bishop was a United States marshal, hard boiled and armed, that he had cleaned up the state of Kansas and would get us anyway, so we had better sign up the agreement and keep our money.

"Bishop said that a banker in Kansas who had the only bank in the town, held out against parring, and that he told him they would start a National Bank and drive him out of business, and that he personally was instrumental in starting the National Bank and said he would stick to it until he drove the Kansas bank out entirely.

"Mr. Jones and a Mr. Davis came along later and claimed they were peacemakers direct from the Federal Reserve Bank of Kansas City. Said that Lower and Bishop were ——— fools and had done entirely wrong at Pierce and advised us to forget what Lower and

(Continued on page 67.)

# Small Investor Is Furnishing Capital for Bond Houses

Ten million new investors can be secured if bankers will unite upon a uniform security attractive to small purchaser

By Leslie Hanson

Investment Editor Northwestern Banker

THE small investor is coming to the fore more prominently than ever before. More attention is being directed in his general direction than has been his lucky lot during all the years that he has been salting away his dollars and contenting himself with the usual 3 or 4 per cent interest offered by the savings banks. Now instead of passing him by the investment bankers are waking to the fact that he is a potential buyer of securities to be cultivated, especially now that the income tax has scared out the big money, and in directing their efforts toward that end are meeting with some stiff competition.

It took the war to bring the small man out of his hole, and Uncle Sam was the direct instrumentality. More than 22,000,000 people in the United States purchased liberty bonds during the late world war, and millions of these were educated for the first time to buy securities. Banks never have paid very much interest, the rate before the war being no higher than 3 per cent except in a few scattered districts. Now 4 per cent is common and in eastern cities they pay as high as 5 per cent and even more for straight savings deposits.

Eugene Meyer, Jr., who was director of the war finance corporation, created new interest in the small man, when he brought forth a plan for increasing the number of postal savings banks and raising the interest rate on postal deposits from 2 to 4 per cent. His idea was to put money in circulation by bringing it out of the private hoards of those who have no faith in commercial banks, but would trust it to a government institution for sufficiently attractive return, and, additionally to turn into the government treasury money to aid in the retirement of bonded debt and thus reducing taxation.

That this would also work to the direct detriment of savings banks goes without saying, as few men would accept 3 per cent interest when they could get 4 and even where banks pay 4 per cent, they could not compete very successfully against a depository backed by the financial stability and strength of the United States government. In recognition of the possibilities contained in such a proposal, the head of the National Thrift Bond corporation in New York—Ingalls Kimball—issued a public statement, urging that savings, investment and commercial bankers "get together" and combat by constructive action the plan advanced by Mr. Meyer. Mr. Kimball further states that such a step would not be practical. Whether that is true or not we will not attempt to say. It is with

Mr. Kimball's subsequent remarks that we are concerned. In his public statement he said:

"It is within the power of the Investment Bankers' Association to adopt a plan of popular investment, with a liberal sales commission to bankers and banks, which would put in operation a selling force the like of which has not been seen since the liberty loans and which would continue to function permanently, to the great advantage of themselves, their customers and the nation.

"It is definitely within the power of the 25,000 banking institutions and the thousands of investment bankers in this country to increase the number of regular savers by 10,000,000 and quite possible to secure an addition of \$2,500,000,000 a year (less than 5 per cent of the annual wages fund of \$50,000,000,000) to productive investment.

"The \$2,500,000,000 which Mr. Meyer proposed to raise annually from 10,000,000 new investors can be

raised continuously, year after year—but not by governmental action. It can be raised if the commercial, the savings and the investment bankers of this country will unite upon a uniform security, based on solid savings bank values and paying an interest rate low enough to allow a selling margin so broad as to provide an ample profit for the bankers themselves and the salesmen in their employ."

This suggestion is unique in itself. It is not fully developed, however, and has value for the idea alone. If a plan could be devised for the standardization of securities, possibly along the line of capital trusts suggested

some time ago as a means for financing foreign government and enterprises, it would go far toward accomplishing the end desired by Mr. Kimball. It bears consideration from both savings and investment bankers and by international capitalists upon whom will fall the burden of financing European and South American requirements, pressed upon the United States with the depletion of capital in England, France and Germany.

Aside from that viewpoint it has one other feature to commend it. It brings forcibly before us the field that is open among small investors, which never was exploited before the war, and which has been barely entered now. It is the first concrete suggestion to capitalize the work of the government in selling liberty bonds and educating the masses to the purchase of securities.

A leading bond house in Chicago, doing a wide business in securities, showed an average sale on a recent flotation of \$1,500. The head of this firm succinctly re-

(Continued on page 118.)

"A leading bond house in Chicago doing a wide business in securities showed an average sale on a recent flotation of \$1,500. The head of this firm succinctly remarks that before the war, the average more likely would have been \$15,000, explaining that the income tax has driven the large purchaser of securities—in blocks of \$10,000 to \$100,000—almost entirely out of the market. A more public example is to be found in the offering early in September of \$100,000,000 in French government bonds. As is well known, the syndicate books on that issue were open only one hour and the entire offering was heavily oversubscribed, with purchasers in every state in the union except two. Thirty-nine thousand people purchased French bonds and, what is more to the point, subscriptions from \$100 to \$5,000 of the securities totaled \$69,000,000—nearly 70 per cent of the total."

# Public Accountant Is Important Factor In Extending Credit

Expert financial statements help both merchant and banker in creating confidence, the outstanding feature of credit

By Clarence A. Diehl

Assistant Cashier Des Moines National Bank

**I** THINK we may safely say that Bank Credit is the vital force, in fact the very life blood of business. All other lines of credit are more or less dependent upon it and without bank credit business would be enormously restricted. Bank credit is the measure in dollars of the confidence a bank has in a borrower's ability and willingness to pay his debts.

Confidence, then, is the outstanding feature of credit, but confidence is based on a number of different things. Confidence to be intelligent must be analytical.

In analyzing a credit risk the bank considers the subject from three principal standpoints; to-wit: Character, Capacity, and Capital. No one or two of these alone will suffice; we must have them all in greater or less degree. A man may have character and capital but prove to be a bad risk because of lack of capacity. He may have capacity and capital and hide his assets from his creditors, if he is lacking in character.

The character and capacity of a risk are largely determined by the judgment of the giver of credit. This judgment may be right or wrong.

Capital, the third factor in credits, is more tangible and little excuse exists for mistake. The certified statements prepared from inventories and carefully kept books periodically audited leave little ground for error.

In gathering credit information on a risk the first thing a bank calls for is the financial statement. If this is prepared by an accredited public accountant the banker knows that the figures are expertly assembled and if the system of bookkeeping is inadequate the statement will show this fact and the credit risk will have the benefit of expert advice in revising the system. This will be beneficial in the future conduct of the business whether the desired credit is obtained or not. I do not believe the importance of this point can be over emphasized. Experience shows that not one small merchant in ten has an adequate system of bookkeeping; in fact, it is a rare case where he can accurately tell the amount of his profit or loss for any given period. Many a merchant or small

manufacturer has made his first real step towards success after the accountant has carefully pointed out to him his shortcoming. One department of his business may be profitable and another show a loss that cripples the entire business. If the merchant is unaware of this fact he is facing failure, but with the information before him he can proceed with intelligence.

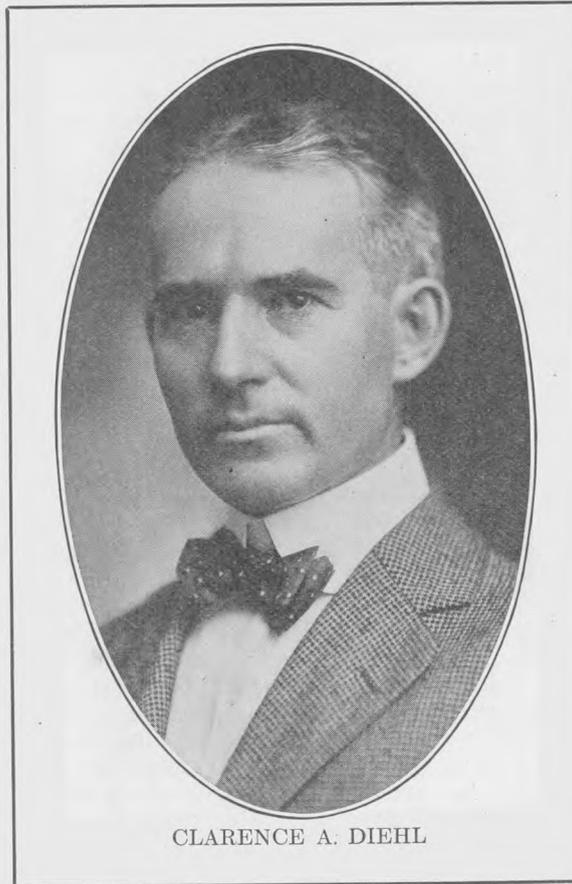
A well balanced statement, supported by details of income and expenditure, is a splendid foundation for the credit file of the banker. It should be supplemented with as much additional information as can be procured from other sources which have a bearing on the character and capacity of the risk.

Some business men still hold the opinion that a bank is trying to pry into their business unnecessarily in demanding their financial statements, but this is no longer true in the larger centers where bankers quite uniformly require it. Where a line of credit is granted, the bank in a sense becomes a partner in the business as it furnishes the business with temporary operating capital and is therefore entitled to full information.

It is no reflection on the character or honesty of the merchant to ask for his statement. It simply supplies information that is necessary to intelligently conduct the bank's business. It also expedites the handling of business. The information contained in the statement is always available to the officers and directors of the bank, either in reviewing the risk or in considering an increased

line of credit. The antiquated system of one officer carrying the credit information around in his head has proven a fallacy. The head may go golfing or to a sanitarium and the borrower's business to the dogs while someone not familiar with his line is searching for the required information to act intelligently in granting further credit.

Knowing that his statement will receive careful scrutiny makes the merchant a more careful buyer, a more careful grantor of credit to his customers and more conservative in incurring indebtedness. This will



CLARENCE A. DIEHL

make of him a better credit risk. He will soon realize that his most effective step in establishing a firm credit is in submitting a carefully prepared financial statement of his condition, based on an audit of his books. By virtue of the increased credit he will be enabled to do a bigger business at a greater profit.

A word about the statements. Public accountants are performing a big part in a constructive work; they

are helping to establish credits, which means extension of needful business; they are safeguarding big enterprises by pointing out the pitfalls; they speed up business by supplying information available at a moment's notice; they are the merchant's and banker's best friend. The statements, however, must be carefully prepared and should show all the facts, and the certificates should be so definite that he who runs may read intelligently.

## Need Timeliness In Advertising

Trust company can attract attention by playing up local news

By G. Prather Knapp

Mississippi Valley Trust Company, St. Louis, Mo.

**C**ONNECTING a trust company advertisement with local news, with current events, or with the personal actions that go with certain seasons, often adds greatly to its effectiveness.

In the first place, it helps to attract the reader's attention. The average man picks up his newspaper with his mind prepared for information along certain lines already established. He glances automatically at the weather report. He wants to know what is going on in his own city. He wants to know what the government is doing. Labor conditions interest him. The cost of living holds an open compartment in his mind. European politics are still part of his subconscious thought. At the present moment of writing all of these subjects are "timely." Any one of them will give him a reason for stopping to read a news item, or a special article, and the same attention can be claimed by an advertisement which relates itself to the current interests of the day.

Secondly, this same relation will help to make the advertisement memorable. Just as the current topical interest will persist in the reader's mind, so will the advertisement related to it.

Finally, the timeliness of an advertisement will help it to bring about action. Giving all the good reasons in the world for doing a thing sometime may not make half so many people do it, as giving one good reason for doing it now.

The absence of this now quality is the greatest fault to be found with most will and deposit advertising.

In merchandise advertising it is nearly always a feature. Why should it not be used to a greater extent by trust company copy-writers?

Take the seasons of the year. Spring is the time for change and renewal, for a fresh start in nature, in humanity, in business. Along with spring cleaning, spring outfitting, spring moving, spring inventory-taking, let us have spring rejuvenation of banking arrangements, investment portfolios, estate dispositions.

Summer is going-away time. "A journey," said one trust company advertisement, "may suggest the longer journey that every man must be prepared for. Is your house in order?"

Autumn is harvest time, thanksgiving time, the time when nature prepares in a thousand ways for a time of stillness and cessation. Is the reader of your advertisement storing up the harvested fruitage of his life, protecting it, providing for its steady usefulness to those he loves?

Winter is the time of cozy firesides and bright

domestic scenes, scenes that make a man think of his loved ones and bring home to him the necessity of insuring their future.

In every year there are special dates which figure in the news and can be related to advertising.

Local happenings are given front page space in newspapers and should be watched as possible links to the trust company message. When they suggest the uncertainty of human life, the fallibility of individual judgments, the annoying features of civil litigation, especially probate squabbles, or the safeguards thrown around trust companies as depositors or fiduciaries, they will make telling trust company "copy."

Often a new book, a current magazine article, or some words of a public speaker can be used to get the news element into a trust advertisement.

A newspaper can, to a great extent, create news by selecting certain happenings for prominent mention. So can a trust company. The events chosen for mention may be clipped from papers in other cities, or taken from the daily life of one's own city, or the daily business of one's own company.

The bequests in a prominent man's will are of real news interest, if published soon after his death. The sale of a well-known corner belonging to a trust estate, the commencement of an endowed college, the annual report of a public charity, the re-financing of a great corporation—these are simply suggested as examples.

A southern trust company published an announcement of welcome and appreciation every time a convention met in its city. A middle-west institution took advantage of a building boom to publish a double page of photographs of the structures it had financed.

A St. Louis institution published a series of quarter pages on the eras of development of the Mississippi Valley, at a time when river traffic and sectional development was commanding front page space in the St. Louis papers.

A New York trust company took advantage of the war and the exodus of our men to Europe by describing its trust services to an officer of the A. E. F. •

The greatest obstacle that a trust company advertisement must surmount is the fact that an individual needs trust company service all the time, and not at any particular time. It has been said that "what is everybody's business is nobody's business," and it might be said with equal truth that what can be done at any time will not be done at all.

Here is the reason, then, for the "now" element in good trust advertising.

# Banker-Farmer Co-operation Is Big Subject at A. B. A. Convention

Par clearance ruling will also have much discussion at the annual convention at Washington this month

By W. B. Weisenburger

FROM the highly technical financial question of par clearance to the problem of general welfare agricultural encouragement runs the gamut of highly important topics to which the American bankers will give their attention during the forty-sixth annual convention in Washington, D. C., October 18th to 22d.

Always interested in agriculture as the primary source of the country's wealth the American Bankers' Association is giving more attention to this subject this year than ever before, one of the features being an agricultural conference to be held Monday night, October 18th, at the New Willard Hotel. This conference will be preceded, on the morning of the same day, by a thorough inspection of the various bureaus of the department of agriculture as the guests of Sec. E. T. Meredith. Secretary Meredith is also one of the principal speakers for the main convention sessions, speaking on "Agriculture and the Banker" at the opening meeting Tuesday morning.

"We have prepared to call agriculture to the attention of the bankers in the most forceful way possible," says Joseph Hirsch, of Corpus Christi, chairman of the agricultural commission of the American Bankers' Association. "With the convention being held at Washington, we intend to make the most of our opportunity of driving home in a better way than ever before the government's program of agricultural development. The leading officers of the American Bankers' Association have agreed to attend both the visit to the department and the big conference on Monday night, so through their interest we expect to increase the association's work in agricultural matters.

"Keeping people on the farm and improving farm methods is one of the country's most pressing questions. Too many bankers regard the work as an effort to teach farm-

ers how to farm. Some even proceed on this assumption and thus invite unfavorable and obstructive criticism, not only of their own efforts, but also of the efforts of other bankers who understand the true motive and proceed under it.

"Efficient men and women can be retained on the farm only by the proper development of the business and social life of the country districts. This development is absolutely necessary if the trend of population from country to city is to be stopped."

The plans of the commission at the Washington convention call for a consideration of rural educational methods, greater interest in farm boys and girls; farm tenancy conditions, marketing conditions, good roads and a better rural life in general.

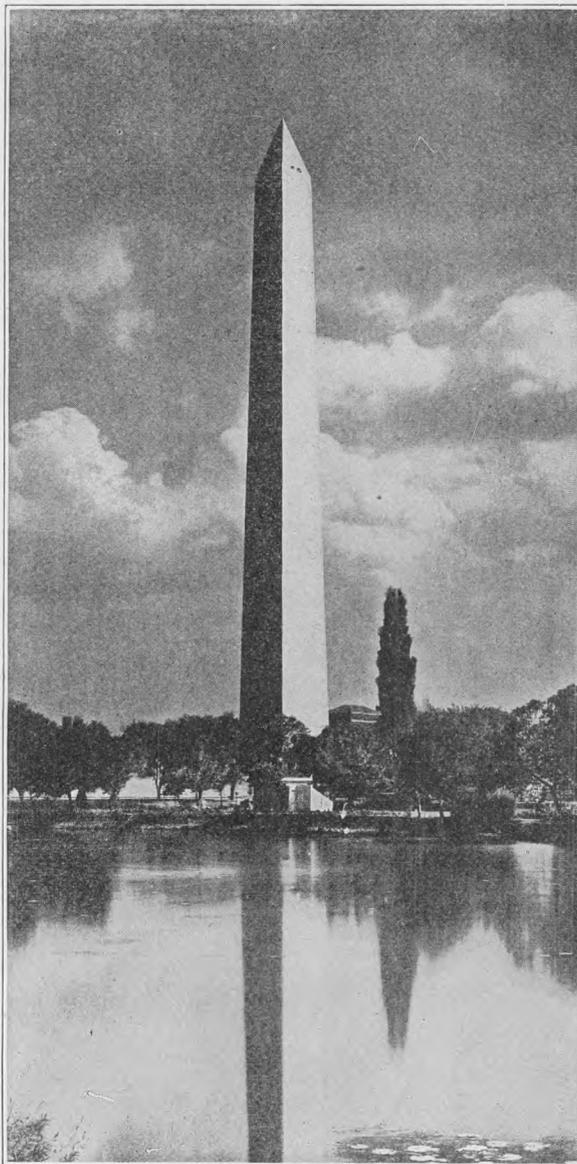
## Other Important Sessions.

Besides the main convention sessions to be held every morning and the section meetings in the afternoon, there are numerous other conferences of an important nature. On the three business days prior to the American Bankers' Association Convention a conference of federal bank officials will be held. The governors of federal reserve banks are: Boston, C. A. Morse; New York, J. H. Chase, acting; Philadelphia, George W. Morris; Richmond, George J. Seay; Atlanta, M. B. Wellborn; Chicago, J. B. McDougall; St. Louis, David C. Biggs; Minneapolis, R. A. Young; Kansas City, J. Z. Miller, Jr.; Dallas, R. J. Van Zandt, and San Francisco, J. U. Calkins.

The federal reserve agents and ex-officio members of the reserve board and the six members of the board will constitute this important gathering from

which important announcements are likely to emanate. Coming just before the A. B. A. convention, it is more than likely many of the members of the advisory council

(Continued on page 63.)



WASHINGTON MONUMENT,  
555 feet, 5 1-8 inches in height. Highest work of masonry in the world.

# Extra Work—Extra Pay Advocated by South Dakota Bankers

South Dakota State Association heads movement to assure  
"at least workmen's wages" for bank service

By H. V. Harlan

Vice President Minnehaha National Bank, Sioux Falls  
Chairman Committee on Uniform Charges, S. D. B. A.

THE movement for a standardized set of charges for the many extra duties incumbent upon the country banker owes its inception to a resolution adopted by the South Dakota Bankers Association in 1916 when a resolution was passed approving a fixed charge for collections and commercial ratings. This resolution was prepared by the secretary's office in leaflet form for mailing and a copy provided the members. These leaflets were found by many banks to be a great aid in procuring a proper fee for these services and out of this experience came the belief that the plan might be extended to the host of extra services performed by the country banker usually free or for an inadequate fee.

The South Dakota Bankers Association appointed a committee to work out the problem and to make recommendations for action at the 1920 meeting. The committee prepared a questionnaire listing some twenty-five of the extra services a banker is ordinarily called upon to perform and mailed a copy to each member asking for a report upon the various items as to a proper charge for each and for additional suggestions. About 300 carefully worked out replies were received from the 600 member banks, the large proportion indicating the direct interest in this subject and many valuable additional suggestions were received.

Upwards of 8,000 separate items included therein were itemized by the different subjects and each subject was given careful study by the committee in working out their recommendations. A number of district and county groups of bankers at their meetings gave the subject consideration and their recommendations were likewise considered.

Based upon the information thus received, the committee report was worked out and returned to the state convention at Watertown in June and was unanimously adopted with but brief discussion further indicating that the movement had the hearty approval of the members. The committee believes that the

majority of the people proper are willing to pay a proper fee for services rendered and that the adoption of an approved scale of charges will enable the banker to place his special services before his clients without friction or embarrassment and would make the process of education much easier for both banker and customer. The secretary's office has supplied the members with a printed schedule in suitable form that this end may be achieved.

The vastly increased duties recent years have brought to the banker have consumed most of his time and often necessitated the employment of extra employees, material, and equipment, and together with the vastly increased cost of operation and necessary salary increases rendering it imperative as well as advisable to place the performing of special services upon a basis that will return some portion of the operating cost. It is hoped that the movement will be a means to that end.

Following are some of the interesting comments made by member banks:

"We are much in favor of a uniform charge for every service. If your work is well done, your customer will think more of you than if it costs him nothing."

"Good idea! Let's get together and get at least workmen's wages for our service."

"We heartily approve of this step."

"We make no charges for some items but we ought to."

"A moderate charge would be my idea. Something for everything."

"This is an excellent movement. It is long past due."

"Would be glad to have a definite schedule to go by."

"The charge to be made for cashing postoffice money orders when there is insufficient funds in the postoffice.

"A charge to be made for funerals.

"Patching up domestic troubles, \$10.00.

"Advice on saving money, no charge."

## APPROVED STANDARD CHARGES.

(Adopted at annual meeting South Dakota Bankers Association, June 25, 1920.)

Credit Reports—25 cents; special reports according to service.

Land Reports—According to service.

Collections—Notes, one-half of 1 per cent, minimum; minimum charge, 50 cents. Sight Drafts, (1) 10 cents per hundred; (2) minimum charge, 25 cents; (3) presentation fee, 25 cents; (4) extra for second call, 25 cents. We recommend that drafts drawn with exchange have the required amount, according to this schedule, added to the face of the draft. We also recommend that collecting banks make immediate returns on receipt of payment.

Foreign Exchange—One-half of 1 per cent; 25 cents, minimum.

Domestic Exchange—10 cents per hundred.

Travelers' Checks—50 cents per hundred.

Transfer by Telegram—Western Union rates.

Payment of Taxes—25 cents per receipt, minimum; 10 cents extra each additional description.

Auto License Application—25 cents.

Hunting License Application—25 cents.

Income Reports—\$1, minimum; \$1 per hour.

Notary Fees—25 cents.

Farm Sales—\$20, minimum; 2 per cent on total sale.

Live Stock Sales—1 per cent.

Farm Leases—\$1.

House Leases—50 cents.

Mortgages—Plain, \$1; coupon note, \$2; chattel, 50 cents.

Deeds—\$1.

Contracts for Deed, Bonds for Deed, Bills of Sale—\$2, minimum.

Contracts for Exchange—\$2, minimum.

Liberty Bonds—We advise the use of government free service for conversion of temporary to permanent bonds; other exchange, 25 cents.

Liberty Bond Sales—10 cents per hundred; 25 cents, minimum.

Closing Real Estate Deal—\$2, minimum.

South Dakota Rural Credit Loans—One-half of 1 per cent, minimum.

Real Estate Loans—As conditions warrant.

Exempting Land from Hail Insurance Law—25 cents. (Copy made for owner and for bank files.)

Safety Deposit Boxes—\$1, minimum.

# Investment Suitable for Women Is an Obsolete Term

Yet the woman investor is fast becoming a very important factor in the development of the community

By Clara F. Porter

Assistant Secretary Guaranty Trust Co. of New York

EVER since I have been in the bond business I have heard a good deal of talk about "investments suitable for a woman"—bonds which even a woman might buy—from people in the bond business as well as investors themselves. From time to time I have even had requests for articles on "Investments for Women." So frequently are such expressions heard, in fact, that it appears to me worth while to stamp them as erroneous.

There are two very different psychological processes that are, perhaps, responsible for this anachronism. One is the mid-Victorian idea that women should be protected in all things at all times; the other is the very modern idea that bonds are sold like commodities—shoes and gloves, for instance. In my opinion there are a good many reasons why bonds cannot be sold as shoes and gloves, but that is aside from this discussion.

A child will understand why there are women's shoes and women's gloves; that shoes and gloves for men are different in size, shape, and general style from women's shoes and gloves. A child will also understand that bonds are fundamentally different from shoes and gloves. An Anglo-French 5% bond, a General Electric 6% bond, or a Consolidated Gas 7% bond will fit a woman quite as well as a man. But all three will not fit all women nor all men. In other words, all bonds that are a good investment for some man are equally good for some woman. It is just as dogmatic to proclaim Chicago Northwestern General Mortgage 5s a woman's investment as it is to sell New York Central Debenture 6s to every stray man who happens to have \$1,000 to invest. For example: I have a man client who is more or less of an invalid and lives at Saranac the greater part of the year. He is completely out of touch with market conditions and commercial life generally. For him the Chicago Northwestern 5% bonds are an exceedingly good investment. On the other hand, I have a

woman client with an income between \$30,000 and \$40,000 a year who keeps in close touch with market quotations and for whom the New York Central Debentures are a very satisfactory investment. The requirements, not the sex, of the individual must be considered in every instance. In many cases the requirements of the investor must be more than considered; they must be carefully studied.

Another very widespread misconception is that sex plays an important part in the selling of bonds. I am frequently asked whether I, being a woman, sell bonds exclusively to women. There is some surprise when it is known that the majority of my clients are men. It is not because I prefer them to women as customers, but because, like all salesmen, I have followed the line of least resistance and have obtained business where it was most easily obtained. Men are more accessible than women. The sex of the person who sells bonds is of no more importance than the sex of the person who buys bonds. Men do not buy bonds from a man because he is a man and I do not believe that women buy bonds from a woman because she is a woman. Both buy from the person who convinces them that his or her clients' interests come first, and who shows the most intelligence in the selection of bonds for investment. In other words, the salesman or woman who gives the most efficient service gets the most business. This is one of the reasons selling is such a thoroughly satisfactory way to spend one's time.

It has very truly been said that every salesman is in business for himself, and it is a stimulating thought.

Until recent years banks have not considered that women's business was particularly profitable. Naturally, therefore, they have not sought it. The same habit of thought which makes men still talk of "investments for women" makes them still cling to the ancient belief that women must be regarded economically as liabilities, not as assets. But a very great



MISS CLARA F. PORTER

—Courtesy The Rotarian.

change has already taken place and is taking place daily.

The next decade or two will see many surprising things, as far as the scope of women's activities is concerned. Today their club life is recognized as important. Tomorrow their political life will be recognized as very important. Their regular jobs, their war activities, their campaigns for large sums of money for educational and philanthropic purposes have made them a factor to be reckoned with. It is natural that women of large means should begin to regard their fortunes as great opportunities for their own intellectual development. It is also natural that women are no longer satisfied to have their own investment funds handled by some man in their family. As time goes on, I find that fewer men buy bonds from me for their wives or their sisters, and more women come to me to discuss their own investments. Right here let me say that I have one man client who has never yet bought any security from me without first discussing it with his wife. I believe that this will happen more frequently in the future and I do not believe men will be ashamed of it, either.

In the past, bond men appear to have had some prejudice against women investors. I have often been asked whether I did not find women unreasonable; if they were not nervous over market fluctuations, holding me personally responsible if their purchases depreciate in market value during times of depression. I have not found them so. Generally speaking, the woman investor is as intelligent and reasonable as the man and quite as able to grasp the salient features of the security discussed. As a matter of fact, the only difference I can see between the sexes as investors is that most women are not so "market wise" as men. This is probably for the reason that they are

younger in the business. When an offering of a security is made to a man he is likely to bring up another in which he is interested and which is selling at about the same price. It is then necessary for the salesman to compare the two issues, showing the advantages of the security offered.

The real fascination of the distributing end of the bond business is fitting the security to the client. The salesman's skill is best shown by his or her tact and resourcefulness in discovering the client's requirements, his or her judgment in determining what is suitable, and his or her persuasiveness in succeeding in making what is suitable desirable. For example: A New York City bond, which at the time of writing is selling on about a 4.65% basis, is a more suitable investment for a man or a woman having a taxable income of more than \$50,000 a year than any taxable bond which yields 6.50%. But it is sometimes as difficult to persuade the investor to buy the municipal bond as it is to convince a girl of eighteen that an intimate acquaintance with one William Shakespeare will be of greater value than many hours spent with Robert W. Chambers.

In conclusion, I should like to emphasize two points: First, women are business assets. Insurance companies have found women good business prospects and banks are more and more coming to appreciate the value of the business brought to them by their women clients. They are coming to appreciate it to such an extent that they are beginning to seek women's business, to devise ways and means of developing this business. Second, women do not need compensation for preferential treatment. An "investment suitable for women" is an obsolete term, but the woman investor is fast becoming a very important factor in the development of the community.

## Distribution of Short Haul Products

Railroads do not want short haul loads as they cannot handle them efficiently and the motor truck is the solution of the problem

By J. F. Bowman

General Sales Manager Garford Motor Truck Company

WHETHER it be in street car, subway, parlor car, elevator, office or home, there is that perpetual and approaching weird appeal: "Give us more transportation." We need transportation. How well we know and realize it.

Like sheep we are prone to follow the dictates of those in our midst, around us, and of whom we read. Too often we lack originality and initiative. In proof of this statement some months ago "mass production" was on the minds, lips and ears of everyone. We could see nothing but men, material, machinery, results. Some far-seeing individual rocketed transportation and everyone thought in terms of "length of time on the road," and now—men are idle, material is not forthcoming, the hum of machinery is diminishing and, as for results, well, we all know about that!

"Distribution" is wending its way into everyday conversation; in it we have the real meat of the matter.

Transportation—Distribution—there is the whole thought.

In these days when we hear and see so much we

live in an era of "free education." We realize as we never did before how cause precedes effect—there are reasons for every result.

We have reached the school grade that teaches: "Motor trucks for short hauls!" We start out; and herald the glad tidings: "Ship by Truck;" Do we stop to think what effect this cause will have? Do we realize that if everyone were to decide at one time to "Ship by Truck" how the traffic congestion of our larger cities would look? And our highway? They would become veritable trains and fleets of trucks bound for city markets of all kinds.

Now, we see where distribution takes us a step further into this subject: "how" and "where" are we going to distribute short haul products? These are the obstacles of the short haul.

As the railroads have freight yards, so shall the motor trucks have terminals—they must have terminals. Railroads do not want short haul loads; they cannot handle them efficiently.

A striking example comes to my notice as I write  
(Continued on page 84.)

# When We Swallow Our Medicine and Pretend That We Like It

Par clearance permits local business men to have accounts out of town—and the banker must pay the bill

By Geo. T. McCandless  
"The Man Behind the Counter"

IT HAS been the source of considerable curiosity to me lately to find out what has become of our old law of Supply and Demand. When I studied Political Economy several years ago that was one of our favorite chapters and the whole book was built on that supposition; that prices depended on that one law.

Competition vs. monopoly was another favorite and we were taught to believe that prices were always lower under competitive conditions. That theory has gone somewhere if what we read is true. We discover that oil, for instance, was cheaper before the big company was disintegrated than it is now and if any of the banking fraternity who read this magazine are worshippers at the shrine of Lady Nicotine they will bear me out as to what happened to tobacco prices the tobacco trust went into retirement.

Our interest to bankers is the question as to just how much the people have been helped by the government getting into the banking business. The general impression when the Federal Reserve Bank was established was that it was to be a sort of insurance against panics; something to fall back on in case of emergency. It has turned out to be a pretty lively collection agency; not a collector of bad debts but a great par clearing agency for wholesale houses and large city banks. The average country banker looks back on the days of 2% on daily balance and immediate credit as being considerably better for him than the present deferred credit system and no interest.

I am not one to raise a howl against the Federal Reserve system—it has been worth all its cost and may cost many years to come but I do have doubts about some of its rulings being practical or beneficial as intended.

An abuse that has sprung up in carrying out what were deemed to be functions of the system is the compelling of non-members to remit all items at par in specified exchange to the Reserve bank. The methods used to enforce this ruling have been drastic and onerous. If we can believe the press there have been deliberate attempts to put some country banks clear out of existence by withholding items for several

days and then presenting all at once and demanding cash.

I doubt very much if the bankers on the Federal Reserve official list approve of such methods down in their hearts; they know their own banks could not stand much of such action. I do not wish to appear to defend the hold-up country banker who charges 25 cents per hundred to remit exchange on home checks or his own cashier's checks which he has remitted in payment of collections and for which he may have deducted exchange once before but I do know from experience that the honest banker outnumbers the robbers by a hundred to one so why make the one hundred suffer for the misdeeds of the one; surely there could be a better way devised for the erring brother to be brought to time than by punishing the whole bunch.

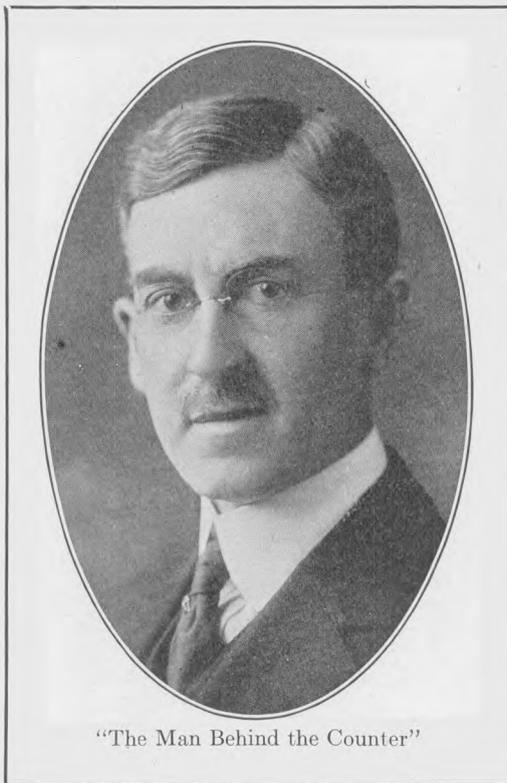
An abuse bankers have allowed to creep in is the acceptance of bill of lading drafts as cash. Is it right for us country bankers to take in over the counter thousands of dollars in such items and expect our city correspondents to maintain an expensive crew of collectors to hang around grain offices for hours at a time waiting for the grain man to write him out a check when he gets a good and ready?

Bankers are to blame for this and should suffer if guilty but the good should not be punished for the sins of the few. The bank with which I am connected receives daily a great many of these grain drafts and one of our best men has to spend at least an hour of his time calling on

the various grain men, awaiting their pleasure to write out their checks AT PAR for these collections, and then at night we credit our depositors or remit AT PAR for such items.

Personally I would like to see every street item whether sent to or received from a correspondent charged for at the rate of not less than ten cents per hundred. This is an amount of reasonable dues for services rendered and the grain men would not object if they were all treated alike.

Imagine a grain man doing business for a banker at a loss or an even break. Let some banker do a little trading with the board of trade and he will



"The Man Behind the Counter"

find out his money is no better than any one else's in the eyes of the commission firm.

And is it right for us to favor one line of business as we do the grain men by extending these par facilities and being obliged to make up the loss on this class of business from other lines of business men?

We have one grain firm in our town that carries several bank accounts and pays its workmen with checks on towns where they have mills, although the workmen live here. Is it right that the grain firm mentioned should pay its local workmen with out of town checks knowing the cashing bank will have to handle the item at a loss if they pay par for it? And none of us wants to soak the workmen for exchange. I called up this firm, (not a customer of

ours by the way) and asked them why they could not pay in local exchange and one of the bright young fellows in the office replied, "We do this so we can get the benefit of the float."

Verily, verily we must take off our hats to the superior ability of the grain man who can make us swallow our medicine and pretend we like it.

With expenses doubling and trebling in the banks their very salvation depends on some means of receiving additional revenue from some source. Increased interest rates will not take up the slack. Imagine because your expense has doubled what would happen to you if you tried to charge twice your customary interest rate. You probably would not live to tell the tale. So it follows naturally that exchange

(Continued on page 110.)

# The Country Banker Must Share Responsibility with Farmer

The two should work together in all matters for the good of the community

By S. L. Moore

President First National Bank, Boone, Iowa

THE unsettled economic conditions and high prices are said to be largely the effect of under-production, and to relieve the situation our best authorities agree that production of all kinds must be increased. To carry out this purpose it is manifest that the banker living in the country town, and the actual producer—the farmer—have an equal responsibility. There may have been a time when the fact was not fully recognized, but today it would seem that this mutual responsibility is being met as never before.

The effort of the banker to provide the farmer's needs, not only in the way of loaning him sufficient capital to handle his farm properly, but the effort to aid him in the bookkeeping operations incident to any well conducted business, to aid him in making returns for income tax purposes, to have available room in the bank where the telephone company, the threshing company, the farm bureau officers or committees, or neighbors can readily get together and talk over their business matters, the rest room where the wives and children may have a meeting place, all serve to show the trend of the co-operative spirit along this line.

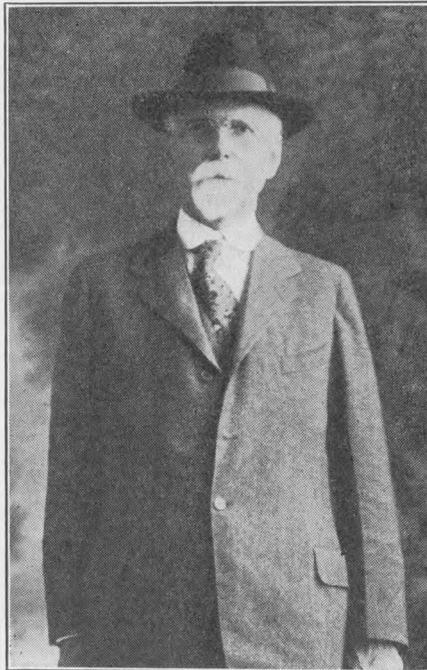
On the other hand, the farmer's willingness to enter into the enterprises in the town, to give substantial aid toward community homes for the American Legion in many of our coun-

ties, to extend the town folks a cordial invitation to the farm picnics and gatherings, all these things show his full appreciation and desire to co-operate.

These signs of the times are evidence of a growing sentiment from which will develop not only more pleasant home and neighborhood relations, but in a larger way, a fuller opportunity to go on in the working out of his business, and taking advantage of such enlarging opportunities. The war activities did much to foster and encourage this spirit of mutual helpfulness. In the face of a common enemy and the problems of war we saw the utter necessity of getting together and now as the difficulties arising after the war confront us, why cannot we meet them with the same spirit? The banker can play a selfish part with his neighbors, and thereby contribute nothing to the solution of these things, or he can adopt the unselfish attitude and thereby contribute in a large measure to those things which make every community more wholesome and agreeable to live in.

After all, is it anything more than his plain duty to his people, to encourage and aid in this co-operative spirit?

Could a more enduring monument be erected than to have it said of him, that he aided in getting for the community those things which make it a real home?



S. L. MOORE

# Acceptance Needs Explanation Rather Than Defense

To what extent it develops in American business life depends largely upon the co-operative spirit shown by giver and taker of credit

By Robert H. Bean

Secretary American Acceptance Council

**T**RADER acceptances are now used throughout the United States in practically every line of business, are included in the terms of sale of thousands of business concerns, are discounted freely by progressive banks of the country and purchased by Federal Reserve banks. The trade acceptance is here, and here to stay. Criticism by those who for some reason do not want to encourage its extension, or by those who do not yet understand its value and its place as part of the business and financial life of this country, will only serve to invite a more intimate study by others, with the result that the system will always profit and win new friends.

No system, whether in credit, finance or the operation of governments, is free from abuse, nor is it in its working perfect from the outset. We learn by experience, and perfect our laws or customs as we use them. From the beginning the Council has been convinced that the principles underlying the use of the trade acceptance were sound; but the method of operation has been in many ways improved; and while its advantages have been emphasized, its limitations also have been frankly stated.

To state that the trade acceptance is not abused would be as untrue as to make the same claim for a promissory note, check, or any kind of instrument in which the elements of credit are involved. Abuse or misuse of any instrument by which money or credit is obtained is due to the moral decrepitude of the individual and not through the instrument through which such money or credit is secured. We must depend in all our business affairs upon the general honesty of all men and the highest business honor and integrity of those with whom we have dealings. Laws are not made to create honest men, but to punish dishonest ones.

When correctly drawn and honestly used in strict accordance with the terms of the Federal Reserve Act and good business practice, the trade acceptance represents the highest form of liquid commercial asset and enjoys the highest percent of payments at maturity of any credit instrument. And there is no mystery or magic about this. Reduced to the simplest terms it is merely a time draft drawn by the seller of merchandise upon the buyer, made out in accordance with the regular terms of sale, running for the usual credit period and for the same amount as the invoice. It is purely a negotiable promise to do exactly as the buyer agreed to do when the goods were ordered.

It is not claimed that the trade acceptance system serves all purposes, is adaptable to all conditions of business or that cash sales or cash discounts should be abolished. What is claimed is that where business is not done on a strictly cash basis, the trade acceptance will be found a safer, sounder and in the long run more economical method than the open account.

The American business man, whether he be producer, manufacturer, wholesaler or jobber, should realize that the old method of carrying his customers on open account, thereby financing transactions which constitute direct obligations of the buyer, is, in this time, when business efficiency is at a premium, illogical in the extreme, unprofitable and unsound.

To allow perfectly good live commercial credit to remain tied up for 30, 60 or 90 days in illiquid open book accounts when such credits could, and should be released for other service is a reflection on the business judgment of the American merchant. Where-

ever the trade acceptance is used certain cardinal principles should always be followed. It should be used only where goods are sold on time and for current live accounts. It should approximate the date of invoice and should run for no longer time than the usual open account terms. It should be free from conditional or involved agreements, interest charges, or discount, and represent plainly the amount of the invoice. It must never be used as a re-

newal of matured or unpaid acceptances, nor as a means to secure additional working capital.

The practice of using acceptances for the purpose of collecting old or what are known as dead accounts cannot be too roundly condemned. Such practice if general would unquestionably lead to serious consequences, if it did not in time impair the efficiency of the acceptance as an instrument of credit. Like any other medium by which credit is granted, the acceptance, to function properly, must be understood by banker and business man. That thousands of both are now fully aware of the possibilities for good through the use of the acceptance is attested by the records of the American Acceptance Council. That many merchants are yet to be converted is unquestionably true, but it is with the banker that I am chiefly concerned and to whom I direct my attention at this moment.

I speak advisedly when I say that the reason the trade acceptance has not made greater headway is due very largely to the attitude of the banker. Notwith-

"The American Acceptance Council frequently receives requests for information on acceptances from merchants in various parts of the country, and the statement is too often made that the inquirer's banker either does not know or will not tell. In the application of acceptances to modern business such abuses as may appear can be spotted quickly by the alert banker. The acid test of credit analysis can and should be applied to acceptance usage as it is to promissory notes, and within its rightful territory the trade acceptance will function to the immeasurable benefit of the entire community."

standing the strong endorsement of the Federal Reserve Board, the National Association of Credit Men, American Bankers Association, State Banking associations, and strong trade associations of the country, there are a large number of bankers in every section who apparently fail to appreciate the intimate relation between the business of their community and the institutions over which they preside, or whose study of credit conditions has not gone far enough for them to realize the large advantage to themselves and their clients through the adoption of this credit instrument as an aid to better morals in business and better credit and banking conditions.

There are thousands of merchants who would gladly undertake the task of converting their unusable "Accounts Receivable" into trade acceptances if they felt they had the support and co-operation of their bankers. If the banker fully appreciated the benefit

of the trade acceptance he would advise his customers to sign the trade acceptance because there are upon books of the wholesale houses and the manufacturers of this country about eight billion dollars in tied-up assets, and there is no way that this enormous sum can be used as credit except by the use of the trade acceptance.

To the average merchant, the banker is the financial doctor. He needs the banker's co-operation and advice, and the banker who neglects such an opportunity for service, particularly in this time of commercial stress, is recreant to his trust.

The acceptance is here to stay as part of the business and financial life of the country, whether or not the occasional banker or business man would have it so. It is only a question how soon it will be before its usefulness becomes so generally recognized that its friends will be legion and its critics few.

## The Public Is Entitled to the Facts

Farm mortgage banker discusses Kansas attitude  
on tax exempt securities

By C. B. Merriam

IT IS interesting to note that the work in which the farm mortgage men of this country are engaged, agricultural financing, is from the standpoint of commerce, America's greatest business enterprise.

It has been determined by responsible statisticians that seventy cents of every dollar in this country comes from the farm. Another way of saying it is that agriculture furnishes seventy per cent of the nation's efficiency. About forty-five per cent of our population is agricultural. Agriculture is America's greatest industry, and yet the average city business man gives it only an incidental consideration. When business as a whole depends to the extent of seventy per cent upon agriculture for its support, it is plain that the business man who doesn't make a consistent attempt to understand the economic problems of agriculture, and of those engaged in it, is not a good business man.

I want to explain what has been done in the state of Kansas to bring before our people the evils of tax exempt securities.

Kansas has 1,350 state and national banks with capital and surplus of 70 million and with total deposits of 500 million. Kansas has about 5,000 men who are engaged as officers in the banking business and we all know these men generally are the leaders in their respective communities and they are seeking the truth.

All Kansas banks are divided into eight groups according to location. Each group contains about 175 banks. In October and November, 1919, at each group meeting embracing every bank in Kansas, the president of the Kansas Bankers Association brought up to each session the evils of tax exemption and after discussing the Federal Income and War Profits Tax, he then made a statement as follows:

"Next to the Profits Tax, the most unfortunate feature of contemporary taxation is the exemption granted to various types of bonds. Municipal bonds have long been exempt from all taxes in most states and have thereby made it possible for very rich men to escape all, or nearly all, taxation. The appeal of the tax exempt security to investors increases in pro-

portion to their tax burdens—the greater the burden the greater the appeal. Inevitably the market price for tax exempt securities is fixed by the demand for them by those investors who, by owning them, can escape the heaviest tax burdens. It shifts the burden from the shoulders of those best able to bear it.

"In this connection I want to say that issuing bonds under the Federal Farm Loan Act, making them tax free, is in my judgment absolutely wrong in principle and unjust to 99% of our people. For no system of government, free or autocratic, can retain the support of a nation when that government frankly begins to take money from most of its citizens to hand over to a favored few. And that is exactly what the Federal Farm Loan Act accomplishes. At a considerable cost to the American people for every dollar loaned in this manner, the United States Government is filling the lock boxes of the rich with tax exempt securities."

Many of the bankers present were largely ignorant of the real workings and injustice of the tax exempt securities and I am very much pleased to advise that after a general and thorough discussion of this subject, every group save one (and the only reason this group did not endorse the resolution was because of the fact that of the three members of the Resolution Committee, one was formerly president of the Federal Farm Loan Board and one was entirely engaged in the sale of tax free municipal bonds) adopted and passed the following resolution:

RESOLVED, That we favor the repeal by the Congress of the United States of the law authorizing the existence of the Joint Stock Land Banks for the reason that they give government protection and encouragement to a profitable private enterprise that is loading the country with tax exempt bonds; and

RESOLVED, That we favor the non-exemption of securities from taxation except as such apply to constitutional exemptions as applied to religious and charitable institutions."

Furthermore, a similar resolution was adopted at the state convention of all Kansas bankers held in Wichita, in May, 1920.

# Tax Exemption Is Insidious Foe of the Financial World

Farm Mortgage Bankers Association is fighting certain provisions of the Federal Farm Loan Act

By E. D. Chassell

Secretary Farm Mortgage Bankers Association

**T**AX exemption is the tuberculosis of the financial and economic world. Its inroads have been insidious; its grasp is relentless; its cure is difficult; its eradication may be effected by simple methods if persistently applied. A complete cure would do much for the general prosperity and contentment of society.

The Federal Farm Loan Act was founded for good purposes. If worthy of the purposes for which it was created, it will continue to endure on a business basis, paying its own expenses without a subsidy from the national treasury. The most glaring fallacy in the foundation of the Federal Farm Loan Act is the assumption that tax exemption benefits to the investor under a graduated income tax are passed on to the borrower. The educational campaign of the Farm Mortgage Bankers Association has been principally directed toward enlightening the public upon this point.

At the time the Federal Farm Loan was enacted, our income tax was nominal, recently applied and unknown to 99 per cent of American tax payers. At the present time the highest rate of federal income tax is 73 per cent.

When the law was enacted, the national government was paying 2 per cent on most of its obligations, then approximately only one-twenty-fifth of the amount of the public debt at the present time.

The theories of taxation and finance created in the minds of dreamers at that time, were quickly tried in the fierce fires of experience.

Federal Land Bank funds were raised by the sale of twenty year bonds, the proceeds of which were loaned for 35 years. This dangerous plan of financing was based on the supposition that the low interest rates prevailing in 1917 would continue, or that they would be reduced. The theorists thought it impossible for interest rates to go higher.

The national treasury is now paying six per cent on its last borrowings and liberty bonds have depreciated to a similar basis. When the greatest creditor

nation on earth pays an interest rate three times higher than six years ago, the private borrower must expect to be affected by such competition. Federal Land Bank 4½% bonds and Joint Stock Land Bank 5% bonds are offered at 86 to 88½ with very few sales.

No one can predict the outcome with absolute certainty, but taking into consideration conditions on both sides of the Atlantic, no well informed authorities predict an early return to pre-war rates of interest.

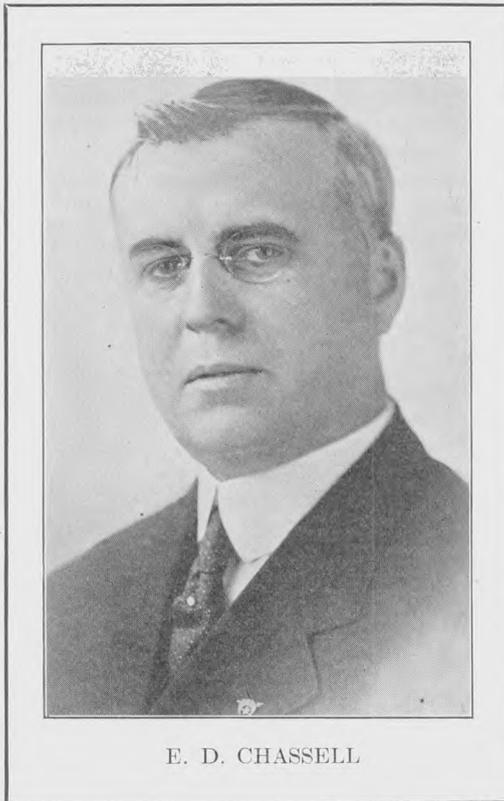
Of the approximately \$346,000,000.00 of Federal Land Bank loans now in force, on which farmers are paying interest, \$17,300,000.00 never reached the pockets of the farm borrower, although they pay interest on that amount every six months. This is represented by stock in the Federal Land Banks, held by the Co-operative National Farm Loan Associations. It has been represented to borrowers by agents and literature of the Federal Land Banks that this \$17,300,000.00 would be a very profitable investment for the farmers. They were led to believe that they would receive frequent and large dividends.

About half of the Federal Land Banks have never paid any dividends, so that five and a half per cent interest which the farmers have paid to these banks has been a total loss to them up to date. A few of the banks have paid what they call a 6 per cent dividend. As the farmers had the year previous paid 5½ per cent interest on the face value of their stock, the payment of a six per cent dividend is substantially a refunding of the previous year's interest.

But this refunded interest in most cases does not all get back to the farmer. It is paid by the Federal Land Bank to the local Farm Loan Association, and the local association can use part or all of it to pay local expenses or to put into a reserve fund for future use.

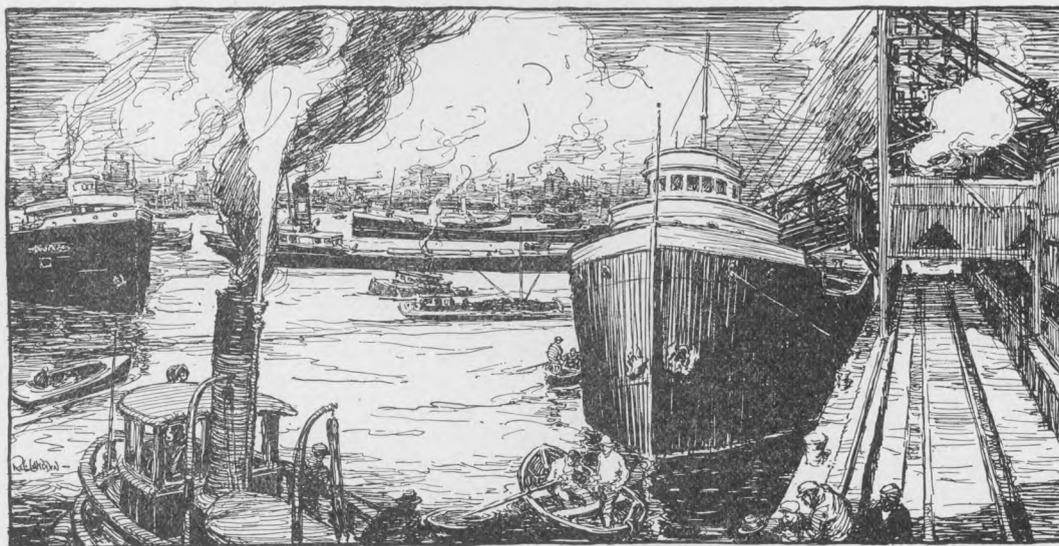
Erroneous statements are sometimes made officially and it is absolutely impossible to secure corrections. "The Borrower's Bulletin" the official organ of the Federal Farm Loan board, in a long article published in the May-June issue of 1919, lead the reader to believe that the rate of interest charged to Federal

(Continued on page 116.)



E. D. CHASSELL

From an address at the Kansas City convention of the Farm Mortgage Bankers Association of America.



## Traffic-Teeming Waters

From the batteaux of the fur traders, the lake carriers have grown through many stages to the great freighters that bear in their holds the ores, timber and grain from the North-west to the furnaces and mills of the large centers.

**T**O the financing and development of the traffic of the Great Lakes the Continental and Commercial Banks have contributed, as they have participated in financing many other lines of commerce and industry in the rich territory tributary to Chicago.

*The* **CONTINENTAL** *and*  
**COMMERCIAL**  
**BANKS**  
CHICAGO

*Invested capital more than 50 Million Dollars*  
*Resources more than 500 Million Dollars*

# The Ralston-Nolan Bill and the American Farmer

Speaker at Farm Mortgage Bankers Convention brings three indictments against proposed land tax

By H. G. Hathorn

**T**HE Ralston-Nolan bill, which proposes a direct federal tax on all land values in excess of \$10,000, violates the principles of sound and equitable taxation; first, because it is based on the theory of the single land tax, which all local trials have proven a failure, and which has never even had a trial by a national government of recognized stability; second, because it specifically provides exemption for one class of invested capital, and imposes additional burdens on another class, equally deserving of exemption; third, because it empowers the federal government to impose a direct tax on real property, a taxing function which should only be exercised by county, municipal and state governments.

The Ralston-Nolan bill does not attempt to improve existing tax laws, equalize unfair distribution, or lessen the burden on the whole people; on the other hand, it seeks, by unjust discrimination, to shift a part of the undiminished burden from one class to another class.

The Ralston-Nolan bill penalizes thrift and industry because it would impose a direct tax on values actually created by the owners of valuable farm lands.

The Ralston-Nolan bill provides the means for certain highly organized industries to escape a part of their just obligation; and, on the other hand, compels another class, not so well organized, to assume obligations not properly belonging to them.

The Ralston-Nolan bill makes no attempt to eliminate objectionable features of the present federal income tax law; it merely seeks to reduce the tax paid by its advocates, and, without suggesting equitable adjustment, would place an additional tax on another class, who are themselves already paying a federal tax, the same in proportion to their incomes as that paid by other individuals, industries and business concerns. With a contemptuous indifference to all principles of right and justice the advocates of this bill ignore the fact that nearly all the farmer's capital is invested in the land itself; that his land is more liable to either federal or local taxation than is the capital invested in any other business enterprise or industrial pursuit; and that the bill specifically provides exemption from federal taxation for one class of invested capital, and with no color or right, imposes a heavy additional burden on another class, equally deserving of consideration. With characteristic stupidity they seek to perpetrate this gross injustice, and thus they furnish the strongest possible incentive to every man and every interest gaining support directly or indirectly from agriculture to organize and force the defeat of their nefarious scheme.

The Ralston-Nolan bill is primarily and basically wrong. It is wrong in principle because it would leave

the legitimate field of federal taxation; it would override immemorial custom; it would usurp authority properly pertaining to local, municipal and state governments. It is wrong in application because it would take a common burden from the shoulders of all the people, and place it principally on the farmers, who are one class only, and a minority of the whole people. The shrewd sophistry of the proponents of this bill cannot cloud the eyes of reason and convince clear-thinking men that this legislation would not fall most heavily on the farmers, who, as a class, have always been the mainstay of the government in peace and its strongest defense in war.

The Ralston-Nolan bill gives no credit for land values actually created by individual effort and augmented by development for which concerted local price and community co-operation are alone responsible. Diversified farming with the proper rotation of crops is the only system of farming that will inevitably add intrinsic value to the land and certainly increase both individual and community wealth.

A man buys 320 acres of land at \$50 per acre. He pays for it in five years by intensive cropping and the sale of staple crops. He has paid no attention to diversification and rotation of crops and has grown no live stock. The soil is, therefore, no more productive than when he bought it. According to the provisions of the Ralston-Nolan bill, at a valuation of \$50 per acre, he must pay in addition to his local taxes and his income tax, on an excess of valuation of \$6,000. He

does not care to do this, and, therefore, sells at \$50 per acre, 160 acres to a thrifty tenant. The tenant sees great possibilities in the land, and by diversification, rotation of crops and live stock not only pays for the farm in ten years' time, but doubles his crop yields. He has actually increased the intrinsic value of the land, not merely 100 per cent, as is superficially indicated, but 200 per cent, because land whose productive capacity has been doubled so greatly increases the margin of profit that its intrinsic value is three times what it was at the beginning of the improvement period. So the land is now worth \$150 per acre.

In the meantime, the original owner of the 320 acres has not changed his methods on the 160 acres retained by him, and the deterioration is so evident that even a marked improvement in community conditions does not make his land worth more than the \$50 per acre he originally paid for it. What is the result? The original owner, not particularly shiftless, but merely unprogressive; not specifically a knocker, but a sort of drag on community development, has reduced his holdings so

(Continued on page 120.)

"The Ralston-Nolan bill is a direct attack on progress, and a sinister thrust aimed at the heart of agricultural development. It would penalize the thrift and industry that braved the terrors of the unknown; carved pathways through the heart of a continent; built homes in the wilderness; marked the limits of the earth's greatest agricultural empire; and projected the star of hope on the horizon of unborn generations."

# Remedy for High Interest Rates Is Just Plain Thrift

Profiteering and extravagance have boosted money rates  
and thrift will bring them down

By John Moody

President Moody's Investors Service

**T**HE remedy for high interest rates is just plain thrift. It was extravagance in prices, in wages, in margins of profit, and in standards of living that made money rates high; and the elimination of the extravagance is fully capable of restoring the money market to an easy position.

Thrift and high interest rates are as incompatible as fire and water. They simply cannot get along in the same world at the same time. By thrift we mean, of course, the practice and policy of making our living, or income, through giving the public a square deal; and of constantly saving a portion of that income, and adding it to our permanent wealth. Too large a part of the earnings of the American people has lately been derived from overcharging and profiteering; and too large a minority of our people have abandoned, or suspended, the habit of laying aside a portion of their income.

What we need is thrift in business, and thrift in our personal finances. To carry it into business means to make money through a large output at a fair margin per unit; and to carry it into our personal finances means to permanently save a portion of each year's income, and to add thereby to the total supply of capital, and to help keep interest rates down. To prosper through excessive prices and charges for our output or services, and to forever borrow from banks more than we deposit in them, is not thrift. It is profiteering and extravagance, and it pushes money rates higher and higher.

Prices and interest rates have gone hand in hand because they could not help it. It takes twice as big a bank loan to carry a thousand bales of cotton at 30 cents as it does to carry the same at 15 cents. The grocer must borrow twice as much to lay in a stock of flour at \$13 a barrel as he formerly did to lay in the same stock at \$6.50. Just so in every business, whether it is manufacturing, transporting or distributing goods—the higher prices go, the more capital it takes to finance the business.

Since 1914 the aggregate production and distribution of the American people has increased just about 20 per cent, and prices have gone up about 100 per cent. In other words, our total yearly business is about 120 per cent greater than it was before the war, measured in value, and, therefore, in order to have a comfortable money market we need 120 per cent more working capital to handle this business. But we do not possess any such amount of working capital. Even if all our people had invariably saved 10 per cent out of each year's income—which they have not done—the addition to our pre-war capital supply would be only about 63 per cent. In brief, we are short of capital, or of what everyone loosely calls "money," for the simple reason that our busi-

ness, measured in dollars, has outgrown our capital supply or accumulated savings.

Practically our entire output of commodities, goods and products, comes from our farms, forests, mines, factories and fisheries. In adding in the output of the factories, of course, the cost of the raw material is deducted, and only the value added by manufacture is included.

At the prices of 1914 our mines, forests, farms and fisheries produced in the aggregate about \$22,500,000,000 of goods, but at the prices of 1919 their production amounted to about \$53,700,000,000. In 1914 it required about \$15,300,000,000 of bank loans to finance the business of the American people; and at the same ratio of loans to the value of output we needed in 1919 aggregate loanable funds of \$36,500,000,000.

Otherwise expressed, prices went up so fast and far that the typical bank, in order to satisfy the requirements of its borrowers would have to be able to lend about \$2,380 for each \$1,000 that it loaned in 1914. Some banks which have enjoyed exceptionally rapid growth of deposits can do this, but the great majority cannot. They cannot, partly because the typical business man has advanced his prices or charges too fast, and partly because the typical community has borrowed too much in comparison with its savings. Present monetary problems can be solved through saving more, and marking prices up less; and the sum of these two things is thrift.

Manifestly it is legitimate that prices should advance under such trade conditions as have recently prevailed. It would be foolish for anyone to contend otherwise. The harm to the money market, however, has come not from the rise in prices, but from the excessiveness of the rise. For example, the price of rubber tires went up about 70 per cent, although crude rubber fell lower and lower; the price of spot cotton went up 200 per cent, although the cost of production surely did not more than double; and the price of labor in the industrial centers advanced 110 per cent, while its efficiency diminished 10 or 20 per cent.

The future of interest rates comes right down to a question of prices. The total value of our business needs to be reduced to the point where the banks can finance it; and this does not call for any decrease at all in the quantities of output. The cry of the times is for more production at fairer prices. Since 1914 margins of profit, even though they are figured on the higher prices, have very generally increased from a quarter to a half; and this signifies that profits per unit have been fattened more than justice would permit. The war inflation and the spirit of extravagance removed the ordinary public re-

(Continued on page 96.)

"High prices and high interest rates are inseparable. There never was a high money market without high prices, except perhaps in the early stages of great wars, or upon some other occasions when the flow of capital through its normal channels was violently disturbed. Thrift means moderate good prices, and a comfortable money market."



## **Chicago Leads in the Manufacture of Furniture**

More furniture is made in Chicago than at any other place in the World. In fact, one-fifth of all the furniture produced in the United States is made in Chicago.

The total annual output of furniture in the United States is valued at \$250,000,000, the Chicago output at \$50,000,000.

This impressive development in Chicago has come about largely in recent years. Within three years one concern has increased its production from \$1,500,000 a year to \$5,000,000 a year.

Chicago has the largest chair factory in the world, making 600,000 chairs annually. This same concern makes more reed furniture than any other and is the largest importer of rattan in the United States. It employs 1,000 workers.

There are ten furniture exposition buildings in Chicago, one being the largest in the world. In these buildings the wares of 400 to 500 concerns are examined by 5,000 buyers every July and January.

There is hardly any furniture, from the most severely practical to the most highly artistic, from the simplest to the most expensive, for whatever purpose, that is not produced in Chicago. Also many things which do not come under the strict definition of furniture, yet which are closely allied with it such as office fixtures, billiard tables and bowling alleys are made here and would swell the total output to twice the totals given above.

For further information on "Chicago In The Manufacture of Furniture", send for our industrial bulletin No. 3 which contains a reprint of an illustrated article on the making of furniture from the Fort Dearborn Magazine, also additional data.

## **Fort Dearborn National Bank**

*Serving all lines of Industry*

Corner Clark and Monroe

*This is the third of a series of Fort Dearborn Advertisements on Great Industries of Chicago, which will appear in this paper.*





## Boosting Present Balances

**I**F the value of Craddick Service were strictly confined to its demonstrated ability to bring *new accounts* to clients, on that basis alone it would be an asset to any bank—large or small. But its scope is broader, more extensive than that.

Craddick Service not only brings new faces to the bank windows but works intensively for the development of present accounts to a more profitable and complete use of the bank's services—boosting present balances.

Craddick Service is a business-extension

plan of many distinguishing features. Our methods and the character of our service from the beginning, have always been of the same high standard as those of the banking fraternity which we serve.

Because of its capacity for securing definite results, Craddick Service is today the new business department of more than seven hundred banks. Our association with numerous of these banks dates back a complete decade—ten years of continuous, personal, profitable service.

*Write or wire for complete story of Craddick Service and what it can do for your bank.*

**CRADDICK SERVICE**  
*Financial Advertising Exclusively*  
MINNEAPOLIS



# Blue-sky Legislation Is Needed

Banker should have an important part in forming new corporation laws when legislatures next meet

By the Legal Department

THE recent wave of mad speculation, the formation of so many wild cat companies, and the get-rich-quick promotion schemes that have robbed so many citizens of the middle west have had their inception largely in the ease with which such schemes could be carried out. In Iowa, especially, the corporation laws were written a number of years ago, and were primarily designed as a convenient vehicle for the carrying on of business by a number of people associated together for that purpose, without the resultant liability of a partnership. Our laws made absolutely no provision for promotion expenses of any kind other than giving the general right to the Executive Council of the state to approve the issuance of stock for services rendered in the formation of the corporation, and the amount of stock issued for such services was entirely governed by the discretion of the executive council. The assumption was that the stock would all be subscribed and the corporation would be what is known as a "closed" organization at the time it received its charter. The wild cat was organized under no such assumption as this. No attempt was made to sell stock in the majority of these corporations until the promoters had secured a charter in this state. Absolutely the only thing the state may pass upon before granting a charter to corporations is to determine whether the articles of incorporation are in due and legal form, whether there is any conflict in name with any other corporation organized in this state and whether the general purpose of the corporation as set forth in its articles is legal. The Secretary of State under our present law has no right to refuse a charter on account of the personnel of the organization, or if he knows and has absolute proof that the real purpose of such organization is for the purpose of fraud or is otherwise illegal. The Secretary of State or any other state official has absolutely no right to require a report from any corporation as to whether or not the conduct of their business is legal. The Attorney General may by quo warranto proceeding inquire into the finances of the company, but he has no state record upon which to base any such action. While the officers of a company are individually liable for any funds invested for the purpose of the company, yet it is very difficult and expensive to the state to dig up the evidence necessary to eliminate these fraudulent practices.

A bank is subject to an investigation by the state bank examiner, and while our banking laws are not perfect, yet we realize what would be the effect if we had no bank supervision.

Insurance companies are compelled to submit to very rigid examinations and must at all times keep a record of all securities in which their funds are invested on file with the state department. If such a supervision was exercised over other commercial

Questions of interest to bankers are discussed in this department and any subscriber has the privilege of writing for information and advice on legal subjects. He will receive a direct reply from our attorney without fee or expense. A brief of any subject, involving research in a complete Law Library, will be furnished for \$10.00. In writing for information, kindly enclose a 2-cent stamp for reply and address "Legal Department," care The Northwestern Banker, Des Moines, Iowa.

enterprises there is no doubt but that the money invested in commercial corporations would be much safer than it is now.

The banker was as bad an offender as anyone in this wild cat stock craze, because the banker was looked to for information and direction to a large extent of the investments of his depositors. Especially is that true in the country banks. But avarice strikes and the desire to get rich quick will affect the farmer, the banker and section hand on the railway equally.

There is no reason why the man who buys stock in a manufacturing corporation, or in a packing company or in a mercantile company should not have the same protection that is accorded the man who makes a deposit in a bank or who invests his money in a policy of insurance. There is no reason why he should not be permitted to learn something about such corporations through the state department as he would be to learn whether his insurance policy was safe or whether the bank was reliable. When our legislature meets this winter there is bound to be a demand for blue-sky legislation. While it is true that we have a blue-sky law, yet it is also true that the blue-sky law applies to foreign corporations and some of our own home-grown ones were the wildest of them all. Our legislation so far has been very much like criticizing the faults in our neighbor's children, while our own are in very grave need of discipline. The banker, especially the country banker, will be a very strong factor in outlining this legislation and he should fully advise himself with the needs and with the laws as they exist at the present time. The Secretary of State will be glad to furnish on application a small pamphlet containing the corporation laws of our state and the blue-sky laws as well, and it would pay every banker, or any other business man or woman to fully advise themselves as to the laws as they exist at the present time, of their weakness and their strength, so that revision may be made in an intelligent and conservative manner.

## Citizenship.

The adoption of our latest amendment to our Constitution practically doubled the voting population of the United States. It then becomes material for us to know the qualifications for these new voters. Everyone is more or less familiar with the naturalization laws of the United States and we know that when a foreign man is naturalized his wife and minor children are also naturalized without any affirmative act on their part. We are more or less familiar with the effect of naturalization, but very few of us have given serious consideration to the effect of expatriation. One text book says, "To expatriate one's self means, in a general sense, to quit one's country, re-

(Continued on page 114.)

## Personal Paragraphs

**Theo. S. Pallas**, assistant manager of the foreign department of the Great Lakes Trust Company, of Chicago, has just returned from an extended trip through the Mediterranean countries where he went in the interest of the bank and its customers, for the purpose of making direct connections with banks and merchants who might be in the market for American made goods. He reports great interest in the possibilities of trade between these countries and the United States.

\$———\$———\$

**Thomas H. Brewer**, president of the Fidelity National Bank, Spokane, Washington, and a prominent figure in banking circles and civic life of Spokane died recently of sleeping sickness.

\$———\$———\$

**Burnett Walker**, who for a number of years has been associated with Harris, Forbes & Company, has joined the Bond Department of the Guaranty Trust Company, of New York. Mr. Walker has been active in legislative and taxation matters for the Investment Bankers Association since its organization and in recent years has been interested in foreign financing. He will become a vice president of the Guaranty Company of New York when the business of the bond department of the trust company is taken over by the new company.

**Albert C. C. Timm**, who has been with the First National Bank of Chicago, for more than thirty-five years has retired as assistant cashier of the institution and is succeeded by James W. Lynch as assistant vice president of division D in the official organization of the bank. Mr. Lynch had been manager of the credit and statistical department since 1912. Edward M. Tourtelot, assistant manager, was advanced to manager.

\$———\$———\$

**Geo. M. Reynolds**, president of the largest national bank in Chicago, is quoted as saying that the tremendous increase in bank deposits in that city is in a considerable measure due to prohibition. The aggregate deposits in Chicago banks is \$400,000,000.

\$———\$———\$

**William P. Sharer**, of Zanesville, Ohio, was recently elected president of the Midland Bank, the new \$6,250,000 bank which is being organized in Cleveland. The capital of the institution will be \$5,000,000 and the surplus \$1,250,000 making the bank the largest ever formed in this country. Mr. Sharer has been very active in the American Bankers Association, having served two terms on the Executive Council. He is at present chairman of the Public Relations Committee of the association. He was president of the Ohio Bankers Association in 1911-1912.



WITH the addition of all corporate and personal trust functions and the acquisition of an experienced trust organization intact, the Irving is equipped to render to its correspondents and their customers every modern banking service, national and international.

**IRVING NATIONAL BANK**  
WOOLWORTH BUILDING, NEW YORK

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*

Joseph W. Bradley, vice president of the Old National Bank, of Spokane, Washington, has been selected by President Stewart D. Beckley, of the American Institute of Banking Section of the American Bankers Association as conference chairman at the annual convention in Minneapolis next summer.

\$ — \$ — \$

H. P. Beckwith, president of the North Dakota Bankers Association and president of the Northern National Bank, Fargo, N. D., together with his wife and two sons enjoyed an automobile trip to Duluth, Superior, and the iron range of Minnesota, recently.

\$ — \$ — \$

Lieut. Col. Hanford McNider, son of C. H. McNider, Mason City, Iowa banker, was chosen head of the American Legion of Iowa at the state encampment recently. He entered the service as a second lieutenant at the beginning of the war and was discharged with the rank of lieutenant colonel. He was a member of the Ninth infantry of the second division. He was decorated for bravery six times. Iowa members of the legion are going to boost him for national commander at the encampment next year.

\$ — \$ — \$

James Heckscher, vice president in the foreign division of the Irving National Bank has just returned from a business trip abroad during which he visited banking centers in England, France and Scandinavia. It is the policy of the bank to keep in touch with its foreign correspondent banks. Others members of the department who are on similar missions are William N. Enstom, who has left for the Far East, and will visit Japan, China and the Philippines; G. N. Jacobs, who is now in England, and C. W. Fowler, representative in Porto Rico, who is in New York on business.

\$ — \$ — \$

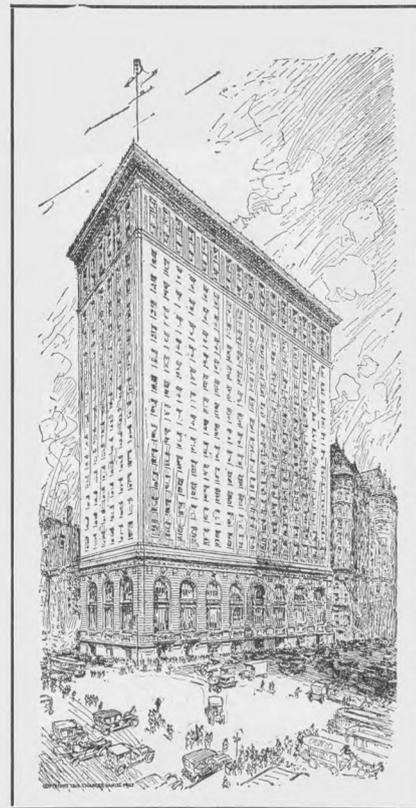
Fred I. Kent, vice president of the Bankers Trust Company, of New York, has just published a pamphlet entitled "The United States of America Since the Armistice." This is an address delivered in Paris last June before the Congress of the International Chamber of Commerce, by Mr. Kent. It was such an authoritative presentation of financial conditions in this country that reprints of it were widely circulated in England and France. The American Chamber of Commerce had it translated into Spanish for distribution in that country and the Italian Chamber of Commerce into Italian for distribution in Italy. Mr. Kent was director of the Foreign Exchange for the Federal Reserve Board during the war and for the past year has been in France devoting much of his time to work with the Reparation Committee.

\$ — \$ — \$

G. C. Zenzius, cashier of the Merchants National Bank, St. Paul, when asked what was the oddest experience in his banking career told the following story: In the early days of his banking experience as a paying teller, his accounts showed a difference of \$400 at the end of a particularly hard day. He went over his records, checked and rechecked but the difference still remained \$400. At the end of five nerve racking days he confessed the shortage to the cashier. "How about that keg of pennies from the mint?" he asked. During the five days Mr. Zenzius had gone over his cash in the vault each time he had sat on a keg containing 40,000 pennies, the \$400 difference he had been looking for which he had failed to credit himself with.

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Capital . . . . . \$ 5,000,000  
 Surplus and Profits . . . . . 10,000,000  
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The business man naturally turns to his banker for advice on all financial problems.

This is particularly true now on account of the exacting credit requirements in all lines of trade and industry.

The banker can perform a tremendously helpful function for his commercial customers by pointing out the advantages that are to be gained from a complete audit of their books by a certified public accountant. An audit of this character helps to create closer relations between the banker and the customer; it often suggests new and better ways for the customer to handle his business; it fortifies the banker's judgment in extending financial accommodations.

The majority of commercial customers who are borrowing money like the idea of a complete audit at least once a year because they realize it is a strong contribution to sound and profitable business methods. They know also that it gives them a stronger standing at the bank. The banker, therefore, will find it worth while to encourage all borrowers to have a complete audit by a certified public accountant at regular intervals.

Many of your customers may be glad to receive a suggestion about a complete audit. If so, we shall be pleased to explain our plan, which is giving satisfactory results in hundreds of business establishments.

The services of our highly trained accountants, located at our branch offices in different parts of the country, are at your disposal. They will be glad to consider the auditing problems of the bank or any of its customers.

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& Wolf)

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**Vallee O. Appel**, who has occupied the position of trust officer of the Great Lakes Trust Company, Chicago, has been elected secretary also, to succeed Alan S. Wallace, who resigned to take up another line of activity. Mr. Appel served as an officer with the 86th division in France up to the time of joining the staff of the Great Lakes Trust Company.

\$———\$———\$

**William B. Geery**, who recently resigned his position as vice president of the Capital National Bank, St. Paul, Minn., to become deputy governor of the Ninth Federal Reserve Bank was the guest of honor at a dinner given at the Minnesota Club by John R. Mitchell, chairman of the board, to the officers and directors of the Capital National and the Capital Trust and Savings Bank. Mr. Geery had been with St. Paul banks for more than thirty years. As an expression of their regard, the officers presented him with a beautiful silver vase and the employes gave him a gold watch.

\$———\$———\$

**P. O. Bjorenson**, vice president of the First National Bank at Milford, Iowa, will enter the Iowa State University this term. He will make a special study of banking, commerce, commercial law, and bank advertising.

\$———\$———\$

**Theodore Rousseau**, secretary of the Italy-America Society, was notified recently by Signor Sforza, the Italian Minister of Foreign Affairs, that King Emmanuel had named him a Cavalier of the Order of the Crown of Italy. Mr. Rousseau is now with the Guaranty Trust Company, of New York.

\$———\$———\$

**John C. Mechem** has been elected a vice president of the First Trust & Savings Bank, Chicago. He will be associated with vice presidents Louis Boisot and Roy C. Osgood in charge of the trust department. For the past year he has been doing special work with the Lee, Higginson & Company's Boston office and prior to the war practiced law in Chicago, being a member of the firm of Mechem, Bangs & Harper, which dissolved when Mr. Mechem entered the army.

\$———\$———\$

**James Waller Marshall** has been elected manager of the bond department of the Chicago Trust Company. Mr. Marshall has been associated with this department for several years and as assistant manager has been in active charge for several months.

\$———\$———\$

**F. A. Cuscaden**, vice president in the Commercial banking department of the Northern Trust Company, Chicago, is back at his desk after a month's vacation spent in the northern lake country.

\$———\$———\$

The National Bank of the Republic, of Chicago, has taken steps to install a Women's Department to take care of the needs of the continually increasing number of women in the business world. Miss Ethel P. Brigham, who has been with the bank a number of years has been elected an assistant cashier in charge of the new department.

\$———\$———\$

**T. P. Junkin**, formerly in charge of the Department of Operation of the Industrial Finance Corporation, has been appointed general manager. Arthur J. Morris, founder of The Morris Plan system and vice president and general counsel of the Industrial Finance

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There is a definite economic bond between the Wallis—AMERICA'S FOREMOST TRACTOR—and the country banker. Each is necessary to increase production. The Wallis enables the farmer to do his farm work at the right time in the right way. By its use the land is properly plowed, planted and cultivated. The crops are harvested and threshed in time and profits taken.

Bankers are interested in building up their communities. They know increasing farm yields will do that.

That's why Wallis and country bankers serve a common purpose. The J. I. Case Plow Works Company has dedicated its forty-three years to solving the problems of the farmer and in the Wallis Tractor presents a power plant, quality built and

service sure. The Country Banker and WALLIS have a common aim. Let us have a common understanding. We are serving together for greater production and greater community happiness and prosperity. We shall be very glad to respond to requests for information relative to the Wallis and what it is doing for farmers everywhere. Your knowledge is the farmer's protection.

J. I. Case Plow Works Company  
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*-more acres per hour*

NOTICE: We want the public to know that the WALLIS TRACTOR is made by the J. I. CASE PLOW WORKS COMPANY of Racine, Wisconsin, and is NOT the product of any other company with "J. I. CASE" as part of its corporate name.

*If You Count Coins  
Send For a 'Coinometer' On Trial  
No Expense = No Obligation*

To try for 5 days—to satisfy yourself that it pays for itself in time, labor and convenience, we will send this guaranteed, fractional coin counter to you all charges prepaid.

## COINOMETER

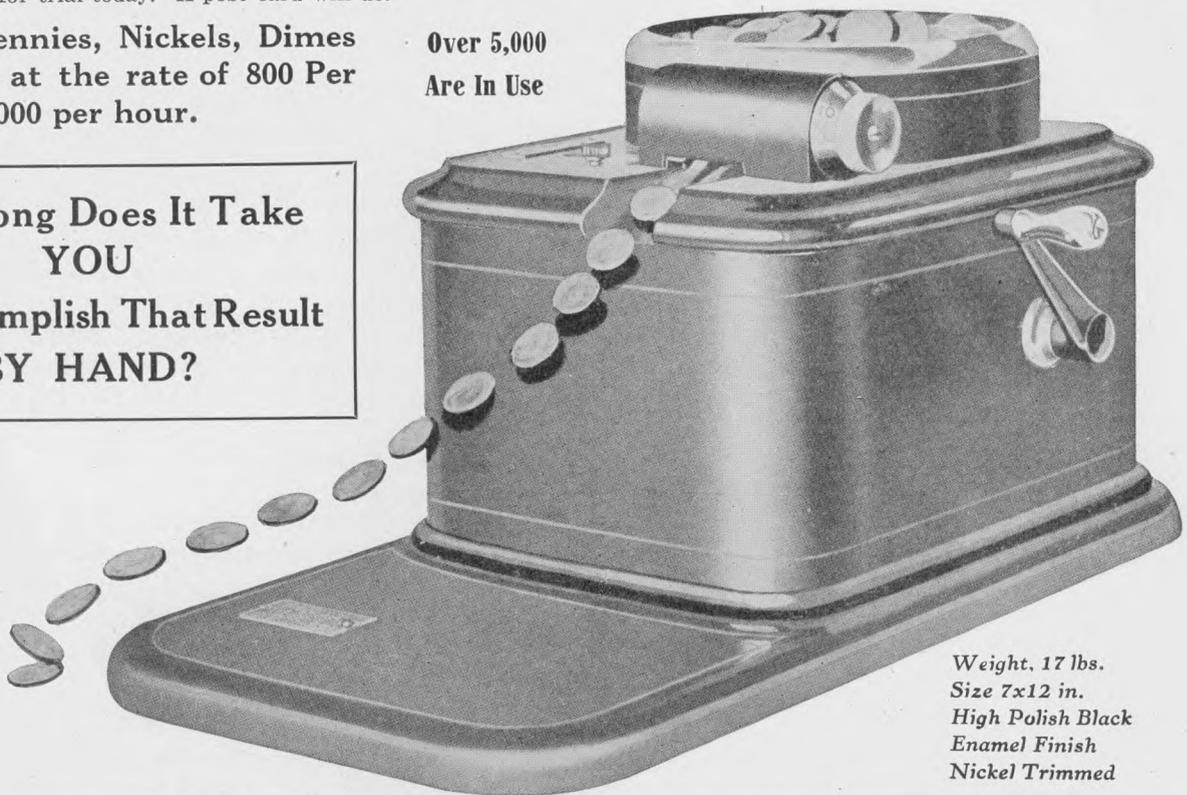
*Is a Speedy, Accurate, Durable, Portable, Low-priced Coin Counting Machine*

It's a revelation in banking efficiency. Many say it saves them the services of one employe—as indispensable as the telephone, adding machine or typewriter. You have long needed it. Counting fractional coins by hand is usually inaccurate and always costly—it must be done—do it the quick, easy way—time has a money value. The machine itself in use is its own salesman. Send for trial today. A post card will do.

**Counts: Pennies, Nickels, Dimes  
or Quarters at the rate of 800 Per  
Minute, 48,000 per hour.**

**Over 5,000  
Are In Use**

**How Long Does It Take  
YOU  
To Accomplish That Result  
BY HAND?**



*Weight, 17 lbs.  
Size 7x12 in.  
High Polish Black  
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## Coinometer Company

*Manufacturers of Coin Counting Machines Since 1912*

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DETROIT, MICHIGAN

Corporation is thus relieved of responsibility for executive and administrative details and will hereafter give his undivided attention to the corporation's financial problems, and the further development of the system which now includes over 100 banks operating in all parts of the country.

\$ — \$ — \$

**Clifford DePuy**, publisher of The Northwestern Banker, is now taking orders from a new general manager in the person of Miss Evelyn Prouty DePuy, born September 17th.

\$ — \$ — \$

**W. Z. Sharp**, president of The Security National Bank, Sioux Falls, S. D., is a candidate for the Board of Directors of the Federal Reserve Bank of Minneapolis, the election to take place the latter part of December.

\$ — \$ — \$

**American Banks Multiply In Paris.**

Rapid development of American banking facilities in France and the establishment of new branches in desirable business locations is attractng public attention. Every facility is given the Americans, Francois Marsal, minister of finance, said in a published interview and similar facilities are being sought and are expected for French interests in the United States.

\$ — \$ — \$

**Midwest National, Kansas City.**

The Midwest National Bank and Trust Company, Kansas City, Mo., celebrated its fourth anniversary recently. The institution published a statement at that time showing totals of \$12,758,769.86. The capital stock is \$1,000,000, surplus and profits \$322,892.32 while deposits amount to \$9,150,412.54. P. E. Laughlin is president of the bank.

\$ — \$ — \$

**Treatise on Wills.**

The Fidelity Trust Company, of Buffalo, N. Y., has just issued a book entitled "I Give and Bequeath," which is a treatise on the subject of wills, trusts and estates. Copies will be furnished those desiring them as it is believed it will be of interest to other banks and trust companies who are trying to stimulate their trust business.

**Live Stock Exchange.**

The statement of the Live Stock Exchange National Bank of Chicago at the last call shows deposits of \$17,893,509.45. Total resources amount to \$26,147,014.76.

**Canadian Bank of Commerce.**

The Canadian Bank of Commerce with its central point at Winnipeg, has decided to establish an additional superintendency in order to take care of the growing business. The branches in Manitoba and Saskatchewan will be under the supervision of C. W. Rowley, superintendent, with headquarters at Winnipeg. The Alberta and Peace River branches will be under the direction of the superintendent at Calgary.

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render thorough and efficient service on all transactions.

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*The regular clearing house rate of interest paid on active accounts.*

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J. C. Jordan.....Ottumwa.....President Iowa National Bank  
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C. W. Riggs.....Libertyville...Cashier Libertyville Savings Bank

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J. E. Moore.....Guthrie Center...Vice President Peoples State Bank  
Fred B. Wray.....Waterloo.....Cashier Leavitt & Johnson National Bank  
V. R. Martin.....Kollogr.....Cashier Burton & Co. State Bank  
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B. J. McKay.....Decorah.....Cashier Citizens Savings Bank  
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H. M. Carpenter.....Monticello...President Monticello State Bank

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O. L. Wright.....Knoxville...President Marion County National Bank  
E. Webbles.....Muscatine.....Cashier Muscatine State Bank  
W. P. Caldwell.....Drakesville...Cashier Bank of Drakesville  
G. A. Stewart.....Dexter.....President Iowa State Bank

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E. A. Schuetz.....Lawler.....Cashier State Savings Bank  
E. B. Wilson.....Des Moines...President First Trust and Savings Bank

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Martin Newcomer.....Cedar Rapids...Asst. Cashier Cedar Rapids National Bank  
Ray Nyemaster.....Davenport...V. Pres. American Commercial & Sav. Bk.

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J. O. Trumbauer.....Waterloo...Vice President Farmers Loan & Trust Co.  
Homer A. Miller.....Des Moines...President Iowa National Bank  
A. F. Balch.....Marshalltown...President Marshalltown State Bank  
Simon Casady.....Des Moines...Chairman of Board Central State Bank

#### AUDITING.

W. A. Williamson.....Reasnor...Cashier Reasnor Savings Bank  
W. N. Enyart.....Agency.....Cashier Agency Savings Bank  
Hugh Little.....Prairie City...Cashier First National Bank

# IOWA BANK NEWS

Frank Warner, Associate Editor (Secretary Iowa Bankers Association)

## Bank Elects Officers.

Several changes of importance have been made in the official staff of the Coggon State Bank, Coggon, Iowa. S. N. Goodhue, former president, has disposed of his interests and resigned his position. He goes to California to make his future home. D. D. Johnson, cashier, was elected president, succeeding Mr. Goodhue. F. W. Lindahl was advanced to cashier from assistant. Mr. Johnson and Mr. Lindahl have been active in the management of the bank.

The institution has a capital stock of \$50,000, a surplus fund of \$15,000 and undivided profits in the sum of \$19,804.54. Deposits are \$455,600.70.

## Roland Bank In New Building.

The Farmers Savings Bank, Roland, Iowa, held the formal opening of the new building recently. Visitors were shown through the bank and favors distributed.

The building is a two story brick structure with a terra cotta trim. Private offices for the officers, two vaults, one for the bank and a safety deposit vault, a directors room, ladies room and the banking room are located on the first floor. On the second is a large assembly room to be used for public gatherings. Four office rooms are also located on this floor.

The bank was organized in 1899 with a capital stock of \$25,000. O. M. Grove is president; S. J. Michaelson, vice president and O. S. Boyd, cashier.

## New Cashier At Bagley.

E. R. Harris has been elected cashier of the Farmers Savings Bank of Bagley, Iowa. Mr. Harris has been a state bank examiner in the district in which Bagley is located and is thoroughly familiar with the banking business and financial conditions in the community.

## Hampton Banks Hold Corn Contest.

The Citizens National Bank and the Hampton Savings Bank, of Hampton, Iowa, are putting on a seed corn contest, for which prizes are offered for the best display. The object is to stimulate interest in the selection of seed corn and thus insure better crops and more prosperity in the community.

Farmers are at liberty to enter one or both contests. There are two classes, one for white and one for yellow corn. A member of the extension department of the Iowa State College, Ames, will judge the corn and give a short talk at the time the prizes are awarded.

## Bank at Zwingle Increases Capital.

The Zwingle Savings Bank, located at Zwingle, Iowa, recently increased the capital from \$10,000 to \$20,000.



FARMERS SAVINGS BANK, ROLAND, IOWA.



## Correspondents Demand High Speed Action

**T**HIRTY-EIGHT years of successful banking built on the bed rock of service to our customer-correspondents has constructed the high speed action of "Drovers Service"—a service which has been developed to the point of absolute safety and efficiency for your accommodation.

This High Speed Action is possible *only* because of our location at the Union Stock Yards, Chicago. Here, we give our customers credit and interest on the proceeds of stock shipments *the day the stock is sold*.

However, this is but one phase of Drovers Service—here, every type of banking is available for the accommodation of our customers.

For Today's Action — "Use Drovers Service"

# DROVERS NATIONAL BANK

Union Stock Yards, CHICAGO

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*

**Des Moines Bank Opens.**

The United State Bank, of Des Moines, opened for business September 20th, in its rooms at 412 Securities Building.

**Calumet State In New Building.**

The Calumet State Bank, Calumet, Iowa, has just completed its new bank building. The structure is of fireproof construction, the exterior being of dark face brick and Bedford stone trim. The interior is



Calumet State Bank

finished in Madre marble and quarter sawed oak. The building represents an expenditure of \$35,000. The Lytle company of Sioux City were the architects.

The capital stock of the bank has been increased from \$25,000 to \$50,000 to take care of the constantly increasing business. The institution also has an earned surplus of \$25,000. The bank is situated in a town of about 250 population and last year deposits amounted to approximately \$500,000. Geo. Reifsteck is cashier of this progressive bank.

**Martin Newcomer Elected Vice-President.**

With the announcement of the election of Martin Newcomer as vice president of the Cedar Rapids National Bank recently there comes the information that he will be in charge of the country bank business and country bank loans of this popular institution. It is doubtful if there is a banker in Iowa, who is more generally or favorably known than Martin Newcomer, and it is particularly gratifying to hundreds of Iowa bankers, that after eighteen years of faithful service he should receive this merited recognition.

**FEDERAL DEPOSIT & TRUST CO.**

Dubuque, Iowa

Organized May 1, 1914

Deposits Over One and One-Half Million Dollars

May We Serve You?

WATCH US GROW

**FEDERAL DEPOSIT & TRUST CO.**

"A Bank for All The People"

Dubuque, Iowa

**Are You Safe---**

—when you loan to a client that can't in these days of ever changing business conditions show you real, substantial proof by the means of correct figures of his unquestionable solvency?

You can easily see how it would simplify your loaning—how your relations with your clients would become more cordial—if they could present to you with a loan request, an audited statement of their business conditions carefully prepared by a Certified Public Accountant. Then your loans would be upon a real business basis.

**BETTER BUSINESS CLIENTS.**

If your clients were to use the "Accountancy Service Plan" inaugurated by Billings, Prouty and Tompkins, there would be available at all times a complete statement of business conditions for this plan makes available "constantly" (not just once a year) our services for the preparing of audits or Federal Tax Reports.

Our services are used by many banks and are open to you.

If you are interested in learning more of this service by which both you and your customers will profit, one which many bankers recommend to their clients, MAIL THE ATTACHED COUPON TODAY.

Let us tell you more about it.

Sign the coupon and mail today!

**Billings, Prouty & Tompkins**

Certified Public Accountants

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DAVENPORT, WATERLOO

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Billings, Prouty & Tompkins,  
Des Moines, Iowa. We will be pleased to receive  
your booklet telling more about your  
auditing, cost accounting and in-  
come tax service for banks.  
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Town.....  
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# TOY NATIONAL BANK

OF SIOUX CITY, IOWA

Let us figure  
with you upon  
the handling  
of your  
"Cattle Loans"

Combined resources of affiliated  
institutions over \$16,000,000.00



When You Think of



**AMES**  
The Home of the  
Iowa State College  
Also Think of the  
Ames National  
Bank

H. W. Stafford, Pres.

Ivan O. Hasbrouck, Cashier

### Establish New Bank.

It has been announced that a new bank will be organized in Des Moines by the Des Moines National Company, the institution to occupy quarters in the northwest corner of 15th and Locust streets. A new building will be erected.

No name has been announced for the new bank. Officers and directors will be practically the same as those of the Des Moines National Bank.

### Elected Officers of Tire Company.

The Hawkeye Tire and Rubber Company, Des Moines, Iowa, have announced the election of John C. DeMar as secretary and Geo. L. Rowe as treasurer. They will fill the positions vacated by C. B. Hextell, who resigned as secretary and treasurer.

Mr. DeMar is a practising attorney of the city. He is also United States district attorney for southern district of Iowa.

Mr. Rowe is cashier of the Mechanics Savings Bank. He will continue his connection with the bank.

### To Erect New Building.

The Farmers National Bank of Shenandoah, Iowa, is planning to erect a new five story building on the site of the old one, at Clarinda and Sheridan avenues.

The first story will be devoted to the bank exclusively and the other floors will be divided into offices which will be rented.

### Former Iowa Banker to San Francisco.

C. F. Callister, a former resident of Fairfield, Iowa, who for several years has been cashier of the Coolidge and McClaine Bank of Silverton, Oregon, recently resigned his position to become associated with the Federal Reserve Bank of San Francisco. Mr. Callister's new position is in the credit department of the federal bank.

Mr. Callister during his residence in Fairfield, was assistant cashier of the Iowa State Savings Bank. In 1906 he moved to Silverton, Oregon. In 1911 he became connected with the Coolidge and McClaine Bank and deposits of the institution have tripled since that time.

### Leon Bank Enlarges Quarters.

The Exchange National Bank of Leon, Iowa, is making extensive improvements in its quarters. An extra room is being added and the counter arrangement changed, providing more space for the bank.

A private room is being arranged for use of patrons having private business affairs to transact.

ALBERT F. BALCH, President  
CHARLES G. TRINE, Cashier

GEORGE A. TURNER, Vice President  
HARRY W. JENNINGS, Assistant Cashier

## A STATE BANK

and a

MEMBER OF THE FEDERAL RESERVE SYSTEM

Over Forty Years of Conservative Banking

72-93

# Marshalltown State Bank

72-93

Marshalltown, Iowa

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

**Vinton Man Goes To Illinois.**

Marion E. Wallace, Vinton, Iowa, for the past two years employed at the Peoples Savings Bank, has accepted the position of cashier of the First National Bank of Woodhull, Illinois.

**Bankers Form County Association.**

The bankers of Grundy County, Iowa, met recently at Grundy Center, for the purpose of forming a County Association. W. R. Finlayson, president of the First National Bank, Grundy Center, acted as chairman of the meeting. A committee consisting of E. L. Guild, of the Conrad State Bank, E. G. Ensminger of the Farmers Savings Bank, Morrison, and R. J. Kuehl, cashier of the Grundy County National, Grundy Center, was chosen to draft a constitution and by-laws.

Will A. Lane, cashier of the First National of Waterloo, gave a very interesting talk.

Another meeting will be held in the near future to perfect organization.

**Ida County Bankers Meet.**

The bankers of Battle Creek, Iowa, were recently hosts to the Ida County Bankers Association.

Supper was served in the dining room of the Masonic Hall, after which the members adjourned to the meeting place. Forty-two members were present, every bank in the county being represented but one.

The meeting was called to order by C. G. Fredell, president, and O. C. Erickson, secretary gave a report of the affairs of the association since its last meeting.

A very interesting and beneficial program was enjoyed and discussions of present conditions as found in the county proved very instructive.

C. J. Wohlenburg, of Holstein, gave a talk upon his visit to all of the Iowa Group meetings and the conditions over the state generally as he found them. D. H. Hedrick of Battle Creek gave a very interesting talk on the matter of cattle feeding and the necessity of that enterprise the coming season. Mr. Hedrick is a large land owner, feeder and farmer as well as a banker, and spoke from experience. A general discussion of local conditions, financial and practical, was indulged in by all members of the association.

General business affairs were transacted. U. S. Baxter, of Ida Grove, extended an invitation for the next meeting to be held there, which was unanimously accepted. Much good is being accomplished and a more friendly feeling developed among the bankers of the county and the exchanging of ideas is very beneficial to all.

**Banks and Bank Stocks**

**The Market for Iowa Bank Interests**

now centers very largely with The Bankers' Exchange, in Iowa—which is geographically logical, and a market is fundamental in order to transfer any interest to the best advantage.

For quick, confidential, advantageous service place your bank interests in the hands of The Bankers' Exchange.

Bank workers of all ranks furnished, some willing to invest.

**The Bankers' Exchange Inc.**

Offices, 218-219 Securities Building

E.R. Gray - Pres. & Mgr. Des Moines, Iowa.

**CITIZENS SAVINGS BANK**

OTTUMWA, IOWA

Send Us Your Southeastern Iowa Business

Accounts of Banks and Bankers Given Prompt and Careful Attention

L. A. ANDREW, President  
WALTER T. HALL, Vice Pres.  
E. M. ANDERSON, Asst. Cash.

**Capitol Hill Bank**

*The Capitol Hill Bank of Des Moines, Iowa, invites your inquiry in regard to our Accumulative Gold Bond Plan.*

G. G. Thomas, President  
W. M. Harder, Vice-President  
Hyman Sosna, Cashier



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 C. J. COLLIER, Vice Pres.    H. A. KOESTER, Cashier

## First National Bank

DUBUQUE, IOWA

Capital, Surplus and Profits, \$ 435,000.00  
 Resources - - - 4,500,000.00

Accounts of Banks Solicited    Write Us for Terms

## Des Moines Trust Company

GENERAL BANKING

We have increased our organization and are exceptionally well connected to serve the banks and bankers of Iowa.

FARM MORTGAGES

Negotiated, bought and sold on favorable terms.

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## THE DUBUQUE National Bank

DUBUQUE, IOWA

Deposits Over  
\$2,000,000

Keep us in mind--

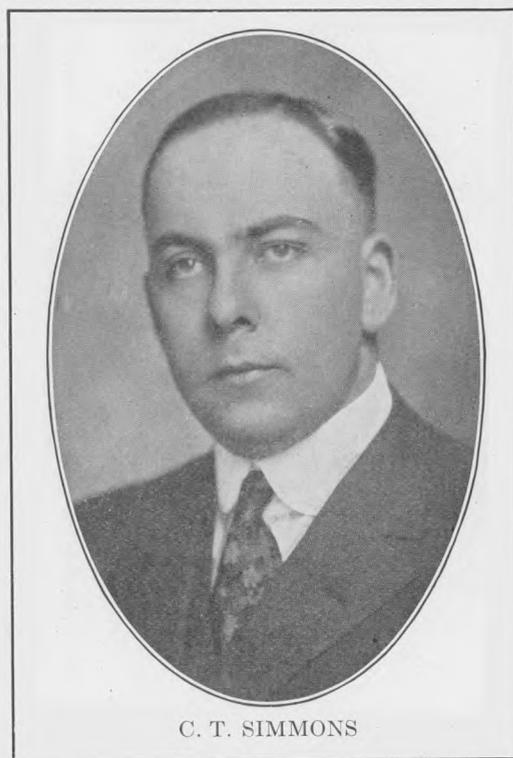
### Security Savings Bank.

The Security Savings Bank, Cedar Rapids, has issued an interesting statement showing a comparison of deposits since 1889, at which time the first annual statement was issued with deposits of \$60,133.53, and the present statement with deposits amounting to \$2,663,053.75. This is a period of about 32 years.

### C. T. Simmons Elected Assistant Cashier.

Clarence T. Simmons, a well-known banker in Iowa and middle western banking circles, has accepted the position of assistant cashier of the Muscatine State Bank, Muscatine, Iowa.

Mr. Simmons has had a wide experience in financial matters. He began his banking career shortly after



his graduation from Des Moines College, with the Macksburg National Bank, of Macksburg, Iowa. Later he became associated with the National Bank at Ames. He has also served as state bank inspector and for the past three years was a representative of the Drovers National Bank of Chicago, with headquarters at Des Moines.

# CONTINENTAL NATIONAL BANK

## OF SIOUX CITY, IOWA

THE BANK WHERE YOUR ACCOUNT RECEIVES PERSONAL ATTENTION  
A CONSISTENT GROWTH

DEPOSITS:

Aug. 18, 1914	-	\$163,572
Aug. 18, 1916	- - -	\$540,785
August 18, 1917	- - - -	\$809,526
August 18, 1918	- - - - -	\$1,006,841
August 18, 1919	- - - - -	\$1,652,953

T. F. HARRINGTON President	A. J. MORE Vice President	F. E. GILL Vice President	W. G. DUNKLE Cashier	R. NASH Assistant Cashier
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## BETTER SERVICE

Iowa bankers appreciate the better service that is made available to them through our complete facilities.

See us when you come to Des Moines or write us and learn how we can apply the many features of our specialized service in your interest.

*Iowa's Largest Bank*  
**IOWA NATIONAL BANK**  
**DES MOINES SAVINGS**  
**BANK AND TRUST CO.**  
 ENTIRE SECOND FLOOR FLEMING BUILDING  
 DES MOINES, IOWA

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# THE CITY NATIONAL BANK

## OF CLINTON, IOWA

**Capital, Surplus and Profits . . . \$ 600,000.00**  
**Deposits . . . . . \$5,800,000.00**

**OFFICERS**

ALFRED G. SMITH, Chairman  
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Accounts of Banks, Corporations and Individuals received on most favorable terms. Correspondence Invited

# COMMERCIAL SAVINGS BANK

Mason City, Iowa

Capital and Surplus, \$225,000.

Deposits over \$1,900,000.

Special attention given to Country Bank business. The service we render will interest Banks in our territory. Accounts and collections receive prompt attention.

**OFFICERS:**

A. M. SCHANKE, President    IRA W. STINSON, Assistant Cashier  
 L. O. STONE, Vice President    HARRY C. WEEKS, Auditor  
 WALTER J. WALKER, Cashier    L. B. TYSON, Manager Savings Department

## MASON CITY'S FIRST SAVINGS BANK

# FIRST NATIONAL BANK

COUNCIL BLUFFS, IOWA



Capital \$200,000.00

Surplus \$250,000.00

Assets Over - - - -

\$5,000,000.00

J. P. GREENSHIELDS, President    G. F. SPOONER, Cashier    PERRY BADOLLET, Asst. Cashier  
 E. A. WICKHAM, Vice President    ROY MAXFIELD, Asst. Cashier    J. S. WATSON, Asst. Cashier

More than half a century of successful banking

# THE FIRST NATIONAL BANK OF WATERLOO

WATERLOO, IOWA

Chartered 1865

For over fifty years this bank has successfully served this community. We offer the same service to those outside our immediate locality. Special attention given to accounts of banks

TOTAL RESOURCES OVER \$2,900,000

**OFFICERS**

J. W. RATH, President    A. M. PLACE, Vice President    WILL A. LANE, Cashier

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 Vice Pres. of the Fowler Co., Wholesale Grocers    Capitalist    Lawyer  
 J. W. RATH    W. W. MARSH    J. O. TRUMBAUER  
 President of the Rath Packing Co.    President Iowa Dairy Separator Co.    Vice President Farmers Loan and Trust Co.  
 A. M. PLACE    T. W. PLACE    H. A. MAINE  
 Vice President    President Associated Manufacturing Co.    President H. A. Maine & Co.  
 E. E. PEEK    Capitalist    WILL A. LANE  
 President Waterloo Building and Loan Assn.    Cashier

**D. G. Stiles Resigns.**

Dan G. Stiles, vice president of the Webster County National Bank and Cashier of the Webster County Trust & Savings Bank has resigned his position and will leave for Chicago where he will be associated with his father and brother in business.

At a meeting of the directors J. L. Hanrahan was made cashier of the savings bank.

**Oskaloosa National Bank.**

The statement of condition of the Oskaloosa National Bank, Oskaloosa, Iowa, issued at the last call of the comptroller of the currency, shows the bank to be in very excellent shape.

The institution has a capital stock of \$100,000, surplus and profits amount to \$115,498.91, deposits are \$1,191,889.45. Total footings equal the sum of \$1,684,347.81.

The officers are W. H. Kalbach, president; J. F. McNeill, C. E. Lofland, vice presidents; E. L. Butler, cashier and Ferne Roberts, assistant cashier.

**Swindlers Have New Game.**

A bulletin sent out by the I. B. A. contains a warning to bankers of bank swindlers who are working a new game. A man purporting to be a traveling representative of a firm of wholesalers and importers in Hartford, Conn., goes to a bank and asks to borrow a small sum of money putting up his watch as personal security. He claims he has not received his expense check or has lost it. The watch has his initials on and a picture of his wife and family. In one day this scheme was successfully worked in three neighboring towns and to each bank the party gave the same kind of a watch.

**Jasper County Savings Bank.**

The statement issued recently by the Jasper County Savings Bank shows the institution to be in a very prosperous condition. The capital stock is \$100,000 with a surplus of \$50,000, net profits of \$8,263.74, deposits are \$1,263,546.58. Total footings amount to \$1,636,867.98.

**The  
Sioux National Bank**

would appreciate your Sioux City  
business

**Capital - \$250,000**  
**Surplus - - 250,000**

**The State Central Savings Bank  
Keokuk, Iowa**

Capital .....\$ 200,000.00  
Surplus and Undivided Profits..... 304,966.93  
Deposits ..... 2,835,899.15

WM. LOGAN, *President*  
GEORGE E. RIX, *Vice President*      L. J. MONTGOMERY, *Vice President*  
C. J. BODE, *Cashier*                      H. T. GRAHAM, *Asst. Cashier*  
H. BOYDEN BLOOD, *Asst. Cashier*

**Accounts of Banks and Bankers Invited**

**RUBBER STAMPS**

“Same Day Service”

Des Moines Rubber Stamp Works

DES MOINES

**The Citizens National Bank**

Spencer, Iowa

**CAPITAL \$100,000.00**

Accounts of Banks and Individuals Solicited

FRANKLIN FLOETE, Pres.      J. H. McCORD, Vice-Pres.  
P. R. GRAHAM, Cashier

When you think Spencer, think Citizens  
National

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DES MOINES, IOWA

**WEBSTER COUNTY  
NATIONAL BANK**

FORT DODGE, IOWA

CAPITAL \$250,000.00

We serve the Northwestern Iowa Territory  
—3% on Bank Balances.

**WEBSTER COUNTY  
TRUST & SAVINGS BANK**

CAPITAL AND SURPLUS \$60,000.00

Your business invited—Satisfactory service

Officers and Directors:  
John B. Butler, *President*      Dan G. Stiles, *Vice-President*  
O. M. Thatcher, *Vice-Pres.*      M. F. Healy, *Vice-Pres.*  
J. L. Hanrahan, *Cashier*  
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Charles A. Brown

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# The Cedar Rapids National Bank

With Capital, Surplus and Profits of  
**\$950,000.00**  
 and Resources **\$15,000,000.00**

## Invites New Business

### OFFICERS

Ralph Van Vechten, Pres.  
 Glenn M. Averill, V. Pres.  
 Geo. B. Douglas, V. Pres.  
 Martin Newcomer, V. Pres.  
 Karl H. Rehnberg, V. Pres.  
 Geo. F. Miller, V. Pres.  
 Chas. C. Kuning, Cashier  
 Anna R. Smouse, A. Cash.  
 Bertha M. Wolf, A. Cash.  
 Peter Bailey, Chief Clerk  
 Geo. W. Swab,  
 Mgr. Savings Dept.



# CENTRAL TRUST COMPANY

OF DES MOINES

Capital - - \$1,000,000.00  
 Surplus - - 735,000.00

Will receive and execute trusts of every description, acting as Executor, Administrator, Guardian and Trustee.

The security afforded by the ample capital of this Company, and the constant supervision of its affairs by competent directors render its employment for the purposes named peculiarly advantageous.

The Company buys and sells bonds, warrants, special assessment certificates, first mortgages and other investment paper.

Purely a Trust Company, Not a Bank

### OFFICERS AND DIRECTORS.

SCOTT RAWSON.....President  
 CHARLES L. GILCREST.....Vice President  
 L. M. GRIMES.....Vice President—Trusts  
 TAYLOR GRIMES.....Vice President—Loans  
 L. B. BARTHOLOMEW.....Secretary-Treasurer  
 R. E. JACKSON.....Assistant Secretary

SIMON CASADY  
 F. W. HUBBELL  
 L. C. KURTZ  
 HENRY S. NOLLEN  
 CHAS. A. RAWSON

R. E. ROLLINS  
 H. E. RUMSEY  
 M. SAMISH  
 W. E. TONE  
 N. M. WILCHINSKI

### Bank Employees Enjoy Picnic.

The employes of the Council Bluffs Savings Bank, enjoyed a picnic at the home of one of their number recently. Games were played on the spacious lawn and an excellent supper was served out of doors just at sunset.

Dignity was added to the event by the presence of Theo. Laskawski, president of the bank, and William Pyper, cashier.

### Belle Plaine Bank in New Home.

The First National Bank, Belle Plaine, Iowa, recently moved into its new home. The new building is situated across the street from the old one where the bank has been doing business for nearly fifty years.

The building is designed to provide every convenience for better service to its customers.

A savings department has been organized and will be a feature of the bank in the future.

### A New Cashier.

William A. Hanno, formerly a banker in Steen, Minn., has been appointed cashier of the Farmers State Bank, Ackley, Iowa.

Mr. Hanno was connected with the First Trust & Savings Bank, Remsen, Iowa, at one time.

### New Trust Company at Estherville.

A new company known as the Provident Trust Company has been organized at Estherville, Iowa. Articles of incorporation have been filed and a charter granted. The capital stock of the new enterprise is \$100,000.

The officers are: J. P. Kirby, president; M. K. Whelan, vice president, and R. H. Riller, secretary. Offices will be in the First National Bank.

### Citizens State Opens.

The Citizens State Bank of West Union, Iowa, recently opened for business in the old post office building which has been remodeled to meet the needs of a financial institution. The bank has a capitalization of \$30,000 and a surplus of \$10,500. The stockholders are business men and farmers of West Union.

The officers are J. W. Dyer, president; Jacob Gretemen, vice president; Nick Greteman, cashier and Arthur E. Johnson, assistant cashier.

### One of Iowa's Largest and Most Modern Fireproof Hotels



## WAHKONSA HOTEL

FORT DODGE, IOWA

Is the headquarters for bankers at all times. Have your mail sent to the Wahkonsa and write or wire reservations.

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## Throughout The Length and Breadth of Iowa

**T**HE Des Moines National Bank, although it bears the name of the city, is more than an institution to serve any one community. Through its relations with Iowa banks and bankers its influence is felt throughout the length and breadth of the State, in farming districts and in business centers.

It has a broad constructive policy, always considering the interests of the State, and building on a strong foundation for the future. Its service to its customers has stood the test of good times and bad, proving that this bank is more than a "fair weather" friend.

You can feel the utmost confidence in this bank because of its strength of resources and the character of its personnel.

We invite conference or correspondence from Iowa bankers.

### DES MOINES NATIONAL BANK

Resources More Than \$22,000,000

Des Moines Iowa

## Men Are Becoming More Critical

—of the kind of shirts they wear, and are finding in Swigert-Howard made to measure shirts the assurance of style and fit they have been looking for.

The name of Swigert-Howard in your shirt means—fine materials—workmanship par excellence and exceptional shirt value.

Swigert-Howard shirts retain their shape and comfort—they not only fit the man but his individuality.

Samples and measurement blanks sent on request.

**Swigert-Howard**  
**Made-to-Measure Shirts**  
Des Moines, Iowa



**JESS R. CRAWFORD**  
Vice President of the Company and  
Salesman in Western Iowa

### Helping Their Correspondents.

The Stockyards National Bank, of South St. Paul, has been doing everything it can to help its correspondent banks to finance their live stock customers.

Because of the tightening up of the credit situation many cattle raisers have been forced to ship their cattle to market before they had fully matured. In order to prevent this the Stockyards National Bank has been taking care of its correspondent banks to the very best of its ability and recently sent out a letter addressed, "To Our Correspondents," and which is reproduced in this issue of The Northwestern Banker explaining its desire to be of service in every possible way to the live stock industry of the Northwest.

J. E. Markle, vice president of the Stockyards National Bank, states the question concisely when he says: "We have always been great boosters for live stock and will continue to back our correspondents with every dollar at our command to enable them to keep breeding stock on ranch and farm."

### Cedar Rapids National Elects Officers.

Several changes were made in the official staff of the Cedar Rapids National Bank, Cedar Rapids, at a meeting of the directors held recently. Karl H. Rehnberg and George F. Miller were made vice presidents, Charles C. Kuning was advanced from assistant cashier to cashier, and Bertha M. Wolf elected assistant cashier.

Mr. Kuning is an experienced banker, having begun his career in 1902 in the John R. Walsh Bank, the old Chicago National, and after its liquidation went to the Commercial National of Chicago and worked with that institution through all its consolidations until 1912, when he came to Cedar Rapids, and joined the force of the Cedar Rapids National Bank.

### Statement of Hutchinson Bank.

The Central State Bank, Hutchinson, Kansas, issued a statement recently showing resources of \$1,171,552.33, and deposits of \$629,353.85. The bank has a capital stock of \$500,000 and a surplus of \$20,000.

### SOUTHERN CALIFORNIA BANKS

If interested in but unfamiliar with California customs, send for my folder "Banking in California." Free upon request.

**B. R. BRUNDAGE, 304 Van Nuys Bldg., Los Angeles**

### WATERLOO BANK & TRUST CO.

WATERLOO, IOWA

Capital and Surplus \$250,000.00

BEN J. HOWREY, President      J. W. ARBUCKLE, Vice President  
D. S. RAMAGE, Cashier  
H. M. HOWREY, Asst. Cashier      A. K. SMITH, Asst. Cashier  
E. H. WYANT, Secretary

Special attention given to floating Farm Loans  
for Banks. We solicit your account

MEMBER OF FEDERAL RESERVE SYSTEM

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J. J. FLANAGAN, Pres.  
C. E. MILLS, Cashier

J. S. BANGS, Vice Pres.  
H. C. LIBBY, Asst. Cashier

JAY E. MARKLE, Vice Pres.  
F. A. BIRCH, Asst. Cashier  
J. C. KOHL, Asst. Cashier.

## Stock Yards National Bank

South St. Paul, Minn.

### What About the Future for Live Stock?

#### TO THE BANKERS OF THE NORTHWEST:

There is no denying the seriousness of the live stock situation. Cattlemen have been feeling the tightening of credit and are wondering how far they will be forced to liquidate.

As pioneers in live stock development in the northwest we have been instrumental in getting hundreds of farmers, ranchers and bankers into stock raising. We do not propose to have our customers forced out of the business.

While wide liquidation in all industries is absolutely necessary, in live stock it must include only mature and non-productive animals. Every mature steer, every dry cow, all old ewes, dry ewes, wethers and wether lambs and mature hogs should come to market this fall without fail. All poor quality stuff should go.

By all means cattlemen must keep breeding stock and young stock of quality, if they have feed and proper facilities to safeguard their live stock throughout the season. To force such animals to market would work irreparable harm to individuals and to the entire Northwest.

The nation recovering from a wild spree of over-inflation recognizes that it cannot apply too sudden and drastic a remedy to an essential industry without severe damage to everybody. Cattle raising is an essential industry and will receive ample support.

We have always been great boosters for live stock and will continue to back our correspondents with every dollar at our command to enable them to keep breeding stock on ranch and farm.



Vice-President.

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

## Analyzing Investments

Our Bond Department in charge of Mr. D. J. Metcalf, is constantly engaged in analyzing securities, so that investors can command accurate and impartial information regarding investments at all times.

Our services along this line are at the disposal of country banks desiring to render a similar service to their customers.



E. B. WILSON, President

## CENTRAL STATE BANK

DES MOINES

Capital and Surplus \$500,000

Our facilities are excellent—  
We handle out-of-town business promptly  
We want to serve you

SIMON CASADY, Chairman of the Board  
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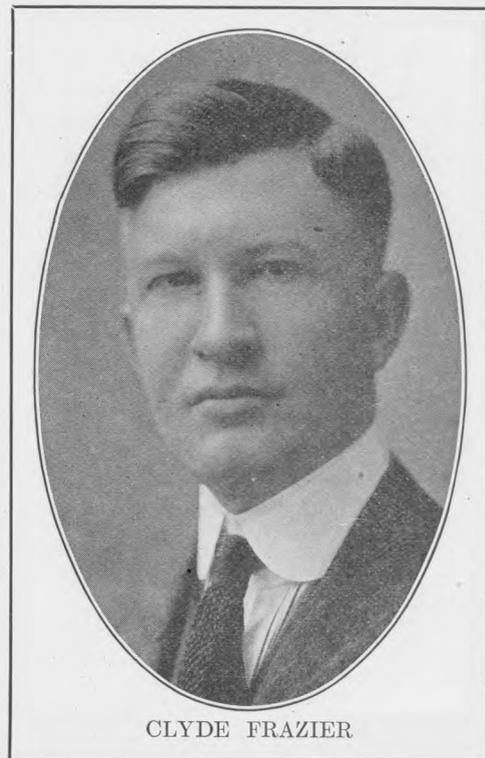
### Des Moines Banks Merge.

The Commercial Savings Bank and the American Trust and Savings Bank, of Des Moines, have merged. The combined institutions will use the building now



JOHN ELLIOTT

occupied by the Commercial Savings Bank at 501 Locust street. It will have a capital stock of \$200,000, surplus of \$35,000 and resources of more than \$4,000,000.



CLYDE FRAZIER

John Griffin, former sheriff, who has been president of the American Trust and Savings Bank, will be a director

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*



## Success to You, A. B. A.!

If our well-wishes can be made to count for anything, then this, your 46th Annual Convention, will surely stand out as the biggest and best convention you have ever had.

We have an extraordinary interest in your affairs and your welfare, because you have complimented us as an institution in selecting Richard S. Hawes, Senior Vice-President of this bank, as the President of your Association for the past year.

So, more power to you, A. B. A. We wish for you many years of sound, progressive achievement—from which will follow the kind of success that will meet your own ideas of what is right and good.

### FIRST NATIONAL BANK IN ST. LOUIS.

Capital and Surplus	\$15,000,000.00
Total Resources	\$170,000,000.00

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## First National Bank

Burlington, Iowa

Capital, Surplus and Profits \$450,000  
Resources - - - \$3,500,000

**E**QUIPPED to handle business of Banks and Bankers in Southeastern Iowa. Correspondence Solicited.

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E. P. Eastman, Chairman Executive Committee  
Charles E. Perkins, President and Chairman of the Board  
Wm. P. Foster, Vice President. P. H. Augsburg, Cashier  
M. C. Stelle, Vice President. Milton R. Brooks, Assistant Cashier.  
L. C. Wallbridge, Vice President. C. D. Rich, Assistant Cashier.

in the new institution, but will retire from active management. The officers will be:

John Elliott, president Commercial Savings Bank, president; Clyde Frazier, cashier Commercial Savings Bank,



CLAUDE NICHOLS

vice president and cashier; Claude Nichols, American Trust and Savings Bank, vice president; E. L. Davis, assistant cashier.

The active vice presidents will continue to be A. L. Hager and F. C. Waterbury. The directors of the new bank will be John F. Griffin, former president of the American Trust & Savings Bank; Johnson Brigham, state librarian; Ed Raymond, manufacturer, and E. G. Lynn, physician.

## The United State Bank

Des Moines

Now open for business with a capital of \$200,000 and surplus of \$50,000, under strong management, and will specialize along agricultural banking lines.

**WRITE US**

### W. C. HARROP & CO., PUBLIC ACCOUNTANTS

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503 Valley National Bank Bldg. DES MOINES, IOWA

## Black Hawk National Bank

WATERLOO, IOWA

Capital - \$200,000.00

Adequate facilities and perfected service make this an ideal reserve bank for Iowa banks. Every courtesy and accommodation extended consistent with conservative banking. Inquiries solicited and appreciated.

#### OFFICERS

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R. O. Hutchison, V. Pres. Chas. W. Knoop, Cashier  
A. E. Glenn, Vice Pres. E. A. Schaefer, Asst. Cash.

"THE BANK OF STABILITY AND PROGRESS"

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**J. K. DEMING**  
President

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Vice-President

**HERMANN ESCHEN**  
Cashier



**THE  
SECOND NATIONAL BANK  
AND  
DUBUQUE SAVINGS BANK  
DUBUQUE, IOWA**

ORGANIZED 1876

**OFFICERS AND DIRECTORS**

<b>J. K. DEMING</b> President	<b>HERMANN ESCHEN</b> Cashier
<b>JAMES M. BURCH</b> V. P. Farley & Loetscher Mfg. Co.	<b>J. T. CARR</b> Secy-Treas. Carr, Ryder & Adams Co.
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Reserve Agents for National Banks  
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**Combined Resources - - \$3,000,000.00**

**THE  
MERCHANTS  
NATIONAL BANK**

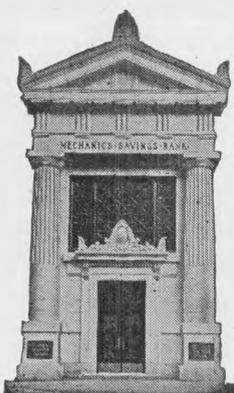
**CEDAR RAPIDS, IOWA**

**Resources \$16,000,000.00**

**OFFICERS**

**JOHN T. HAMILTON**, Chairman  
**J. M. DINWIDDIE**, President    **EDWIN H. FURROW**, Cashier  
**JAMES E. HAMILTON**, V. P.    **H. N. BOYSON**, Asst. Cashier  
**P. C. FRICK**, V. P.    **ROY C. FOLSOM**, Asst. Cashier  
**ROBERT PALMER**, V. P.    **MARK J. MYERS**, Asst. Cashier  
**ROBERT S. SINCLAIR**, V. P.    **FRED A. GROELTZ**, Asst. Cashier

A live institution offering superior equipment  
and facilities for the handling of bank accounts.



**Your Account  
Invited**

If you would like an efficient connection in Des Moines it will be a privilege to place the service of this bank at your disposal.

Correspondence from Iowa banks and bankers receives the personal attention of interested officers.

The well-known standards of service maintained by the Mechanics Savings Bank are constantly drawing new accounts to us from the banks and bankers of Iowa.

**OFFICERS**  
**G. E. MacKinnon**  
President  
**H. F. Gross**  
Vice President  
**Geo. L. Rowe**  
Cashier  
**N. B. Scoles**  
Asst. Cashier  
**Harper Gordon**  
Asst. Cashier

Increased facilities are added as required, so that every account is given close attention.

**Mechanics Savings Bank  
of Des Moines**



**Built on the Basis of  
Service**

The Muscatine State Bank has to offer out of town banks the co-operation of a bank built upon the basis of service—

This bank has a personal interest in each one of its correspondent banks and because of its complete banking facilities is able to give—individual service to individual bankers.

**MUSCATINE STATE BANK  
MUSCATINE, IOWA**

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ESTABLISHED 1872



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**New  
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Home  
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**VALLEY NATIONAL BANK  
and  
VALLEY SAVINGS BANK**

**DES MOINES, IOWA  
Combined Capital and Surplus, \$875,000.00**

**Anxious to serve, Equipped to serve well—  
We seek the opportunity.**

**Waterloo Savings Bank**

WATERLOO, IOWA.

CAPITAL.....\$ 100,000.00  
SURPLUS AND PROFITS..... 100,000.00  
DEPOSITS ..... 1,950,000.00

This Strong Bank Offers Every  
Facility for Satisfactorily  
Handling Your Business.

**OFFICERS**  
**W. C. Logan, President**  
**E. L. Johnson, Vice Pres. J. J. Miller, Cashier**  
**Carleton Sias, Vice Pres. V. L. Bartling, Asst. Cash.**

**Bankers' Exchange Instrumental in Merger.**

The consolidation of the American Trust & Savings Bank officered by J. F. Griffin, J. J. O'Malley, and Claude E. Nichols, with the Commercial Savings Bank, of Des Moines, was brought about through the instrumentality of The Bankers' Exchange, Inc. Mr. Nichols goes to the Commercial Savings, which is the name of the new consolidated institution, as active vice president.

**State Bank of Red Cloud Changes Hands.**

The State Bank of Red Cloud, Nebraska, commonly known as the Auld Bank was purchased by J. W. Scott, of Kensington, Kansas, who has already assumed management thereof. The extensive individual interests of J. W. Auld requiring his personal attention prompted him to dispose of the bank. The late W. T. Auld, founder of this bank, was raised at Knoxville, Iowa, and a few years ago presented the city of Knoxville with a beautiful park. This sale was negotiated by The Charles E. Walters Company of Omaha.

**Spends Five Weeks on Deer Island.**

H. C. Gates, cashier of The Ladora Savings Bank, who for the past five weeks has been vacationing on Deer Island, Rainy Lake, Minnesota, has returned home, and is so busy with fish stories that he has little time to attend to business.

**Moderwell Goes to California.**

A. W. Moderwell has resigned as assistant cashier of The Ladora Savings Bank, and he and Mrs. Moderwell started October 1 for a motor trip to California, where they expect to spend the winter, coming back to Colorado next spring, where they may make their future home.

**Your Hotel**

Bankers will find this hotel ready and willing to serve them. Send your mail in our care. Fine rooms—moderate rates.

**Hotel Ballingall**

R. S. MANN, Manager **OTTUMWA, IOWA**

**"THE BANKERS' BANK"**

Here is a bank for banks and bankers—a strong financial organization backed by a half million dollars in capital, surplus and undivided profits. Our service to correspondents is prompt and painstaking.

**IOWA NATIONAL BANK  
DAVENPORT, IOWA**

**CHAS. SHULER, President**

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**LOUIS G. BEIN, Cashier**  
**HERMAN STAAK, Asst. Cashier**





# SECURITY NATIONAL BANK

SIoux CITY, IOWA

**Capital and Surplus \$700,000**

**A. B. DARLING, Vice President**  
**V. C. BONESTEEL, Vice President**

**W. P. MANLEY, President**

**L. R. MANLEY, Cashier**  
**R. E. BROWN, Ass't Cashier**

**Founded 1884**

## PEOPLES TRUST & SAVINGS BANK

Established 1893

CLINTON, IOWA

**CAPITAL, \$300,000.00**

**SURPLUS, ALL EARNED, \$300,000.00**

**DEPOSITS, \$5,200,000.00**

Offers the facilities and services of a live, up-to-date banking house, fully equipped and amply capitalized to handle intelligently and efficiently every branch of legitimate banking.

### COMMERCIAL—SAVINGS—SAFE DEPOSITS—TRUST

Accounts from banks in its territory, and collections receive the special attention of an officer of the bank



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**J. L. BOHNSON**  
Cashier

**C. S. HARRIS and W. S. GARDNER, Assistant Cashiers**

## MERCHANTS NATIONAL BANK

BURLINGTON, IOWA

<b>Capital, Surplus and Profits</b>	-	-	<b>\$ 204,114.51</b>
<b>Deposits</b>	-	-	<b>\$1,804,478.51</b>

J. L. EDWARDS, President

ALEX MOIR, Vice-President

F. L. HOUKE, Vice-President

E. W. WICHHART, Cashier

C. A. DANIELS, Ass't Cashier

JAMES MOIR, Vice-President

G. S. TRACY, Vice-President

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DIRECTORS: James Moir, G. S. Tracy, W. C. Tubbs, Alex. Moir, J. L. Edwards.

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63rd Year

## Leavitt & Johnson National Bank

Established 1856

Waterloo, Iowa

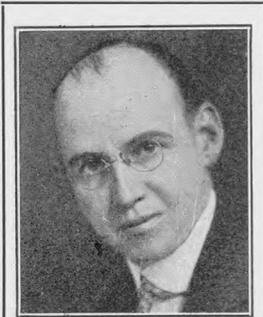
**IRA RODAMAR, President**  
**C. E. PICKETT, Vice President**  
**J. O. TRUMBAUER, Vice Pres.**  
**FRED H. WRAY, Cashier**

**Capital, Surplus and Profits \$300,000.00**

# South Dakota Bankers Ass'n

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 Secretary L. J. Welch, Mitchell  
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President



L. J. WELCH  
Secretary

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 Group No. 6—F. D. Greene.  
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 Group No. 9—J. D. Fargo.  
 Vice President Redfield National Bank.....Redfield  
 Group No. 10—Thomas O'Brien.  
 President Hoven State Bank.....Hoven  
 Group No. 11—Ferd Terhaar.  
 Cashier Bank of Herrick.....Herrick  
 Group No. 12—C. C. Siderius.  
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President.....E. R. Heaton, Yankton  
 Secretary.....W. O. Nelson, Yankton

#### Vice Presidents.

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 Charles Mix.....F. R. Smith.....Platte  
 Clay.....George Brosius.....Vermilion  
 Douglas.....A. M. Shaw.....Delmont  
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 Secretary and Treasurer.....H. D. Mitchell, Madison

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 Moody.....P. P. Sequin.....Trent  
 Lincoln.....G. O. Lomen.....Harrisburg  
 McCook.....W. T. Appel.....Unityville  
 Minnehaha.....Mr. Enright.....Dell Rapids  
 Union.....George Ackley.....Beresford

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 Secretary.....F. H. Austin, Watertown

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 Vice President.....W. C. Botkin, Letcher  
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 Brule.....H. A. Schoenberger.....Kimball  
 Buffalo.....W. M. Sedgwick.....Gann Valley  
 Davison.....M. E. Helgersen.....Mt. Vernon  
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 Hanson.....J. C. Wood.....Alexandria  
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 Secretary.....C. Mogen, Waubay

#### Vice Presidents.

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 Day.....J. Schad.....Roslyn  
 Grant.....F. Boerger.....Milbank  
 Brown.....C. J. Meyers.....Aberdeen  
 Marshall.....F. R. Harding.....Langford

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 Secretary.....C. H. Drew, Highmore

#### Vice Presidents.

Hand.....J. O. Gage.....Ree Heights  
 Hyde.....E. A. Schenk.....Highmore  
 Haakon.....None.  
 Hughes.....J. R. McKnight.....Pierre  
 Stanley.....None.  
 Sully.....None.

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President.....A. K. Thomas, Rapid City  
 Secretary.....F. M. Clary, Fruitdale

#### Vice Presidents.

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 Custer.....T. W. Delecate.....Custer  
 Fall River.....C. A. Stewart.....Hot Springs  
 Lawrence.....Burt Rogers.....Deadwood  
 Meade.....J. A. Poznansky.....Sturgis  
 Pennington.....G. A. Bailey.....New Underwood  
 Shannon.....None.  
 Washington.....None.

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 Secretary.....P. L. Brown, Doland

#### Vice Presidents.

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 Kingsbury.....H. I. Olston.....Lake Preston  
 Miner.....H. S. Straup.....Carthage  
 Spink.....A. E. McMillan.....Conde

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 Secretary.....O. A. Olson, Mobridge

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 Edmunds.....H. C. Gross.....Bowdle  
 Faulk.....John Dixon.....Seneca  
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#### Vice Presidents.

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 Lyman.....E. M. Sedgwick.....Presho  
 Mellette.....R. R. Jones.....White River  
 Tripp.....E. V. Youngquist.....Carter

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 Secretary.....A. L. Anderson, Timber Lake

#### Vice Presidents.

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 Dewey.....H. M. Treacy.....Isabel  
 Harding.....Wm. Fried.....Buffalo  
 Perkins.....I. N. Bubert.....Meadow  
 Ziebach.....A. A. Karley.....Dupree

# SO. DAKOTA BANK NEWS

L. J. Welch, Associate Editor (Secretary South Dakota Bankers Association)

The Northwestern Banker is the official publication of the South Dakota Bankers Association.

## New Eureka Bank.

Aberdeen capital is to be interested in a new bank to be opened in Eureka, S. D., shortly, according to A. Kopperud, president of the Security Bank and Trust Co., of Webster, S. D.

A charter for the new institution has been asked and the bank will be known as the Guarantee State Bank, capitalized at \$25,000.

The new institution will take the place of the First National Bank, recently declared insolvent.

## Middlebrook Made President.

At a meeting of the board of directors of the First National Bank and the First National Security Co., Milbank, S. D., recently held, George C. Middlebrook was elected president of the bank to succeed F. B. Roberts, who recently disposed of his stock in the institution. Wesley Swenson was elected vice president and Frank Boerger, the cashier, was made a member of the board of directors.

Wesley Swenson was elected president of the First National Security Co., in place of Mr. F. B. Roberts, and Ben Moser was elected a member of the board of directors in place of L. S. Bannister, who, like Mr. Roberts, recently disposed of his stock and moved to California.

## South Dakota Bank Deposits.

According to population, South Dakota stood in twelfth place in the union in the number of deposit accounts in all national banks on May 4, 1920. This is shown in the statement issued by the treasury department at Washington. Wyoming stood first with 394 depositors per 1,000 of population and the other states in order named were: Montana, 349; Idaho, 293; Pennsylvania, 289; Colorado, 280; Oregon, 276; Minnesota, 71; Iowa, 262; Virginia, 2.9; Vermont, 255; California, 248; and South Dakota, 244. The average for the entire United States was 190 deposit accounts for each thousand of population.

On July 1 South Dakota had 136 national banks in operation, \$108,000 demand deposits on account, \$76,000 on time deposit and had an estimated population of 753,897, according to the same statement.

## To Build New Home.

It has been announced that the First National Bank, Fairfax, S. D., is preparing to build a new home. The building will occupy the place formerly used by the Johnson Farm Loan Co.

The front of the building will be torn out and a stone front put in. The roof will be raised several feet. An all marble floor and fixtures will be installed. A thoroughly modern vault will also be built.

## Fill Vacancy.

A meeting was recently held by the directors of the Dakota National Bank organization, Yankton, S. D., for the purpose of selecting a president to fill the vacancy caused by the death of the late F. C. Danforth.

The officers of the bank under the present organization are J. A. Danforth, president; Wm. J. Fantle, vice president; C. I. Danforth, vice president; W. O. Nelson, cashier. One director was also named, Mrs. F. C. Danforth, to fill the vacancy in the list of directors.

## Parker Banker Dies.

F. C. Danforth, for thirty years engaged in banking and real estate business in Parker, S. D., recently died at his summer cottage at Arnolds Park, Iowa.

He was one of the pioneer bankers of southeastern South Dakota and for many years had been prominent in state financial circles.

## Land Bank Loans.

Loans in the state of South Dakota through the federal land bank now total \$9,754,000, according to a statement from the department at Washington. There has been 1,898 farm loans in the state totalling \$8,002,000 and the joint stock bank shows 164 members with total loans of \$1,752,000. Most of the loans are for 35 years under the amortization plan which provides a means of paying interest and principal in small annual or semi-annual payments amounting to only one per cent in excess of the rate of interest.

JOSEPH WAYNE, JR., President  
 EVAN RANDOLPH, Vice President  
 A. W. PICKFORD, Vice President  
 CHARLES M. ASHTON, Cashier  
 ALFRED BARRATT, Assistant Cashier  
 DAVID J. MYERS, Assistant Cashier

# The Girard National Bank

PHILADELPHIA, PA.

Capital, \$2,000,000

Surplus and Profits, \$7,030,000

Deposits, \$65,000,000

ACCOUNTS OF BANKS AND BANKERS SOLICITED

"To Handle Your Business Satisfactorily, You Need a Philadelphia Account"

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

## Security National Bank

Sioux Falls, S. D.



*A Bank for Bankers in  
Our Territory*

**Resources Over \$7,000,000.00**

**OFFICERS:**

W. Z. Sharp, President	D. C. Lowe, Assistant Cashier
John Barton, Vice President	George B. McMahon, Asst. Cashier
D. A. McCullough, Vice President	J. V. Lowe, Assistant Cashier
Jas. B. Lambertson, Cashier	Oliver A. Bray, Assistant Cashier
F. W. Koneman, Manager	Farm Loan Dept.

### Plan New Building.

The Tripp State Bank, Tripp, S. D., is building a new bank building at a cost of about \$40,000, which will be occupied by the bank about December first, 1920.

The building is 40x90 feet, two story, brick. The vault is one of the best in the state, constructed of concrete re-inforced with railroad rails.

The bank has grown in the last four years from \$150,000 deposits to over half a million in deposits.

Its officers are as follows: W. Wenzlaff, president; E. L. Sailer, vice president; A. E. Raebel, cashier; E. R. Sailer, assistant cashier.

### Canada As a Field for Investment.

"Canada as a Field for Investment" is the title of an interesting booklet just issued by Wood, Gundy & Company, 14 Wall Street, New York, outlining the resources of the Dominion and giving interesting data regarding the Provinces and cities offering opportunities for investment. Contained within the booklet are also complete statistics pertaining to the war and Victory Loan bonds of the Dominion.

### Federal Reserve Situation.

There is a full fledged war on between the federal reserve bank and the state banks of South Dakota, according to I. J. McGinity, of Lebanon, S. D., district secretary of the National and State Bankers' Protective Association, who has given out the following statements of the case from the viewpoint of the state banks:

Beginning August 20, the state banks of South Dakota quite generally discontinued to par for the Federal Reserve bank which is now adopting a method to force the state banks into line by presenting their checks through the local express office and returning them to the makers marked "payment refused." This is the latest method of coercion adopted by the Federal Bank.

When the banks were ordered on the par list February 1st, banks that refused had their checks presented at the counter and cash demanded. Checks accumulated by the Federal Reserve Bank until their amount exceeded the cash on hand of the bank and were then presented. If payment was refused they were protested. The only thing a bank could do,

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therefore, was to agree to remit to the Federal Reserve Bank at par. At Pierce, Neb., they sent two men armed with revolvers, one of the men was a United States marshal, and presented \$13,900 in checks, some of which had been held there weeks, and demanded payment in cash. With such methods they terrorized state banks into submission.

The so-called "par clearance" is not, however, the only feature of the Federal clearance system to which the country banker objects. He is opposed to their system of deferred credits passing through the Federal Reserve Bank according to the amount of the check and number of days required for its collection, a charge for the "float" as they call it.

There is, therefore, no such thing as "par clearance" of checks. The public is deceived. Their much heralded "par system" is a misomer—it is a fraud. They have simply cut the country banker out of his exchange but they are still discounting checks under the name of "float" and services charges but keeping the discount themselves.

The activities of the Federal Reserve Board have aroused the class consciousness of the country banker, particularly the state banker. These bankers are not opposed to the Federal Reserve System itself but to its management. They believe it is a valuable system poorly administered. In the larger affairs its Board has drifted with the tide until the system has become "waterlogged." In other matters they have been as busy as an old hen in her neighbor's garden. It is indeed questionable whether so much power for good or evil should be centered in one board of five men.

#### South Dakota News and Notes.

Leo A. Traver has purchased the controlling interest in the Farmers Security Bank, Seneca, S. D., and will give the business his personal attention.

D. J. Stribley, assistant cashier of the Winner State Bank, Winner, S. D., has returned from a two weeks' visit spent in Dubuque and Des Moines, Iowa.

The Lemmon State Bank, Lemmon, S. D., has a new addition to its already attractive front. It is a copper screen on which the name of the bank appears in copper letters.

Deputy State Superintendent of Banks, McEwen, recently died at the Rochester, Minn., hospital, where he had gone to submit to an operation. However, he succumbed before the operation was performed.

The First National Bank building, Rapid City, S.

## TEN THOUSAND Volunteers Wanted!

If the bankers of the United States can convincingly show Congress and the Federal Reserve Banks that they are overwhelmingly opposed to the universal par clearance ruling, the right of a bank to charge exchange will be respected.

There is one way, and only one way, to present this evidence. That is for every banker who believes in the equity of exchange, to become a member of The National and State Bankers Protective Association.

### Congress Respects the Majority!

We must make Congress realize the fact that over twenty thousand banks in the United States are opposed to the parring of checks.

Every banker who is with us in his convictions, must be with us in reality. Otherwise, our opponents will claim him as one of them.

When Congress convenes in December, one of the first problems before it for solution is this par clearance question. Leading the fight for exchange will be this organization.

Uphold our hands by giving us the right to speak for you and list you as one of us.

*Write today for full particulars as to membership, to*

**L. R. ADAMS, General Secretary-Treasurer**  
**The National and State Bankers Protective Ass'n**  
P. O. Box 1515, Atlanta, Ga.

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The wooden cabinets are made to work perfectly in all climates.

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Inflation of credit, drouths, strikes and car shortage have each added to the problems of banks and their stockgrowers.

But this bank has helped customers solve problems as intricate as these ere this. It can do it again.

In advising customers during this critical period, shouldn't you in turn have the backing which this strong, live stock bank—located at the buying and selling point—is in position to give?

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Write for booklet

Reservations by wire or mail will have our immediate attention.

D., has been undergoing a thorough renovation and has been redecorated.

Lawrence Borsvold, who has been assistant cashier in the Farmers State Bank of Bruce, S. D., has gone to Ihlen, Minn., where he and his brother have recently purchased the Ihlen State Bank.

The total deposits of the Pennington County Bank, Rapid City, S. D., have reached \$1,823,890.59, which is certainly a most excellent showing.

The deposits of the James Valley Bank, Huron, S. D., according to the latest statement issued, are \$1,779,948.57. The officers of this institution are as follows: R. E. Cone, president; C. H. Bonestell, vice president; C. C. Smith, cashier.

The deposits of the Citizens State Bank of Colman, S. D., have reached the \$329,351.85 mark.

In an attractive statement recently issued the total deposits of the First National Bank of Colman, S. D., are stated as being \$446,537.52.

#### New State Bank.

The banking department has authorized the Guarantee State Bank to begin business at Eureka, S. D., and to take the place of the First National Bank, which failed in that place several weeks ago.

Among the officials of the new bank is Fred Hepperlee, who was for four years at the head of the state land department.

#### New Pilgrim Half Dollars.

The directors of the mint will issue, about October 1st, the new Pilgrim memorial coins which are to commemorate the tercentenary of the landing of the Pilgrims at Plymouth, Mass. The coins will be known as the "Pilgrim half dollars" and will bear upon one side the head of a typical Pilgrim, to be designated "Governor Bradford," and, on the reverse side, a view of the ship, Mayflower, under full sail.

The National Shawmut Bank, of Boston, has been designated as the distributing agent for the coins and will furnish them to banks throughout the country. Persons desiring to procure these coins should make application to their local bank.

The price of the coins has been fixed at \$1 each. It is intended that any balance left over, after deducting the cost of dies, minting charges, etc., will be turned over to the Pilgrim Tercentenary Commission, which commission is the official state body having in charge the improvement of Plymouth Harbor and permanent memorials at Plymouth.

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**BANKER-FARMER CO-OPERATION IS BIG SUBJECT AT A. B. A. CONVENTION.**

(Continued from page 15.)

together with leading representatives from banks all over the country.

**Advertising Conference.**

This year liberal attention is being given to the advertising side of banking. Fred Ellsworth, former president of the Financial Advertisers' Association, is scheduled for an address, "Public Relations in Banking;" the public relations committee will exhibit association publicity and a special bank advertising conference has been called for Tuesday night. The conference will be under the joint auspices of the public relations committee of the American Bankers' Association and the Financial Advertisers' Association. An exhibit of model bank advertising arranged by the Financial Advertisers' Association will be displayed in the registration room of the New Willard. This exhibit is pronounced the most wonderful collection of bank advertising campaigns, special booklets, brochures yet collected.

**On Educational Affairs.**

An educational conference is announced by R. O. Kaufman, chairman of the educational committee of the American Bankers' Association. Through this educational conference, the committee expects to secure an exchange of ideas, with the hope of stimulating the interest of bankers all over the country in this work.

A call has been sent out by A. T. Matthews, secretary of the clearing house section, for a general conference on clearing house problems, to be held on Tuesday and Wednesday at 3 p. m. at the Washington Hotel.

**The Main Sessions.**

It is expected that the executive council will hold a meeting some time Sunday. Monday will be entirely devoted to committee meetings, the general sessions opening Tuesday morning.

Among the addresses scheduled for the opening session are: "Agriculture and the Banker," Hon. E. T. Meredith, secretary of agriculture; "Transportation and Its Effect on Credit," J. J. Pulleyn, president Immigrant of the federal reserve board may also be in attendance, Industrial Savings Bank, director of the New York Life Insurance Company and an active member of the Railways Securities Owners' Association.

Entertainment features for the delegates have been planned on every day. The affairs for Tuesday are: 3 p. m., automobile ride through Rock Creek Park and lawn party at Chevy Chase Club. 8 p. m., lecture at the United States Bureau of Standards by Prof. S. W. Stratton, director; inspection of buildings and exhibits;

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In making your banking connection it should be done with the greatest care, and with consideration of the record and standing of the institution which invites your business, as well as the service it is able to render you.

With a record of thirty-seven years of practical banking, with resources of more than seventy million dollars—we offer you a banking service that is broad and comprehensive in its scope and especially adapted to meet your every particular financial requirement.

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Special Attention  
Given to the Business of Banks, Bankers and Corporations

private view United States National Museum of Natural History. 8:30 p. m., reunion of members of the American Institute of Banking, New Willard Hotel.

#### Wednesday's Sessions.

"Government Finances" will be the subject of Hon. David F. Houston, secretary of the treasury, at the Wednesday meeting of the general convention; "International Relations," Fred I. Kent, vice president of Bankers' Trust Company; "Publicity and Public Relations," F. W. Ellsworth, retiring president of the Financial Advertisers' Association and vice president Hibernia Bank and Trust Company, New Orleans.

The entertainment features for this day will be as follows: 2:30 p. m., special visit to the Old United States National Museum, which is the depository of the national collections. This visit must necessarily be made in the daytime for the reason that the buildings are never illuminated. 9 p. m., ball, New Willard Hotel. Buffet supper will be served. Evening dress.

#### Thursday's Events.

Joseph H. Defrees, Chicago, president United States Chamber of Commerce, will discuss "Service Organizations." "Financing and Underwriting Big Business," Sol Wexler, J. S. Bache & Company, New York. "The Incurable Optimist," John Kendrick Bangs.

Entertainment: 8 p. m., smoker. To be held in the "Arcade." Special electric cars will be provided for this occasion. 8:15 p. m., theater party for the ladies arranged at several of the leading theaters.

#### Closing Day's Program.

Speakers for the day: "Commodity Financing," H. W. Robinson, president First National Bank, Los Angeles, Cal.; "Federal Reserve Banks," Oscar Wells, president First National Bank, Birmingham, Ala.; "The Country Banker's Problems," George Woodruff, president First National Bank, Joliet, Ill.

The entertainment provided for Friday will be as follows: 10 a. m., a golf tournament will be held at the Chevy Chase Club. The handsome trophy known as the St. Louis Cup will be awarded the player making the lowest medal score, whose name will be inscribed thereon, and who may retain possession of the cup until the next A. B. A. convention. 2:30 p. m., visit to Mt. Vernon by electric car. This visit is primarily for ladies, and while set for this particular afternoon, it may be made on any afternoon during the convention: 3 p. m., United States Cavalry and Artillery drill at Fort Myer, Va., under the direction of the commandant, Col. W. C. Rivers. 8 p. m., private view Corcoran Gallery of Art, which is just

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assures you of appreciative treatment and you will know that your reserve is being utilized to develop your own state.

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west of the White House and within easy walking distance of headquarters hotel. 8 p. m., visit to the Pan-American Union Building.

**State Bank Section.**

State bank section meetings are expected to give a great deal of time to the question of par clearance. O. Howard Wolfe, cashier of the Philadelphia National Bank, is on the program to speak on par clearance. Mr. Wolfe was a member of the federal reserve organization committee that drew up the original plans for the operation of the check collection functions of the federal reserve banks. He is also author of the gold settlement plan.

Charles de B. Claiborne, of New Orleans, will speak against par clearance. Mr. Claiborne is vice president of the Whitney-Central National Bank, of New Orleans. He was president of the Louisiana Bankers' Association during the year just closed, and he is chairman of the National and State Bankers' Protective Association.

**Savings Bank Section.**

On Monday, October 18th, the opening day of the savings bank section, an informal luncheon to all savings bankers will be held at the Hotel Raleigh. "Thrift and Savings" will be the general topic for Tuesday afternoon. Following the report and address by S. Fred Strong, president of the section, and the organization of the annual meeting, the section's committee on savings will report and special addresses will be delivered by those who have had wide experience with industrial savings systems, school savings plans and personal or home economics departments in banks. "Savings Bank Investments" will be the special topic for the concluding session on Thursday afternoon, with discussions on changes in legal lists, real estate mortgage questions, desirability of equipment trusts and the menace of further issues of tax-exempt securities.

**Place of Section Meetings.**

Monday afternoon: Clearing House Section, Hotel Washington; State Bank Section, Hotel Raleigh; State Secretaries Section, New Willard Hotel.

Tuesday afternoon: Savings Bank Section, Hotel Raleigh; Trust Company Section, Hotel Washington.

Wednesday afternoon: National Bank Section, New Willard Hotel; State Bank Section, Hotel Raleigh; Trust Company Section, Hotel Washington.

Thursday afternoon: National Bank Section, New Willard Hotel; Savings Bank Section, Hotel Raleigh; Clearing House Section, Hotel Washington.

(Continued on page 87.)

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# NEBRASKA BANK NEWS

## Bank Elects Assistant Cashier.

Don Severn, formerly cashier of the State Bank of Surprise, Neb., was recently elected assistant cashier of the Farmers State Bank, of Seward County, Seward, Neb. Mr. Severn is an experienced banker and will be a valuable assistant in the institution.

## Erects New Building.

Work has been commenced on the new building for the Farmers State Bank at Rockville, Neb. The structure will be one story, of brick construction, covering a space 25½ by 46 feet, and will cost about \$10,000.

## Increase In Capital Stock.

An increase in the capital stock of the First National Bank of Bancroft, Neb., has been approved by the comptroller of the currency. The capital will be raised from \$30,000 to \$50,000.

## Organize New Bank.

A new bank has been formed at Tilden, Neb., known as the Farmers State Bank, with a capital stock of \$50,000.

Those interested are B. Whitwer, A. N. Snider, John R. Saxton, Mel Whitwer, J. F. Jenkins, Earl L. Jenkins, and John Lemly, who will be president of the institution.

## Peters National Bank Opens.

The Peters National Bank, Omaha, Neb., opened for business recently. Over 2,000 people visited the bank on the opening day. The success of the institution is assured, backed as it is by such capable and experienced officers.

The Peters Trust Company is located in the same building, has long been a successful institution in the investment field, and has sold over \$100,000,000 worth of investments since being established, without a loss to a single investor.

The bank will have a capital and surplus of \$250,000. The following are officers: R. C. Peters, chairman of the board; M. D. Cameron, president; W. S. Weston, C. J. Claassen and J. R. Cain, Jr., vice presidents; E. L. Lindquist, cashier, and R. D. Miller, assistant cashier.

## Chadron Banks Merge.

The Farmers & Merchants Bank of Chadron, Neb., has purchased the stock and building of the Chadron State Bank and will consolidate the two institutions.

Officers of the new bank will be the same as those of the Farmers & Merchants.

The capital stock will remain at \$100,000 and the surplus \$10,000. B. L. Scovel is president, J. H. White, vice president, and W. P. Rooney, cashier.

## Increase Capital.

The Platte Valley State Bank of North Platte, Neb., has increased its capital stock from \$50,000 to \$100,000. The constantly growing business of the bank has made it necessary to make this increase in order to handle financial affairs in a better manner than could be done on the former capital.

## A New Bank At Caldwell.

Application has been made at the state banking board for a charter for the Farmers & Merchants State Bank, of Caldwell, Neb. The institution is to be capitalized at \$15,000.

The officers are John Boastman, president; J. H. Bennison, vice president and H. W. Flint, cashier.

## Tri County Bankers Association Meets.

The Tri County Bankers Association held its quarterly meeting at Newport, Neb., recently. A banquet was served and entertainment provided by a ten round boxing match. After the match a business meeting was held.

## Nebraska Banker Goes to Washington.

Reginald Wiltse, who has been manager of the discounts and credits department of the Federal Reserve Bank, Omaha, Neb., has resigned to accept a place on the examining board of the Federal Reserve at Washington, D. C.

Mr. Wiltse's work will be examining the federal reserve banks in about thirty-five of the important cities of the United States and making reports to the Federal Reserve board.

## AMERICAN STATE BANK

CAPITAL, \$200,000.00

D. W. GEISELMAN, President

OMAHA

H. M. KROGH, Asst. Cashier

D. C. GEISELMAN, Cashier

FOUNDED ON SECURITY

BUILT ON SERVICE

This bank does more for you than carry your account. We have the facilities you would specify for the handling of your



banking business. We invite your account on the basis of service. Why not talk business with us?

Deposits in this bank are protected by the Depositors' Guarantee Fund of the State of Nebraska.

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**Bank Doubles Capital.**

The Chappell State Bank, Chappell, Neb., at a meeting of the stockholders held recently, unanimously voted to increase the capital stock of the institution from \$25,000 to \$50,000.

**New Bank Building.**

The Farmers & Merchants Bank, Murdock, Neb., has moved into a new modern building. It is constructed of white face brick trimmed in Bedford and Carthage stone.

**Citizens Bank Norfolk.**

The Citizens Bank, Norfolk, Neb., has recently moved into their newly reconstructed quarters. The staff has been working in a temporary frame building. A formal opening will be held for the public in the near future.

The entrance to the building has been changed, and the banking room arranged to give the best possible light for employes. A fan system of ventilation has been installed, also a burglar alarm system. A three story vault has been built. The safety deposit boxes are of the latest type of steel and are fireproof.

The building contains several features for the assistance and convenience of customers, among which are rest rooms, telephone booths, consultation rooms and private offices where personal affairs may be freely discussed with the officers. The accounting department is housed in a separate room.

**Bank Changes Name.**

The McGrew State Bank, located at McGrew, Neb., has changed its name to the Security State Bank of McGrew. The management of the institution has been changed, the interests of Mark and Frank Jones were purchased by parties outside of McGrew.

Jake Abegg, who has been with the First National of Scottsbluff, has taken over the management. S. K. Warrick, T. L. Green and H. H. Ostenburg, all of Scottsbluff, are the new directors.

**Benkelman Bank Increases Capital.**

The Citizens State Bank of Benkelman, recently increased its capital stock from \$30,000 to \$50,000. The bank was organized eleven years ago with C. R. Walker, president and F. R. Walker, cashier. Deposits now amount to three quarters of a million dollars.

**Elected Cashier.**

Walter Klein, who has been a teller in the Hartington National Bank, Hartington, Neb., resigned and has gone to Randolph, where he has been elected cashier of the Farmers State Bank.

**TRYING TO FORCE STATE BANKS INTO THE FEDERAL RESERVE SYSTEM.**

(Continued from page 11.)

Bishop had done and sign up as the day was near when we would be forced. They took a draft for the checks they had and departed, saying that they had enough of this ——— business.

"Subsequently checks were sent through the Express Company and returned by the express agent for the reason as I said, that he didn't have time to count the money.

"Along about the 27th day of December, 1919, a

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Receive the best service in  
collecting their Live Stock  
Returns and Grain Drafts.

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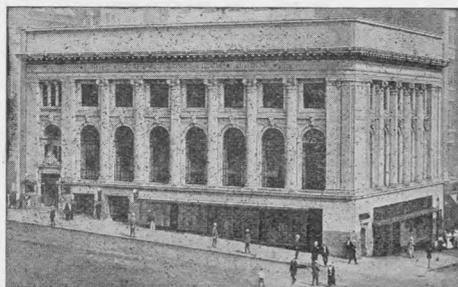
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## Your Account in This Bank

assures you at all times of ample funds to care for your requirements. All items will receive our immediate attention. Hundreds of progressive banks are using our services now—may we have an opportunity to serve you?



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### OFFICERS.

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<b>Chairman of Board</b>	<b>Cashier</b>	
Gurdon W. Wattles	Jos. C. McClure	

**UNITED STATES NATIONAL BANK**  
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## Bank Stock

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LIVE WIRE

The sign of BETTER SERVICE

If you want to sell or buy a bank  
we can supply your wants  
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### The Charles E. Walters Co.

1422-30 First National Bank Building  
Omaha, Nebraska

Coast Office: PORTLAND, OREGON.  
Read the Live Wire.

Mr. Fairley came to Pierce from Kansas City and asked us to sign the '.....' relative to parring checks or join the Federal Reserve System. We refused. He then stated that he was instructed to stay in Pierce until he had accomplished something. From that date until the day of making this affidavit Mr. Fairley has been here continuously and collects cash every day on checks sent him by the Federal Reserve Bank.

"On January 5, 1920, a Mr. J. G. Bryan came in from Kansas City and he and Mr. Fairley have been instrumental in trying to start a National Bank at Pierce, devoting practically their entire time collecting cash on checks sent by the Federal Reserve Bank upon banks in Pierce and promoting a National Bank that they will compel the banks of Pierce to join the system. Our customers report to us that these men have told them that we are robbing them out of ten cents on every hundred dollars of their money.

"On or about the 14th day of January, 1920, Mr. Jones joined Mr. Fairley and Mr. Bryan and has acted as Notary Public, protesting checks presented by the aforesaid agents of the Federal Reserve Bank of Kansas City, notwithstanding such checks were endorsed on the face 'not payable through the Federal Reserve Bank, their branches or agents, nor Express company nor postoffice,' and are continuing to protest such checks when we refuse payment of them in their hands and in one case have presented a check a second time and protested it each time.

"Every agent of the Federal Reserve Bank that has been here has advised us in substance that they were spending the government's money like drunken sailors and will not stop at any expense to force us to join the system.

"One of my competitors told me that Mr. Davis told him in substance that the Federal Reserve board had a steam roller on the way from Washington to crush me personally and ruin my bank if I persisted in refusal to comply with their demands. I subsequently called Mr. Davis' attention to this report and he personally acknowledged to me that he had made such a statement in substance.

(Signed) "WOOD CONES.

"Sworn to and subscribed before me this 10th day of February, 1920.

(Signed) "DOUGLAS CONES,

"Notary Public in and for Pierce County, Nebraska.

"My commission expires September 25, 1925."

We Will equip Your Office complete.

**OMAHA PRINTING COMPANY**

STATIONERS LITHOGRAPHERS ENGRAVERS      OMAHA'S LARGEST RETAILERS IN OUR LINE      13th. and FARNAM

PRINTING DEVICES ART METAL SAFES OFFICE FURNITURE SUPPLIES

**COMMERCIAL PRINTERS - LITHOGRAPHERS - STEEL DIE EMBOSERS**  
LOOSE LEAF DEVICES

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.



Resources \$11,000,000.00

# WHY TAKE CHANCES

Our location at the Union Stock Yards and our adequate facilities assure you **Promptness** and **Accuracy** in the handling of your Stock Yard business.

## LIVE STOCK NATIONAL BANK

MEMBER AMERICAN BANKERS ASSOCIATION

UNION STOCK YARDS

OMAHA



# The Omaha National Bank

Omaha, Nebraska

Established in 1866

Capital \$1,000,000.00

Surplus \$1,000,000.00

Resources \$35,000,000.00

J. H. MILLARD, Chairman of the Board	B. A. WILCOX, Vice President	WALTER W. HEAD, President
WARD M. BURGESS, Vice President	O. T. ALVISON, Assistant Cashier	FRANK BOYD, Vice President
EZRA MILLARD, Cashier	W. DALE CLARK, Assistant Cashier	J. A. CHANGSTROM, Assistant Cashier
		EDWARD NEALE, Assistant Cashier

Exceptional collection facilities, the result of years of effort to improve service to correspondent banks.

# The Merchants National Bank

of OMAHA, NEBRASKA

CAPITAL.....	\$1,000,000.00	SURPLUS.....	\$500,000.00
UNDIVIDED PROFITS.....	\$459,817.89	DEPOSITS.....	\$15,131,748.13

**OFFICERS**

LUTHER DRAKE, President	O. T. EASTMAN, Vice President	B. B. WOOD, Assistant Cashier
FRED P. HAMILTON, V. President	S. S. KENT, Cashier	J. P. LEE, Assistant Cashier
B. H. MEILE, Vice President	H. D. BENTLEY, Assistant Cashier	C. M. FIXA, Auditor

**DIRECTORS**

LUTHER DRAKE	GEORGE N. PEEK	C. W. HAMILTON
FRED P. HAMILTON	FRANK W. JUDSON	F. B. JOHNSON
G. S. ROGERS	CHAS. L. SAUNDERS	N. B. UPDIKE

ACCOUNTS SOLICITED

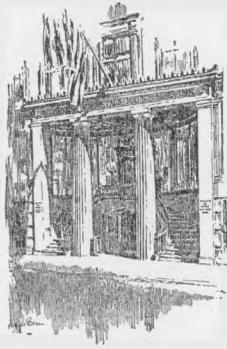
U. S. DEPOSITORY

## BANK SUPPLIES FROM A DEPENDABLE SOURCE

It is to the interest of every banker to be in touch with an establishment on which he can depend for his bank supplies. Especially is this true at the present time. We offer you the services of our organization which has had 40 years' experience in making supplies for the banks of the middle west.

An order from you will allow us to demonstrate what we can do.

**Hammond Printing Co., Fremont, Nebraska**



With increased resources and improved facilities we are able still further to enlarge our usefulness to the business community and to increase our service in the interest of American trade and industry.

Established 1810

**THE MECHANICS & METALS  
NATIONAL BANK**  
of the City of New York

Capital, Surplus and Profits \$25,000,000

"Identified with Chicago's Progress Since 1857"



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CLARENCE A. BURLEY.....Attorney and Capitalist  
R. T. CRANE, JR.....President Crane Company  
ERNEST A. HAMILL.....Chairman Corn Exchange National Bank  
HALE HOLDEN...President Chicago, Burlington & Quincy Ry. Co.  
MARVIN HUGHITT...Chairman Chicago & North-Western Ry. Co.  
EDMUND D. HULBERT.....President  
CHAUNCEY KEEP.....Trustee Marshall Field Estate  
CYRUS H. McCORMICK...Chairman International Harvester Co.  
JOHN J. MITCHELL.....Chairman of Board  
SEYMOUR MORRIS.....Trustee L. Z. Leiter Estate  
JOHN S. RUNNELLS.....President Pullman Company  
EDWARD L. RYERSON.....Chairman Joseph T. Ryerson & Son  
JOHN G. SHEDD.....President Marshall Field & Company  
ORSON SMITH.....Chairman of Advisory Committee  
JAMES P. SOPER.....President Soper Lumber Company  
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**MEMBER FEDERAL RESERVE SYSTEM**

**DEPARTMENTS**

**COMMERCIAL--SAVINGS--TRUST--BOND--  
FARM LOAN--FOREIGN EXCHANGE**

**Capital and Surplus \$15,000,000**



**OFFICERS**

S. T. KIDDOO, President  
G. F. EMERY, Vice-Pres.  
J. L. DRISCOLL,  
Assistant to President  
D. R. KENDALL, Cashier  
A. W. AXTELL, A. Cash.  
L. L. HOBBS, Asst. Cash.  
H. E. HERRICK, A. Cash.  
C. L. WISTRAND,  
A. Cash.

Capital and Surplus  
**\$2,250,000**

Established 1868

**DIRECTORS**

JAMES H. ASHBY  
SAMUEL COZZENS  
S. T. KIDDOO  
G. F. EMERY  
ARTHUR G. LEONARD  
J. A. SPOOR  
H. E. PORONTO  
M. A. TRAYLOR  
F. EDSON WHITE  
THOMAS E. WILSON  
LOUIS F. SWIFT

Resources Over  
**\$25,000,000**

**IMPORTANT**

The live stock industry is in urgent need of all possible financial assistance at this time. Co-operation between all banks and individuals interested in this most essential field is absolutely necessary and this institution respectfully solicits additional deposits for this exclusive purpose.

**THE LIVE STOCK EXCHANGE NATIONAL BANK**  
of Chicago

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### Kansas City Banks Merge.

The board of directors of the National Reserve Bank and the Midwest National Bank and Trust Company, Kansas City, adopted the following simultaneously at their respective meetings preparatory to the proposed merger:

"It is the judgment of the board that in the consolidation of the interests of the National Reserve Bank and the Midwest National Bank and Trust Company, of Kansas City, into one institution, much economy of operation may be effected, greater net returns to stockholders be expected, the risk of losses be minimized, the investment of every stockholder be made more desirable, the commercial interests of Kansas City strengthened, the efficiency of service increased, and the prosperity of all concerned, including stockholders, patrons and community, decidedly advanced without reason for any valid objection from any source.

"Therefore, We do this day recommend to our shareholders the merger of the above banking interests, and we pledge our hearty efforts and good will to consummate such consolidation. We consider this opportunity logical, sound and desirable. We voluntarily vote this recommendation and express great satisfaction in the unusually friendly feelings towards such merger upon the part of the respective interests concerned."

It is recommended that the consolidation become effective as soon as necessary details can be perfected.

It is proposed that the new merged institution be known as the Midwest Reserve Trust Company, capital, \$2,000,000; surplus, \$200,000. (This will permit the merged bank to show approximately \$17,000,000 deposits.) It is proposed that each bank shall contribute one million to capital and one hundred thousand to surplus in the new institution, and that the remaining assets in each bank in excess of amount required for above capital and surplus in new bank, and after all other resources and liabilities have been provided for by the new institution, shall be absorbed by such securities as may be selected from the respective banks' assets by friendly agreement, the respective banks to liquidate such securities as each bank may elect for the benefit of their respective present stockholders. Since such securities from both banks will be selected by a competent disinterested umpire, it can be anticipated that the merged bank shall be as free from any objectionable securities as it is humanly possible to make it.

The merged bank will occupy the quarters of the National Reserve Bank, the southwest corner of 10th and Walnut streets.

The members of the respective boards are recommending that Messrs. Wm. Huttig, as chairman; P. E. Laughlin, president; C. B. McClusky and Harry Warren, active vice presidents; and Messrs. J. F. Houlehan, J. H. Berkshire, Jake L. Hamon, H. E. Huttig, honorary vice presidents, be named in the merged institution, mutually agreeable arrangements to be made as to other officers. The consolidated bank is to have a board of approximately thirty members.

The bank will be a member bank in the federal system; hence enjoy all the advantages of both the national and state systems.

### Discount Corporation of New York.

The Discount Corporation, of New York, with a capital and surplus of \$6,000,000 has discounted and resold to investors throughout the country acceptances aggregating over \$1,200,000,000 since January first of this year.

## Walter H. Rhodes

Confidential Bank  
Broker

BANKS  
AND  
BANK  
STOCKS

Omaha

## Personal Service

to our correspondents—under the direction of one of our Vice-Presidents—is responsible for the satisfactory and continued growth of our out-of-town business.

¶ We invite your inquiry regarding business relations.

## *The* NATIONAL CITY BANK of CHICAGO

DAVID R. FORGAN, President

BANKS AND BANKERS DEPARTMENT

F. A. Crandall, Vice-Pres.    Henry Meyer, Asst. Cash.  
S. P. Johnson, Asst. Cash.    R. V. Kelley, Asst. Cash.

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# MINNESOTA BANK NEWS

## New Bank to Open.

The Evergreen State Bank at Frazee, Minn., will open for business about October 15th. The officers are: John H. Baldwin, president; Fred Kretschmer, vice president and J. A. Nygren, cashier. The directors are as follows: John H. Baldwin, Frazee; U. S. G. Henry, Ponsford; G. D. Hardman, Park Rapids; J. A. Nygren, Ponsford; W. J. Just, Frazee; Fred Kretschmer and Charles S. Palmer, Evergreen.

## Wrest \$5,000 From Messenger.

Struck in the face by one of two bandits as he was waiting for a street car, Norbert Henkes, sixteen years old, messenger for the North American Bank, Minneapolis, was robbed of \$5,000, which he was carrying to the bank at 1223 Washington avenue, recently.

The robbery occurred at Washington and Fifth avenues south just as the boy had completed his rounds of collections from customers of the bank and was preparing to return. Two men stepped up to him as he stood waiting for the car, themselves apparently about to board a car also, he said. Then one of them struck him while the other grabbed the bag containing the money, \$2,000 in cash and \$3,000 in checks. They jumped into a waiting automobile which stood at the curb and escaped.

## Your Business in the Twin Cities

will be greatly facilitated if you transact it through this bank. Through our well-equipped departments—Commercial, Correspondent Banks, Trust, Savings, Safe Deposit and Foreign—we offer complete and efficient service.

Over 765 Bank Correspondents  
in the Northwest

**Midland  
National Bank**  
MINNEAPOLIS

Resources \$25,000,000.00

## Elect Officers.

The First National Bank, Elbow Lake, Minn., announces the election of Anton M. Nelson and Miss Genevieve Doely as assistant cashiers. Mr. Nelson is an ex-service man and was formerly connected with banks at Ivanhoe and Tyler, Minnesota, while Miss Doely has been with the First National Bank for some time as bookkeeper and stenographer.

W. H. Goetzinger is the president and Joseph P. Brendal, cashier. During the past year the resources of the institution have increased \$100,000, and it is regarded as one of the leading banking institutions of Grant County.

## Minneapolis National Elects Officers.

Directors of the Minneapolis National bank have announced the election of H. R. Taylor as trust officer to head its newly created trust department, organized under federal legislation authorizing national banks to assume trust powers, and as bond officer to have charge of the bank's bond and investment securities business. Mr. Taylor, who is now vice president and manager of the bond department of one of the local bond houses, was at one time a commissioner of the supreme court of Idaho, in which state he practiced law before entering the investment banking field. He is a graduate of the University of Minnesota.

## Moonlight Excursion.

Forgetting overdrafts, differences and problems of foreign exchange, 500 employees of the Northwestern National Bank, the Federal Reserve Bank and the Minnesota Loan and Trust Company, Minneapolis, went down the Mississippi river recently on a picnic excursion aboard the steamer Red Wing and the barge Manitou.

The boat left the Jackson Street dock, St. Paul, at 4:00 p. m. and proceeded to Grey Cloud Island where a picnic supper was served underneath the trees. After the last piece of watermelon had been devoured and all hands were again on deck the boat steamed down the moonlit Mississippi to Red Wing.

The trip was in charge of employes of The Northwestern, Walter Peterson, assisted by R. O. Thayer, having charge of the arrangements; Fred Will, entertainment; Lawrence De St. Croix, tickets; and D. E. Lent, music, assisted by Harold Anderson and Arthur Olson.

## Bank Ready for Business.

The building of the Peoples State Bank of Little Falls, Minn., is rapidly being refitted to accommodate the new banking venture in the city.

J. A. Barton is president of the new organization and his brother, A. A. Barton, is cashier. W. G. Lundquist, from Two Harbors, Minn., is the assistant cashier.

The fixtures of the bank are in mission oak with granite baseboards.

The policy of the bank is to be such as to encourage small depositors.

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

Established 1863



## The First National Bank of St. Paul

Capital and Surplus, Five Million Dollars

This strong, progressive bank, conducted along conservative and modern lines, offers every facility consistent with sound, prudent banking for the satisfactory handling of your Northwestern business.

Resources Sixty-Two Million Dollars

### Purchases Controlling Interest.

S. A. Jacobson, R. T. Hart, and associates, have purchased the controlling interest in the State Bank of Mahtowa, Mahtowa, Minn., from G. G. Luhman, of Howard Lake, Minn.

The new officers are S. A. Jacobson, president; R. T. Hart, vice president; O. A. Schultz, cashier and Ernest R. Kreitlaw, assistant cashier.

### Stock Yards National Statement

The Stock Yards National Bank, South St. Paul, Minn., has issued a statement in attractive form, in which the deposits are stated as being \$4,714,080.65.

The officers of this institution are as follows: J. J. Flanagan, president; J. S. Bangs, vice president; Jay E. Markle, vice president and C. E. Mills, cashier.

### \$21,000,000 Loaned to Farmers.

More than \$21,000,000 has been borrowed by 5,000 farmers in Minnesota from the Federal Land bank and the five joint state land banks of Minnesota, according to the report of the American Association of Joint Stock Land Banks.

Applications from 5,000 other farmers for loans are pending, the report says, awaiting the decision of the United States Supreme court on the constitutionality of the land bank act. The decision is expected this fall.

"When the land banks were tied up by the suit in the courts, interest rates on farm lands were advanced by the old style mortgage brokers, not only in Minnesota but throughout the country," the report states. The loans under the federal farm loan system were at low rates of interest, none exceeding 6 per cent.

### Banks Consolidate.

The Bank of New Richmond, Minn., and the Manufacturers Bank of New Richmond, will consolidate on October 1, 1920, the new institution to be known as the Bank of New Richmond, with capital of \$112,500 and deposits of nearly \$1,500,000.

The new president will be M. P. McNally; vice presidents, L. A. Baker and A. P. Bixby; cashier, Ralph W. McCoy.

### Pioneer Banker Dead.

James F. R. Foss, 72 years old, one of Minneapolis' pioneer bankers, died recently at his home.

Mr. Foss came to Minneapolis in 1884 from Boston, where he had served as cashier of a bank. He founded the old Nicollet National Bank of which he was first cashier and later made president. He retired from the banking business several years ago.

### Municipal Bank Deficit.

St. Paul taxpayers probably will be called on to pay \$60,000 next year to make up the loss incurred by the city engaging in the banking business.

Comptroller Jesse Foot has stated that an item of about \$60,000 would have to be placed in the 1921 budget, in order to comply with the charter provision by which the city guarantees payment of all deposits in the Municipal bank, otherwise known as Farnsworth's bank, it having been established when S. A. Farnsworth was commissioner of finance.

The depositors cannot lose a dollar, whether the bank makes any money or not, but the stockholders, who are all the taxpayers of St. Paul, stand all the loss.



## Guaranteed Electric Burglar Alarm Systems

BUILT BY

The American Bank Protection Company, Inc.

CAPITAL \$150,000.00

Minneapolis - - - Minnesota

Are recognized by all Bonding Companies—Write for particulars.

DO IT NOW.

We also build Safety Deposit Boxes, Vault Omnibuses, Steel Filing Devices

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**FIRST NATIONAL BANK  
MINNEAPOLIS, MINN.**



Statement of Condition, Sept. 8, 1920

RESOURCES	
Loans and Discounts.....	\$ 68,213,737.60
Overdrafts.....	220,274.82
United States Bonds.....	2,385,227.00
U. S. Certificates of Indebtedness.....	478,000.00
Other Bonds and Securities.....	2,091,638.74
Bank Building and other Real Estate.....	950,000.00
Customers' Liability Account Letters of Credit and Acceptances.....	6,418,374.04
Bankers Acceptances Purchased.....	1,850,000.00
Cash on hand and due from Banks.....	24,703,166.72
	<b>\$107,310,418.92</b>
LIABILITIES	
Capital Stock.....	\$ 5,000,000.00
Surplus.....	5,000,000.00
Undivided Profits.....	1,313,970.71
Circulation.....	1,739,700.00
Letters of Credit and Acceptances.....	6,418,374.04
Bankers Acceptances Discounted.....	1,850,000.00
Taxes Accrued.....	345,496.02
Notes and Bills Rediscounted.....	19,292,007.00
Bills Payable.....	528,000.00
Deposits.....	65,822,871.15
	<b>\$107,310,418.92</b>

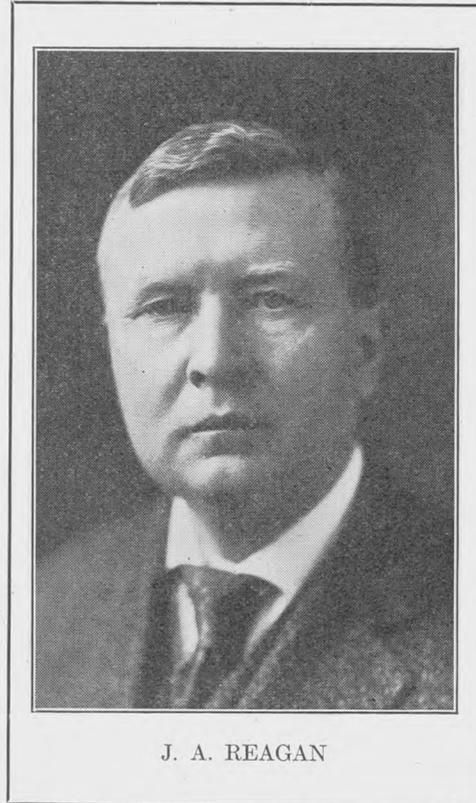
**OFFICERS.**

- |  |   |
|--|---|
| F. M. PRINCE,<br>Chairman Executive Com. | F. A. CHAMBERLAIN,<br>Chairman Board of Directors |
|  | C. T. JAFFRAY,<br>President                       |
| A. A. CRANE,<br>Vice President           | J. G. BYAM,<br>Vice President                     |
| J. S. POMEROY,<br>Vice President         | E. E. BLACKLEY,<br>Vice President                 |
| FRED SPAFFORD,<br>Vice President         | STANLEY H. BEZOIER,<br>Cashier                    |
| H. A. WILLOUGHBY,<br>Vice President      | JOHN G. MACLEAN,<br>Assistant Cashier             |
| P. J. LEEEMAN,<br>Vice President         | WALTER A. MEACHAM,<br>Assistant Cashier           |
| SUMNER T. MCKNIGHT,<br>Vice President    | C. B. BROMBACH,<br>Assistant Cashier              |
| GEO. A. LYON,<br>Vice President          | K. M. MORRISON,<br>Assistant Cashier              |

**St. Paul Banks Merge.**

Announcement that the directors of the Capital National Bank and the National Bank of Commerce have voted to merge the two institutions brings added strength to Northwestern banking circles by the creation of a third bank in St. Paul with capital and surplus exceeding a million dollars.

The consolidated bank which will retain the name of The Capital National Bank and which will occupy



J. A. REAGAN

**NORTHWESTERN STAMP WORKS**

St. Paul, Minnesota

Rubber Stamps of Every Description

Other Specialties--

- Seals, Check Protectors
- Key Checks, Identification Checks
- Desk Plates, Signs, Pads, Inks

AND IN FACT ANYTHING IN THE STAMP LINE

**BANKS BOUGHT AND SOLD**

in Iowa, Illinois, Nebraska, Minnesota, Wisconsin, Montana and the Dakotas. CONFIDENTIAL SERVICE

THE J. W. OVERSTREET CO.

635 First Nat'l-Soo Line

Minneapolis

Established 1916

**JACOB BACKER**

Financial Broker

Exchange Bk. Bldg., St. Paul, Minn.

**AMERICAN  
EXCHANGE  
NATIONAL BANK  
OF DULUTH**

Offers you its complete service in the handling of your business

Capital, Surplus and Profits \$2,900,000

**Officers**

- |                                |                                |
|--------------------------------|--------------------------------|
| Hamilton M. Peyton, Pres.      | William G. Hegardt, Vice Pres. |
| Isaac S. Moore, Cashier        | Colin Thomson, Asst. Cash.     |
| J. Daniel Mahoney, Asst. Cash. | Edward L. Palmer, Asst. Cash.  |

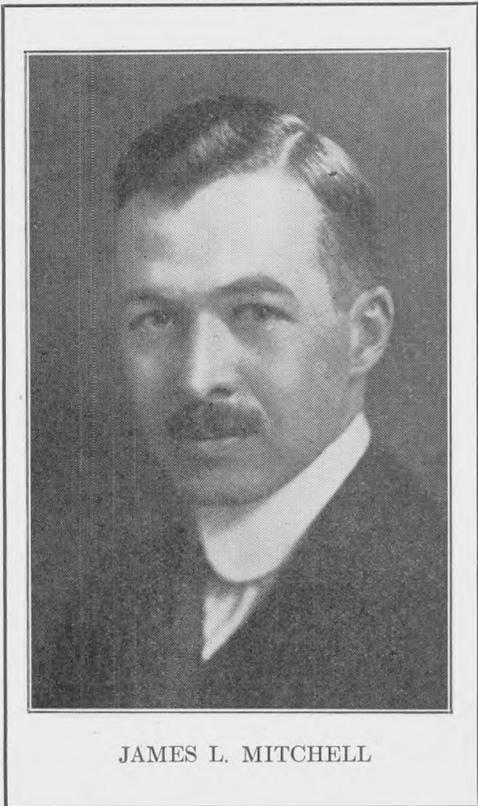
the quarters of that institution will have a capital of \$1,000,000, surplus of \$200,000, deposits of about \$12,000,000 and total resources exceeding \$18,000,000.

John R. Mitchell, Chairman of the Board of the Capital National Bank, will become Chairman of the Executive Committee of the combined banks and J. A. Reagan, President of the National Bank of Commerce, will be Chairman of the Board of Directors. James L. Mitchell, President of the Capital National Bank will retain that position after the consolidation.

Mr. Knauff, vice president of the National Bank of

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Commerce, and C. E. Johnson, Vice-President, and E. J. Gifford, Assistant Cashier of the Capital National Bank will be Vice-Presidents of the new bank. George M. Brack, cashier of the Capital National



JAMES L. MITCHELL

Bank will have that post in the consolidated bank. The board of directors will be the combined boards of both banks.

The Capital National Bank was organized by John R. Mitchell and associates in 1906 and is a consolidation of the old Capital Bank of St. Paul and the St. Paul National Bank. Since its organization the Capital National Bank has made steady progress and to-

You're not known by all who come in your bank



Our name-plate at your desk will introduce you  
Order now for immediate delivery

ST. PAUL STAMP WORKS Bank Dept. ST. PAUL, MINN.



"Let Us Serve You"

**Bank with Us**

You will like our service  
and we'll be mighty  
pleased to serve  
you.

**American National Bank**  
SAINT PAUL, MINN.

**Income Tax Service**

*Auditing*

*Accounting Systems*

**CHAS. H. PRESTON & CO.**

Public Accountants

1040-41 Plymouth Building

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MINNEAPOLIS

**BANKS FOR SALE**

Controlling interest in national bank in northern Wisconsin town of 2,000; Capital \$25,000.00; Deposits \$350,000.00; Earnings 35% per annum; Investment \$40,000.00 cash.

All of stock in \$10,000.00 capital bank in central North Dakota town of 600 population; Deposits \$200,000.00; Earnings 25% to 50% annually; Investment \$25,000.00, one-half cash.

These are both desirable propositions and will stand the strictest investigations. Correspondence solicited.

**ADAM HANNAH & CO.**

52 South 4th Street

Minneapolis, Minn.

BANK BROKERAGE DEPARTMENT.

**Service Above All**

This bank believes in the practical application of the Rotary slogan, "He profits most who serves best." Any one requiring the services of a bank at the Head of the Lakes is invited to give our facilities a test. If you don't, we both lose.

**The First National Bank**

DULUTH, MINNESOTA

Capital, Surplus and Profits over \$3,400,000.00

"The Bank of Complete Personal Service."

**BONDS  
INTERIM CERTIFICATES**

WIRE FOR PRICE on your next issue of bonds AT OUR EXPENSE

WE SPECIALIZE IN

Engraved, Lithographed, Printed or  
Steelograph Bonds and Interim  
Certificates

Checks, Drafts, C. D's., Letter  
Heads of All Kinds

**Poncher Printing & Lithographing Co.**

MINNEAPOLIS

314-324 Fourth Street South

MINNESOTA

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

The Consolidation of  
**The Capital National  
 Bank**

AND THE

**National Bank of  
 Commerce**

WITH

**Capital**           **\$1,000,000.00**  
**Surplus**           **200,000.00**

means increased facilities for service to the banks throughout the Northwest.

We shall welcome the opportunity to acquaint you with the larger service made possible by this merger.

**The Capital National  
 Bank**

St. Paul

Minnesota

gether with the Capital Trust & Savings Bank with which it is closely affiliated has become one of the leading financial institutions of the Northwest.

The National Bank of Commerce was organized by W. A. Miller, F. A. Nienhauser and their associates in 1914. About two years ago Mr. Reagan became president of the bank and a year later Mr. Knauft became associated with the bank as vice-president and cashier. Since its organization the bank has had a remarkable growth.

John R. Mitchell who will be chairman of the executive committee of the consolidated bank is well known in banking circles having formerly been president of the Minnesota Bankers Association. He is a former member of the executive committee of the American Bankers Association and during the war was a member of the Advisory Council of the Federal Reserve Board. Before coming to St. Paul Mr. Mitchell was president of the Deposit Bank of Winona.

Mr. Reagan who came to Minnesota from Iowa was for a long time president of the First National Bank of Winnebago. In 1905 he founded the St. Paul State Bank of which he is still president and two years ago became associated with the National Bank of Commerce as president.

James L. Mitchell, president of the Capital National Bank has risen rapidly in St. Paul banking circles, coming directly to the Capital National Bank after graduation from Yale thirteen years ago and rising from the ranks to the positions of cashier, vice president and then president.

Mr. Knauft who will be vice president had his banking start in the old German American Bank. He later became cashier of the Merchants National Bank after its consolidation with the German American Bank, and resigned a year ago to become vice president of the National Bank of Commerce.

A. J. Newgren, R. F. Sturley, M. J. Warn, E. A. Hinsch, D. K. Patterson and F. A. Leavitt will be assistant cashiers.

**New Banks Chartered.**

Charters have been granted for new state banks at Holloway, St. Stephen and Rabey, Minn.

R. C. Weiss and C. W. Riba were applicants for the charter for the Peoples State Bank of Holloway. Frank J. Knettel and Frank Wouk are organizers of the St. Stephen State Bank, and H. V. Eastman and A. B. Feero were granted the charter for the Farmers State Bank of Rabey.

Three new applications for bank charters have been filed with the State Securities Commission. D. Greeley of Virginia and Theo. Albrecht of Minneapolis plan the organization of the Peoples State Bank of Gilbert; Frank D. Herder of Jordan and G. H. Freytag of Park Rapids are applicants for a charter for the Farmers State Bank of Akeley, while Hans L. Gorder and Martin P. Eidburg would establish the Citizens State Bank of Starbuck.

The First State Bank of Santiago, Minn., was granted a charter by F. E. Pearson, state superintendent of banks. This bank will have a capital of \$15,000.

Ettrick, Minn., is to have another bank. A charter has been granted to an organization of farmers and business men. G. L. Hjerleid will be cashier.

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## To Bankers:

**T**HE Moline Plow Company's Dealers' Contract is an expression of our earnest conviction that our own success depends on our constructive development to the two chief elements of community service—Retailer and Bank.

We seek, therefore, to attract the most progressive merchant and the best bank in each community, by a contract with one, and a policy toward the other, which offer to both an unprecedented opportunity and a mutuality of interest and profit.

We shall be glad to answer the inquiries of any bank or merchant.

**MOLINE PLOW COMPANY**  
Moline, Illinois

**STRAIGHT LINE METHODS**

**WASTE!**

Just prior to the war it was estimated that there were 300,000 manufacturing concerns in the United States; that 100,000 of these did not earn one cent of profit above normal interest on their investment; and that 270,000 did not even know what it actually cost them to produce their product.

What a Waste! How Unnecessary!

Ignorance and guess work in place of Knowledge and System.

**Exact Knowledge**, based on facts and figures, and intelligently applied with System is the **only guarantee of profit.**

**Straight Line Methods**  
OF  
**ERNST & ERNST**

Assure the executive at all times exact knowledge in all branches of his business; suggest improvements based on facts and figures; eliminate waste of material and labor in factory and office, and establish the working essentials of System, Organization and Success.

**ERNST & ERNST**  
AUDITS - SYSTEMS  
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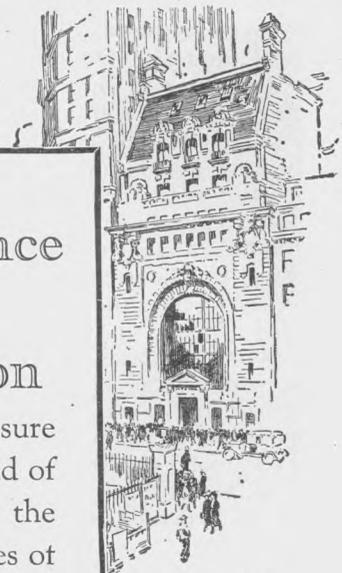
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# MONTANA BANK NEWS

A. T. Hibbard, Associate Editor (Secretary Montana Bankers Association).

## To Aid Farmers.

The First State Bank, Livingston, Mont., has engaged the services of L. H. Peck, of Big Timber to help the farmers in marketing their crops this fall. Mr. Peck will lend his co-operation in arranging for cars and transportation of the bumper crops so that they may be moved with least congestion. He is well known in the locality and thoroughly familiar with the conditions of the grain and stock industries. Mr. Peck was formerly president of the Commercial Bank & Trust Company in Big Timber.

## Bank Holds Annual Picnic.

The annual picnic of the officers and employes of the Bank of Fergus County, Lewiston, Mont., was held at Yogo and Tollgate canyons in the Belt mountains, recently. The party arrived at the Yogo mine about an hour before dinner and were shown through the works by the manager. They then proceeded up to the Tollgate canyon where an excellent spread was enjoyed. The afternoon was spent in games.

## B. A. Russell Resigns.

B. A. Russell, has resigned his position as cashier of the Sheridan State Bank, Sheridan, Mont., to enter the Federal Reserve offices in Minneapolis.

## Laurel State In New Home.

The Laurel State Bank, of Laurel, Mont., moved into its new building recently. A formal opening was held at which time about 400 local people visited the bank. Favors of boxed candy and cigars were given the visitors.

The exterior of the building is of brick and stone and the interior is finished in marble. Off the main lobby in addition to the cashier's private office is a private office for the use of customers, and at the rear of the building is a room for the use and convenience of the ladies. The vaults are of fire and burglar-proof construction, of reinforced concrete and steel.

The institution was organized in 1906 by W. R. Westbrook, who was in control until his death. About a year and a half ago it was purchased by the John F. Sinclair Company, of St. Paul, Minn. The present officers are W. J. Carroll, president; John F. Sinclair, vice president; C. H. Stillwell, cashier, and Norman Lunde, assistant cashier.

## Urge Thrift Among Children.

The education committee of the Montana Bankers' Association held a meeting recently at the Union Bank and Trust Company, Helena, to discuss the promotion of thrift among the children of the state. Members of the committee are W. C. Rae, R. O. Kaufman, chairman; N. A. Telyea, J. L. Steinbarger, F. W. Hall, F. T. Sterling and C. W. Butler.

The committee plans to get in touch with writers of text-books and publishing companies and have the more practical side of financial questions discussed. The books will then be introduced into the public schools and the pupils will learn the principles of saving and investment.

## Banks Discount Canadian Currency.

All the banking institutions in Miles City, Mont., have announced to their patrons that in the future it will be necessary to discount Canadian money. Fluctuation in the Canadian exchange is stated to be the reason for the discount. The rate of discount as determined by the banks, is 20 per cent for silver and 15 per cent for currency. Thus a half dollar Canadian piece is worth forty cents in American money, a quarter, twenty cents, and a ten cent piece, eight cents.

The banks state that the policy of discounting Canadian money is now nation-wide in its application. In many of the large cities on the western coast, Canadian money will not be accepted even at discount. Since the announcement of the discount in Miles City, there has been a noticeable tightening up of the circulation of Canadian money. Many business houses have refused to accept the money in trade.

Naturally the favorable opening for speculation has been accepted by many people near the boundary line it is stated. Canadian money collected in the United States at the discount rate, and exchanged in Canada at par value, as a business proposition has not been overlooked.

## A Millionaire With 8,000 Partners.

O. O. McIntyre, in Leslie's.

Archie M. Andrews used to be a Chicago newsboy. He stands as a living example of the truth that no circumstances, no conditions are so hopeless that one cannot rise above them.

Archie M. Andrews sold newspapers up to the age of sixteen. Then the doctors thought he had consumption and stopped him. So he hiked west and became a banjo teacher.

He lived outdoors. He was fond of nature. He loved the mountains, the woods, the sea. At twenty-one he was pronounced physically fit and returned to Chicago to take an office boy's job at \$5 a week.

He is, now, at forty, a multi-millionaire. But that to him is the least of all his accomplishments. Once Andrew has achieved a thing, he loses all interest in it and is off like a shot for another difficult nut to crack.

Andrews did not go to the top in a sudden flight. Twice he was on the high road to wealth when misfortune intervened. Once it left him with \$1.65 and a smile. Another time he salvaged \$1,000 out of the wreck. With this it might be imagined he went back into business. But he didn't; he took a three months' trip to Europe, landing back in Chicago with a five-dollar bill. There he took off his coat and went to work.

He is head of a banking business that extends to every large city in America. Every man who works for him a year becomes automatically interested as a partner in his business. There are now in various houses more than 8,000 clerk partners. In ten years Andrews will be fifty and he is going to turn the business over to them.

Andrews has no formulas for success. He believes chiefly in work and confidence. Education he believes to be a great asset, if rightly employed.

### Arnold Joins Greene and Co.

John Jacob Arnold who recently resigned as supervisor, International Business Department, Bank of Italy, San Francisco, Cal., to become affiliated with the house of Greene & Company, Inc., Investment Securities, Boston, has been named General Manager of that organization.

Mr. Arnold, who is prominent in banking circles throughout the entire United States, has specialized on foreign finance for more than a quarter of a century. For 28 years he was affiliated with the foreign department of the First National Bank, Chicago, and for eight years was vice president of that institution in charge of its international business. His services will prove most valuable to the H. V. Greene Company in the handling of banking securities, especially those dealing with foreign finance.

In addition to his position with the Greene Company Mr. Arnold was recently elected a director and vice president of the Bankers Union for Foreign Commerce and Finance, Inc., a \$15,000,000 corporation being underwritten by the H. V. Greene Company, that will shortly enter the field of international banking.

The Bankers Union for Foreign Commerce and Finance is a unique organization—as are all that are sponsored by the H. V. Greene Company—inasmuch as the stock is being offered direct to the man and woman of average means throughout the United States and Canada. A double purpose is served through this method of stock disposition. First: the savings of the average man are invested in channels that will produce the highest dividends, consistent with safety; second: an interest that is country-wide, throughout the United States and Canada, will be engendered in world commerce and world prosperity. Other officers and directors of the Bankers Union are:

Henry Brunner, president; George Ed Smith, vice president; Henry V. Greene, vice president; Frank S. Perkins, treasurer; William F. Kenney, secretary; Fairfax S. Landstreet, Dwight E. Austin and William F. O'Connor, K. C. directors.

### New Savings Department.

The Savings Department of the First National Bank in St. Louis has opened its new banking rooms at 511 Olive street.

A new effect in bank decoration has been obtained by the architect. The pure white ceiling with its conventional designs of classical character, shading into the cream white of the upper walls, forms a pleasing contrast to the restful light green marble effect of the side walls lower down.

The building formerly occupied by the Savings Department will be redecorated and remodeled and thrown into one with the present general banking rooms.

The four floors of the building at 309 Broadway and the five floors of the building at 511 Olive street, will both be gone over by the architect with the idea of making all this space available for housing the different activities of the bank.

The total amount of floor space thus made available will place the First National Bank in St. Louis easily in the lead in this particular as the largest bank west of the Mississippi River, a distinction which it already enjoys in the total amount of its resources.

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# NO. DAKOTA BANK NEWS

## Bank Deposits Show Decrease.

Deposits in state banks decreased \$3,988,963.26 from May 4th to June 30th it is shown in the report of O. E. Lofthus, state examiner.

The decrease in deposits during this period is only indicative of the usual decrease in deposits during the time between which crops are planted and the harvest.

## Hold Annual Meeting.

The stockholders of the State Bank of Olga, N. D., recently held their annual meeting. C. B. McMillan was re-elected president and Phil Gendreau was elected vice president to succeed John Reid, who is now making his home in British Columbia. Mr. Reid still retains his interest in the bank.

The new quarters which have recently been occupied are more commodious and will be a great help to the officers of the institution in caring for the growing business.

## Over-Payment On Income Tax.

An over-payment averaging \$50.00 each by forty banks in North Dakota, coming within the scope of the state income tax act, was revealed by examination by income tax experts of the reports.

This was disclosed in a letter recently addressed to the bankers of the state by the income tax committee of the North Dakota Bankers Association, made up of J. J. Farley, H. P. Beckwith and W. C. McFadden.

The committee advises the establishment by the association of an income tax department in charge of federal and state income tax experts, the cost to be apportioned to banks associating in the maintenance of the department.

Over-payments of state income tax of about \$20,000, it is asserted by the committee, have already been revealed. Additional over-payments are expected to be found.

"We know of six or seven banks that have paid fees to federal income tax experts, in an amount in the aggregate sufficient to pay the annual salary of a capable income tax expert," the committee tells the bankers in support of the plan to engage experts for year-around service.

## Deposit Money in North Dakota State Bank.

It was recently voted by the Chicago Federation of Labor to withdraw its funds from local banks and deposit them with the Nonpartisan League bank in Bismarck, N. D.

The resolution calling for removal of the Federation's funds recommended that all locals of the American Federation of Labor take similar action.

It was adopted after Carl Thompson of Bismarck told the meeting that it would cost \$20,000,000 to harvest the wheat crop of the northwest and that labor must co-operate with farmers in financing the harvest or the farmers would have to go to capitalistic Wall Street.

## Reward for Robbers.

The North Dakota Bankers Association has taken steps to end bank robberies in the state.

A reward of \$500 is offered for the capture, dead or alive, of any person caught blowing up a bank safe or otherwise robbing the bank. An additional \$100 is offered for the capture of each additional member of the gang doing the same job.

Experience has shown that bank robberies are done by two or more men, and that in most cases the work is observed by some person. It is felt that the offer of a reward will stimulate action on the part of the townspeople. It also is felt that signs, making known the reward offer, hung in pool halls and other conspicuous places, will have a salutary effect upon those contemplating bank robbery, for they undoubtedly will realize that some one with a sawed-off shotgun may take aim at them.

## \$100,000 Into State Coffers.

The industrial commission has transferred \$100,000 out of the earnings of the Bank of North Dakota to the state treasurer to be used to take care of the interest on the \$2,000,000 of bank bonds that will become due on January 1, 1921, and July 1, 1921. These bonds are drawing interest at the rate of 5 per cent per annum, \$50,000 becoming due on each of the above dates.

The industrial commission has mailed notices of its action to the state board of equalization in order that this body may eliminate this item from the coming tax levy.

This action of the industrial commission shows that the Bank of North Dakota has been self-sustaining from the start. The tax-payers of the state have not had to provide a cent for this institution, either for its organization or the payment of interest on the bonds which provided capital for the bank. The industrial commission used \$35,000 of the money appropriated by the legislature for the organization of the bank, but this was returned to the state treasury several months ago.

## Bank Sold.

The State Bank of Morton county was recently sold to the Farmers Equity State Bank of Mandan, N. D., by W. A. Lanterman, president and owner of ninety per cent of the stock.

The State Bank of Morton county was organized in 1892 and was the third bank established west of the Missouri river. It has deposits of approximately one-half million dollars.

William Maas is president of the Farmers Equity State Bank. A. H. Peterson, cashier of the State Bank of Morton county becomes cashier of the Farmers Equity Bank.

The Farmers Equity Bank recently completed a new building, which is one of the finest bank buildings in the state.

**New Mantador Bank.**

The Guaranty State Bank of Mantador, N. D., with a capital stock of \$15,000, owned largely by farmers in the Mantador vicinity, recently opened for business.

Officers of the new bank are J. F. Hoeck, president; A. C. Kapsner, vice president; E. J. Kapsner, cashier; M. A. Weber, assistant cashier.

E. J. Kapsner comes to Mantador from Hankinson, where he has served as cashier of the Farmers and Merchants Bank of that city.

**Banks Gain In Resources.**

In the annual report of State Examiner O. E. Lofthus the resources of the state banks and trust companies of North Dakota are said to have increased 27 per cent, or \$31,311,976.38 in two years.

The gain in resources, while resulting partly from the natural growth of the banking business in the state, is also due to the addition of 11 state banks, as against consolidations, liquidations and nationalizations.

The report shows that the 573 state banks have capital of less than \$25,000. There are 91 with a capital of \$25,000; 69 with a capital of \$20,000; 148 with a capital of \$15,000; 334 with a capital of \$10,000 and one with a capital of \$5,000. Others of this number are capitalized at odd amounts.

Above the \$25,000 mark 10 have a capital of \$30,000; five a capital of \$40,000; 24 a capital of \$50,000; one of \$75,000; eight of \$100,000 and one of \$200,000. The total paid in capitalization is \$12,413,000.

**North Dakota News and Notes.**

The First National Bank, Buffalo, N. D., now has deposits of \$371,982.48. The officers of this growing institution are E. E. More, president; W. H. O'Neil, vice president and S. G. More, cashier.

Articles of incorporation have been filed for the Cathay State Bank, Cathay, N. D., capital stock of \$15,000. The officers are Chris Bahr, Cathay; John Held, Cathay; R. M. Stangler, Jamestown, N. D.

The Farmers and Merchants Bank, Leeds, N. D., has just completed the installment of an electric burglar alarm system.

B. F. Crabtree has received an appointment as revenue tax collector at Valley City, N. D., and will leave Ellendale, N. D., soon to enter upon his duties. His place in the First National Bank is being taken by Allan Crabtree.

After a month's vacation at the old home in Iowa, John Campbell is back at his position in the First International Bank, Sherwood, N. D.

L. I. Nicholson has resigned his position as assist-

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A record of thirty-nine years of "always prompt and efficient," entitles us to lay claim to "GOOD SERVICE," even if those are often vainly used words nowadays. It shows you that your Memphis B/L drafts can be routed to us with the assurance of best and quickest results for you.

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ant cashier of of the Farmers Bank, Crary, N. D., and has assumed his work as cashier in the Doyon Bank. F. T. Luros has taken Mr. Nicholson's place in the Farmers Bank.

About \$1,000 in money and stamps was secured by robbers who raided the Farmers and Merchants State Bank, Calio N. D., recently.

The Tower City State Bank, Tower City, N. D., has just moved into its new home. The building cost \$20,000.

Ole Gremsgard has accepted a position with the Citizens State Bank, Rugsby, N. D.

James R. Young of Powers Lake, N. D., will take a position with the Bank of Park River, Grafton, N. D. Mr. Young has been in the western part of the state for several years and has held positions with the First State Banks of Grenora and Powers Lake.

The First National Bank building, Drayton, N. D., is nearing completion. This will be one of the finest bank buildings in the state when completed.

M. A. Borchert, until recently assistant cashier of the State Bank at Regent, N. D., has purchased the interests of A. W. Swengel in the Esmond State Bank, Minnewaukan, N. D. Mr. Swengel, it is reported, will go to California.

Currency and bonds amounting to between \$3,000 and \$4,000 were secured by robbers who broke open the safe of the First State Bank at Brantford, N. D., recently.

The total deposits of the First National Bank, Grand Forks, N. D., now aggregate \$2,377,075.33, according to the latest statement made.

#### Bankers Placed by Walters.

The following bankers have been placed in their respective positions by The Charles E. Walters Company, of Omaha: Opal Kennedy, bookkeeper, Seven Valleys State Bank, Calloway, Nebraska; R. A. Woslager, bookkeeper, Persia Savings Bank, Persia, Iowa; V. D. Parsons, assistant cashier, Mankato National Bank, Mankato, Kansas; S. B. Nelson, cashier, Walnut State Bank, Walnut, Illinois; A. E. Graves, assistant cashier, Farmers State Bank, Ft. Morgan, Colorado; Vera Baldwin, bookkeeper, Farmers and Merchants National Bank, Oakland, Nebraska; Edith Phillips, bookkeeper, Anamoose National Bank, Anamoose, North Dakota; Edw. Kehmeier, bookkeeper, First National Bank, Winner, South Dakota; Ina Belle Wheaton, stenographer, Valley State Bank, Lake Andes, South Dakota; F. L. Gallagher, Surety State Bank, Osceola, Nebraska.

#### New Bank at Scotland.

The state banking department has authorized the Farmers and Merchants State Bank, of Scotland, S. D., to begin business. It is to fill the vacancy made by the recent failure of the Bon Homme County State Bank of that place.

Christian Hirning, who has been one of the examiners of the state banking department, will become cashier of the new Scotland institution.

#### Director of Clarence Bank Dies.

George Edwin Smith, a director of the First National Bank, Clarence, Iowa, died at his home recently.

**Brennen Wins Trophy.**

John H. Brennen, assistant cashier of the Atlantic National Bank, New York, won the trophy offered by the National Association of Credit Men in their recent nation wide drive for new members. The trophy was



offered for the man obtaining the greatest number of new members in the United States. Members acceptable must be well rated firms, and Mr. Brennen obtained 103, an exceptional achievement. Mr. Brennen also won the New York drive coincident with the national effort. The National Association now has over 40,000 members.

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Resources more than \$800,000,000

## BANK EQUIPMENT SECTION

### Mason City Concern Takes On Big Contract.

A banker at Harris, Iowa has designed and patented a new system of making and keeping records of auction sales. The system is so good that the LeMars Printing Company of Mason City, has taken on the manufacture and sale of it.

The device combines the good features of auction sales books and records and has several other features not contained in any other system.

The outfit consists of a set of waterproof envelopes ruled and printed to form. Inside this envelope is placed a carbon, a second sheet and a press board. When the sale is being clerked the items and amounts are listed on the envelope which makes the record inside. One or more copies may be made if desired. In the case where the sale is a combination sale two or three records may be made at one writing.

The envelope is water, wind and snow proof, and as they are "loaded" before they are taken out to the sale, it is not necessary for any changes to be made out in the wind and rain. If two clerks are on the job when one envelope or sheet is filled it is easily removed for settlement. Reference may be made to any sheet without disturbing any of the others. Indexes and settlement sheets are provided where desired.

The system is known as the Flex-Tic and is being widely sold and inquiries have been received from all over the country.

### Hanover National Statement.

The statement of condition of the Hanover National Bank, of New York, at the last call shows the institution to be in excellent condition. Resources total \$187,674,761.96 while combined deposits amount to \$161,962,905.59.

### Union Trust Company, Chicago.

An interesting statement of the condition of the Union Trust Company, Chicago, was issued at the last call, showing a comparison of the deposits for the past fifteen years, which in 1906 amounted to \$11,337,955.23, while today they total \$44,607,884.66. Total resources are \$56,074,958.67.

### DISTRIBUTION OF SHORT HAUL PRODUCTS.

(Continued from page 18.)

this: Newark is only about 10 miles from New York City yet the gross charge of shipping one hundred pounds of freight from New York City, including teaming charges from both ends, is 91 cents by railroad, and may take about three days. The same load can be handled by truck for 15 cents and only takes a few hours in which to do it. Such an example is typical of all our large cities.

The question of terminals is of domestic and municipal importance. The New York "World" published an article recently in which it stated that terminals or markets in New York City alone would save the consuming public, \$150,000,000 per year in truckage and wastage of food stuffs, and that the city would be able to net 12 per cent per year from rental on its investments. Such figures are astounding; yet they are unquestionably true.

Agriculture is the barometer of America; then, produce! But, if that which is produced is allowed to rot—to waste, why produce! Delays of about three days from a country station to a city market, a distance of about ten miles, would certainly answer the oft repeated question: "Why good eggs go wrong?"

It was only the other day that I was told that the shipping merchants of one of our largest cities had relief of terminal congestion. At many railroad freight terminals trucks stand in line as long as 42 hours awaiting "cargo." Is that efficiency? And we wonder why we have to pay, pay more!

Motor trucks are not "knocking" the railroads, neither do the railroads reject motor trucks, on the contrary, they welcome them. But, let us not forget that when we talk "Ship by Truck," "Motor Trucks for Short Hauls," and "Good Roads for Motor Trucks," that we must have depots, terminals and "highway freight yards" in our cities for the distribution of food at a living price, and through which "short haul traffic" can make connections for other points.

Mass production, with quantity transportation and efficient distribution of short haul products through "highway freight terminals" will solve our national economic ills.

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The operation is simply one light pressure of the keys, and the correct change is instantly ready to fall into the teller's cupped hand at a mere touch of the finger tips.

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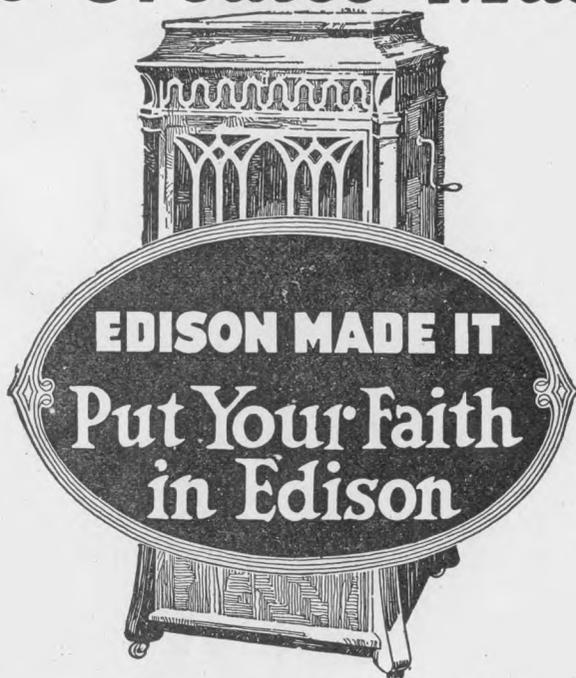
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The only phonograph which recreates music. The only phonograph which can undergo the pitiless comparison with the human voice. Buy an Edison and be proud of your music.

Come in and let us show you how easy it is to get an Edison on very moderate terms. We advise placing an early order.



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**BANKER-FARMER CO-OPERATION IS BIG SUBJECT AT A. B. A. CONVENTION.**

(Continued from page 65.)

**Section Headquarters.**

Headquarters hotels for the convention will be as follows: New Willard, ex-presidents, officials, members of the executive council of the American Bankers' Association and the State Secretaries Section.

Hotel Washington: National Bank Section; Trust Company Section; Clearing House Section.

Hotel Raleigh: State Bank Section; Savings Bank Section.

The Secretaries' Section will be in the Fairfax Room of the New Willard Hotel, which is located immediately opposite the general registration headquarters.

**State Secretaries' Section.**

The program for this section has been announced by Sec. M. A. Graettinger, of Chicago, as follows: Monday, October 18th, 11:30 a. m. Call to order by the president; annual address by the president, Robert E. Wait, secretary Arkansas Bankers' Association; appointment of committees; report of the secretary-treasurer, M. A. Graettinger, secretary Illinois Bankers' Association. 1:30 p. m. Report of the committee on forms, Chairman W. C. McFadden, secretary North Dakota Bankers' Association; report of committee on simplified income tax forms for banks, Chairman W. F. Keyser, secretary Missouri Bankers' Association. "Sightseeing in Europe," George D. Bartlett, secretary Wisconsin Bankers' Association.

**Foreign Trade Plans.**

On the third day of the convention, Chairman John McHugh, of the committee on commerce and marine, will report on the activities of that committee, especially as to the general reception given by those most interested to the idea of a foreign financing corporation, which was passed upon favorably by the American Bankers' Association last April. At that time a special committee of three to interest those most interested, especially other organizations, was appointed, and progress in that direction will no doubt be reported.

**Registration Detail.**

Registration can be made at the Hotel Willard, Red Room; Hotel Washington, Lounge, and Hotel Raleigh, Lounge.

Delegates should register immediately upon their arrival—upon doing this, they will be given credentials, including official badge and invitation to social functions.

The Washington convention committee will issue a daily bulletin to facilitate attendance at the various functions, and starting Wednesday the association will issue a list of the registrations daily.

The office of the general secretary will be located in the Cabaret room, mezzanine floor of the New Willard.

The executive council will have its first meeting on Sunday, and most of the committees are scheduled for meetings Monday.

**Interesting Places.**

The national capitol naturally holds unending interest for Americans. There is especially a fascination for the banker delegate in taking a glimpse at the wheels of the government. Its many civic advantages also charms, lure the clubman, automobilist, pleasure seeker, student, homemaker and investor.

As a residential city, Washington stands paramount in all America. Its broad paved streets, overhung with the foliage of numerous and rare trees forming complete

**Legal Blanks**

Our stock is full and complete—every form right up to the minute, complying with the latest enactment of the General Assembly. There is no possible requirement in the way of a standard Legal Blank for use in this state that we cannot supply you with.

We call your attention to our facilities for handling bank work as we have a most complete printing and binding department.

**Agents for Byron-Westons  
Typo-Count Ledger**

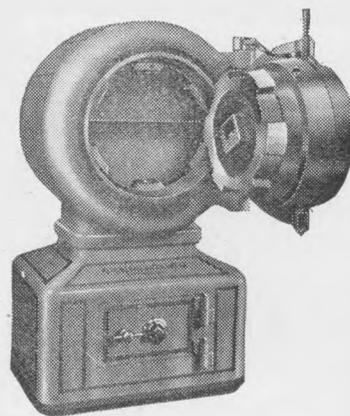
which is made exclusively for

**Machine Bookkeeping Sheets**

Give us a trial order or send for sample of Demonstration Sheet on this paper to prove that it will give excellent results.

**J. H. Welch Printing  
Company**

1313 West Locust Street, Des Moines, Iowa



**BANK SAFES**

**SAFE - DEPOSIT - BOXES  
VAULT - EQUIPMENT**

**Morris Sanford Company**

Successor to George A. Mullin Co.  
**CEDAR RAPIDS - IOWA**

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## Individualize Your Stationery

OUR WORK SATISFIES TO AN UNUSUAL DEGREE the demand for individuality in letter-heads, drafts and checks.

Let us supply you with samples.—Write today.

ESTABLISHED 1856

IOWA LITHOGRAPHING COMPANY  
DES MOINES

G. H. Ragsdale, President  
E. G. Ragsdale, Secretary  
H. B. Ragsdale, Treasurer

archways, are unquestionably the most beautiful in America. Hundreds of miles of the most modern highway stretch out in all directions, leading to many points of historic interest, seashore resorts with excellent fishing and bathing, and to charming mountain spots.

The main attractions of Washington, however, are always its governmental buildings. As the visitor emerges from the beautiful Union Station his attention is first directed to the United States Capitol, but a few blocks to the south. This massive range of buildings on Capitol Hill, including the senate chamber, house of representatives, supreme court, statuary hall and the dome, covers nearly four acres. Its cost, including the land, was about \$16,000,000, and was seventy-four years in process of construction. To the north nearest Union Station is the senate wing of the capitol. The senate chamber is located in the center of this building. The cast iron ceiling paneled with stained glass bears the coat of arms of each state.

Mt. Vernon, the home of George Washington, is easily reached by boat or trolley, the visitor using the latter route may stop over in Alexandria long enough to visit historic Christ Church, and there step from the cool shade of this old building to the modern war creation of a great ship-building plant which has made of the former quiet town of Alexandria a thriving industrial city. An excellent combination is to go by boat to Mt. Vernon and return by trolley.

### A Wonderful Growth.

From the chaotic condition into which it had drifted in 1915, a condition that had run the deposits down to approximately \$8,000, in the checking and savings accounts, the Terril Savings Bank, Terril,

MASSEY'S

THE PIANO AND EDISON CENTER OF IOWA

"The Sign of Real Quality"



STEINWAY  
ANGELUS PLAYERS

ANNOUNCING  
TO THE  
BANKERS

The Completion of Our Beautiful

## "NEW TEMPLE OF MUSIC"

We are now showing in our "New Home," the largest, finest and most complete display of high grade, world renowned instruments ever assembled in Iowa.

It is necessary to visit eight of the leading piano houses in New York and Chicago to see the "Foremost Makes of the Industry" shown here for your benefit. Every one a leader.

The Largest **NEW EDISON** Diamond Disc Dept. in Iowa

Call or Write for Catalogue

## The MASSEY PIANO

811 WALNUT STREET      DES MOINES

Wholesale and Retail—Iowa's Distributors for the  
World's Greatest Makers

"IOWA'S LARGEST PIANO HOUSE"



Farmers Savings Bank, Terril, Iowa

Iowa, was carried through this most trying ordeal and out on the roadway to a splendid success by the efforts of Louis Koon, the present cashier.

The most remarkable part of Mr. Koon's achievement was that he had never before had any banking experience. He came direct from the farm and began the task of untangling the affairs of the institution. With personal attention given to every detail, injecting personality into his every move and effort and in the end establishing a confidence in the integrity of the bank's management, he gained the present results.

Today, after five years of most trying experiences, this institution is on a solid financial basis, has the re-

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## Does Your Bank Building Fill the Bill as a Community Building?



TERRIL SAVINGS BANK, TERRIL IOWA.

It is essential that every bank building should be a community building whether in a small town or large city.

The small town bank should appeal to customers interested in agricultural matters and everything connected with the bank should be arranged for their convenience. The large city bank should be arranged for the convenience of an entirely different class of business.

A visit to the above bank would convince you that not a dollar has been spent unwisely in the construction of the building. Every dollar spent was for the betterment of the institution itself and at the same time, to the best interests of the customers.

We have proven to the bankers throughout the country that we save them money and further, we have proven that we have the ability to design and plan the right building for the continual growth of their business.

Let us talk to you about bank buildings before you select your architect.

## THE LYTTLE COMPANY

J. A. RAVEN, President.

SIOUX CITY, IOWA

Architects and Engineers of Complete Bank and Office Buildings.

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*

# **WANTED**

## **Bankers to Finance Prosperity**

**T**HERE is a prospective borrower in your territory, a man who has given ample proof of thrift, integrity and ability. He has played an important part in putting over one of the biggest deals ever consummated in the United States. The enterprise he now proposes is backed not only by excellent security, but is one which promises exceptional returns to some discerning banker.

This borrower's name is A. Farmer. You know him well. He has been your customer and your client. At present he is the possessor of considerable wealth in the shape of the biggest crops ever taken from his farm. But what he needs is a new barn—or perhaps it is a granary—or a new home which will raise his efficiency, an emergency grain bin, or an adequate tool shed wherein to keep valuable machinery.

Now when he comes to you for a loan, and before telling him that money is tight, consider the situation in a long-headed way from *your own viewpoint*. For your prosperity, as a banker, is indissolubly involved.

If barns, granaries, corn cribs, implement sheds, and other farm buildings on the farms in your territory are inadequate, there will result an absolute and heavy *monetary loss*. If the farmer cannot store, he will lose part of his crops and be compelled to accept less than potential value for another part. The loss is a definite sum subtracted from community wealth, which is the gauge of bank prosperity. When you help the farmer conserve his resources you also conserve your *own*.

Or take it another way. When the farmer adds a new barn or new home to his land, that land forthwith increases in value *out of all proportion* to the cost of the *improvement*. Its market value, the price for which it can be sold, takes a big jump. That is a peculiarity of improving the farm which need not be argued. The important fact is that it makes your loan to the farmer about the most secure investment possible. Then

there is the valuable human equation, the improved morale of the farmer himself.

There is another phase of the matter to consider, too. Building at this time, contrary to what may be your impression, *need not be* on the basis of fictitious or doubtful values. Your clients can build at an absolutely safe cost—by buying from the Gordon Van Tine Company. So doing, they deal directly with the *manufacturer*, with an organization doing a *big volume business*, and with a source of supply which insures immediate delivery.

This matter of adequate buildings on the farm is so vitally important, and the advantages we can offer the builder so outstanding and manifest, that we have a most earnest desire to place full information in the hands of every bank in the country. Our free books on building will accomplish this result and it will be a pleasure to send copies if you will but write us that they would be acceptable.

## **Gordon-Van Tine Co.**

ESTABLISHED 1865

**Satisfaction Guaranteed or Money Back**

Resources over \$1,000,000.00

REFERENCES: Any Bank in Davenport; Continental and Commercial National Bank, Chicago, Ill.; National City Bank, New York City

7235 Case Street

Davenport, Iowa

spect and confidence of the public and has made a gain in business that is little short of phenomenal. From the eight thousand dollars in deposits in the year 1915, the totals have steadily increased each year and today the totals show \$300,000 with every indication of the same progress.

An additional feature of the bank's progress under Mr. Koon's guiding hand is the splendid new building now occupied by this institution. Decision to erect this building was arrived at in April, 1919, and the actual work was commenced in August, 1919, and the premises were ready for occupancy in February this year.

The cut shown in this article is that of the old quarters which have been replaced by the new building.

In the full page advertisement of "The Lytle Company" is shown a cut of the new building. The building is a model, down-to-the-minute banking institution. Every facility and convenience was thought of and incorporated into its construction. The design was originated and laid out by "The Lytle Company of Sioux City, Iowa," and no detail has been overlooked. The building is faced with terra cotta and blue-black rug face brick. The interior is finished in Madra Cream marble and quartered white oak, finished in silver gray.

The lobby is spacious, giving ample room for all demands. A ladies' rest room is one of the features, equipped with a writing desk and other appropriate furniture and with every comfort possible, telephone, toilet, etc. A room for men is also furnished in like manner. Private coupon booths have been installed just off the safety deposit vault. A large front room just as you enter has been furnished with table and chairs and is used by the town council, Commercial Club and other public meetings. A consulting room is located just back of the cashier's desk space, with private telephone booth opening both from this room and from the banking department.

The building is well lighted and ventilated and was built with a view to the future, amply caring for all banking needs for years to come. In fact, the "Ter-til Savings Bank's new home" is about the "last word" in modern banking institutions.

Officers of the institution are: J. H. McCord, president; Eugene Dodge, vice president; and Louis Koon, cashier. Associated with Mr. Koon in the activity of the bank are Ralph J. Kurtz and B. Barthol, assistant cashiers. Associated with the officers on the board of directors are Roy Lewis and Francis Johnson.

• PEARSE; ROBINSON; AND SPRAGUE •  
 • LANDSCAPE ARCHITECTS AND ARCHITECTS •  
 703 Youngerman Building, Des Moines, Iowa  
 • DESIGN: PRIVATE ESTATES, RESIDENCES, FARMSTEADS, • •  
 • FARM BUILDINGS, FAIRS, INSTITUTIONS, CEMETERIES, • •  
 • SCHOOLS LAND SUBDIVISIONS, ATHLETIC GROUNDS, • •  
 • GOLF LINKS, BUILDINGS, AND ALL THE DETAILS OF • •  
 • TOWN AND CITY PLANNING. • • • • •



## Three Thousand Banks!

More than three thousand banks have placed the modernizing of their interiors in our hands during the past half century. That is far more than any other company has modernized. This experience is the greatest available.

The Fisher Company plant at Charles City is the largest bank fixture plant in the West. It offers you every modern equipment and facility and insures the utmost in service.

The experience accumulated in modernizing three thousand banks, and our great factory facilities, are at your service.

Several of the thousands of banks we have modernized are near you. We will gladly send you a list of them if you care to inspect them and investigate our work and service.

Our staff of experts is at your service. A consultation will not place you under the slightest obligation.

Write us with today's mail.

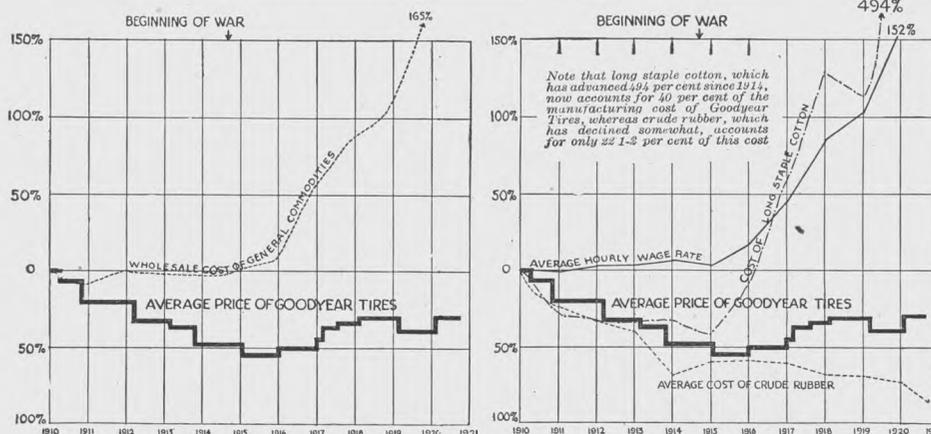
*The Fisher Co.*  
 Bank Fixture Headquarters  
 Charles City, Iowa

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# Goodyear Mileage Costs Less Today Than Even Before the War

## TIRE PRICES AND TIRE COSTS—BEFORE THE WAR AND NOW



Condensed into the above chart is the record of a contest waged by the Goodyear factories since 1914, to hold down tire prices in the face of steadily rising manufacturing costs.

So persistent and extensive have been some of these advances in manufacturing costs that only a real test of every sinew of factory ability has sufficed to offset them materially.

How effectively and consistently Goodyear has counteracted the situation is shown in the present prices of Goodyear Tires, now only moderately higher than in 1914 and actually one-third lower than in 1910.

Perhaps the most significant work done by Goodyear during this period, however, is seen today in the markedly increased ability of Goodyear Tires to deliver exceptional mileage.

The challenge of opposing conditions has been answered with definite improvements in the making of these tires, so that users report that their cost averages less per mile in 1920 than even in 1914.

Because it is well and widely known that Goodyear mileage is maximum mileage obtained at minimum cost, more people ride on Goodyear Tires than on any other kind.

THE GOODYEAR TIRE & RUBBER COMPANY  
Offices Throughout the World



# Uncle Sam Guards Pest Remedies First Introduction

By J. K. Haywood

Chairman Federal Insecticide and Fungicide Board

**A**T FIRST blush the connection between the banker and manufacturer and the enforcement of the federal insecticide act appears to be rather remote, but a more careful consideration shows that these classes of men, along with other citizens of the country, must certainly be affected by an increased production of food, clothing, tobacco, etc. They must, along with all other citizens, be interested in any regulatory law, some of the provisions of which are in essence public health measures, and they must necessarily be interested in any law which tends to increase the agricultural wealth of the country by increasing crops and live stock production. They, along with the agricultural community, are reaping the benefits secured by the proper enforcement of this federal law.

Briefly, this act aims to prevent the sale of insecticide and fungicide preparations not properly branded as to strength and purity, or incapable of accomplishing the results claimed for them.

It has been estimated that the annual losses of plant products from insect pests alone in the United States is at least \$1,104,869,300. It has been further estimated that the shrinkage in stock values due to insect pests is more than \$175,000,000. If losses due to fungous diseases are included, the total annual loss is in excess of \$1,500,000,000. Since a considerable part of this loss can be avoided by the use of insecticides and fungicides which will do what is claimed for them, it is at once evident that the enforcement of the insecticide act is a prime factor in increasing food products and in increasing our supply of grains, cotton, wool and tobacco.

Through their investments and loans for agricultural purposes and through their financing of manufacturing operations, the bankers of the country come into direct contact with the people primarily affected by the enforcement of the insecticide act.

Any law which will reduce the enormous losses of agricultural products mentioned, directly benefits the bankers of the country by increasing the security for their loans. If the agricultural borrowers are able to save their crops and live stock through the application of safe and effective remedies, they will be better able to meet their obligations at the banks and will be encouraged by their success to increase their acreage, resulting in an increased demand for the preparations they have found so valuable, with a consequent advantage to the manufacturers. The increased sale of their products by manufacturers will likewise encourage and necessitate increased equipment, calling for more capital and increased business for the bankers. The increased prosperity of the farmer is thus shared by the banker and the manufacturer and finally by the consumer, who will have more and better food and clothing.

Each bale of cotton saved from destruction by the cotton boll weevil, each pound of tobacco saved from the tobacco worm, each bushel of wheat or potatoes and each barrel of apples saved from the insects and diseases which attack them, every head of cattle, hogs and sheep saved from the ticks and diseases which waste their energy, is an addition to the wealth and commerce of the country, affecting the prosperity of each individual in the nation.

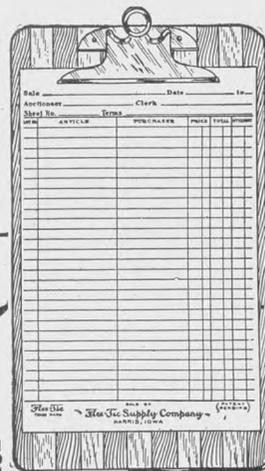
While it is primarily an agricultural law, the insecticide act reaches into the field of commerce, and beyond that, even, into the homes of the people.

Features of this law have a salutary affect on the every-

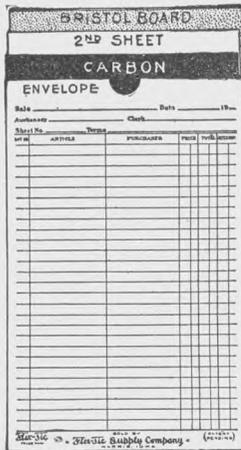
Best "Repeat" seller on the market. Only practical device for clerking farm sales regardless of weather conditions. Single, duplicate or triplicate copies. Here it is.

**Flex-Sic**  
TRADE MARK  
Auction Sale Outfit

100 printed Kraft sale envelopes; 100 second sheets; 20 high grade pencil carbon; 10 Bristol Boards; 1 SPECIAL Striped Wood Clip Board Cap Size, will not warp or crack



Patented Sept. 7, 1920



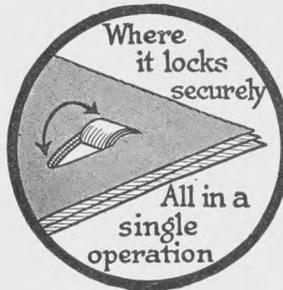
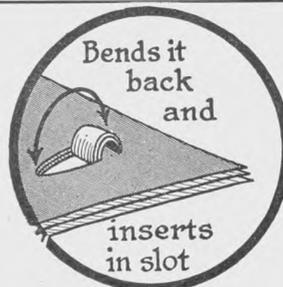
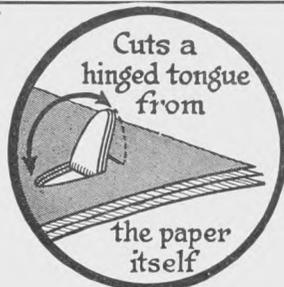
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**LeMars Printing Co.**

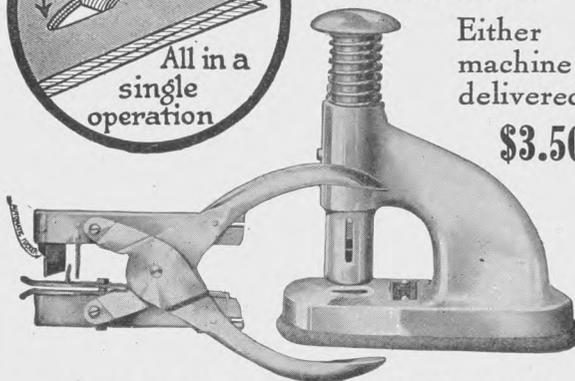
Mason City, Iowa

You will use no other after you have seen this.



Notice your correspondence. All your business friends use the CLIPLESS.

Either machine delivered \$3.50



**CLIPLESS PAPER FASTENER CO.**  
NEWTON, IOWA

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

Due Diligence means using "the best means known for the purpose"—which is the **effective cancellation** of every Check, Draft and Certificate of Deposit.



The name "Cummins" means the right machine at the right price. Every machine backed by our 33 years experience.

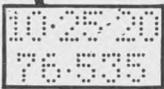
### 4 MACHINES IN 1



Our Cummins System Special answers the demand of banks for a machine to do all the canceling and dating work **effectively** by perforations. Changes are instantly made—nothing to break or get out of order.



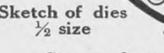
**1** Full canceling die to be used on all checks, drafts, certificates of deposit, etc., containing the bank's A. B. A. number.



**2** For use to advantage on customers' papers. Shows complete cancellation but not actual payment to the bank itself.



**3** A thorough cancellation for notes that have been **renewed**, not "paid."



**4** Perforates the date alone—on deposit slips, letters, receipts—everything.

Sketch of dies 1/2 size

**Cummins Perforator Co.**  
Formerly  
The B. F. Cummins Co.  
4742 Ravenswood Ave.  
Chicago, Ill.

### FREE TRIAL

Our Cummins System Special sent on 30 days' free trial; 3% discount for full payment at time of acceptance, or quarterly installments.  
Price \$82.50, f. o. b. Chicago. No obligation on your part if machine is not satisfactory.

day life of every citizen. The inspection of disinfectants and remedies for various household pests touches the daily life of every man, woman and child. Is there an epidemic of disease in the community? Is a contagious disease prevalent in the schools? A good disinfectant is required. Have mosquitoes, flies, roaches, ants, fleas or other noxious insects found their way into the home? They can be overcome by the application of proper remedies. How does the dairy which furnishes the milk for your table prevent flies, and how do the dairymen clean their utensils? By the use of proper insecticides and disinfectants. The officials charged with the enforcement of the insecticide act have been inspecting and testing these preparations so that, when you go to the store and buy them, you will not be wasting your money, and, still more important, so that you will not lose valuable time attempting to control them by the use of low-grade and worthless preparations.

Not the least important of the good results obtained through the proper enforcement of this act is the effect it has in protecting the honest manufacturers of insecticides and fungicides, including disinfectants, against the illegitimate practices of dishonest manufacturers. As an example of how manufacturers themselves view this, some extracts are quoted from the speech, recently made at a meeting of the Insecticide and Disinfectant Manufacturers' Association, by the representative of a large disinfectant concern:

"During the year which has recently come to a close, manufacturers of disinfectants in this country have been faced with perhaps more vexatious problems than have ever before confronted them, certainly since this association has been in existence. Notwithstanding the many obstacles encountered, the industry as a whole has forged ahead, and along some lines has made marked progress. Much deception has been eliminated and in this connection due recognition must be accorded the federal insecticide and fungicide board of the department of agriculture and their corps of inspectors in the field who have been most vigilant. Generally speaking, the public is more enlightened today than for years past on the true meaning of disinfectants, antiseptics and deodorants and the results to be expected from their use. It is becoming more difficult as time goes on for the unscrupulous to practice deceit. This new order of things is working out to the advantage and profit of those whose methods are honorable and straightforward, and the earnest, whole-hearted support of the members of this association is solicited to the end that our industry may be put upon the high plane where it rightfully belongs. When we look back twenty years and call to mind the wording of the average label attached to disinfectant containers, we can appreciate how necessary was some form of government regulation, such as the insecticide act of 1910, to have us realize how we were transgressing the bounds of propriety and using the major part of the dictionary to describe the goodness of our products and denouncing those of competitive makes. Happily a new era has dawned, and nowadays we strive to say as little as possible on our labels and issue printed matter descriptive of our goods which is symbolic of modesty itself."

It will thus be seen that the enforcement of the insecticide act of 1910, which appears at first glance to afford protection only to the farmer, orchardist and stock raiser, in fact affords protection to every citizen of the country.

## Ultimately There Will Be a Service Station in Every Progressive Town

Any City in Iowa that does not have a first class drive-in Filling Station, please correspond with this office, advising us of local conditions and consumption.

This company is made up of Iowans; men who have been successful in other business enterprises.

### THE COMMUNITY SERVICE STATION CO., Inc.

301 Putnam Building, Davenport, Iowa

# BANK BURGLARS Working Overtime

Your vault door opened, deposit box locks destroyed, property of your customers in the boxes gone—the result of a visit to your bank by burglars. And it may happen in YOUR bank—any night!

Daylight stickup men enter your bank to get your money and to get YOU if you resist them.

The W. C. Dillon patents cover electrical and mechanical equipments which prevent this. They protect you against daylight holdups, also protect you against night burglars, protecting the property in your vault, and save you the labor, time, annoyance and arguments with your customers in checking up and straightening out the affairs of your bank after a robbery. Eleven hundred banks now have our equipment. Our protection saved The Peoples Bank Co., Kalida, Ohio, September 13, and the First National Bank, Moulton, Iowa, September 14, 1920. Write us for particulars.

## Dillon Lock Works

FORT DODGE, IOWA



*"Built for Service"*

More than 90,000  
Now in Use

## That New Bank—

Send us the plans of your new bank and let us advise with you about the heating plant. Our advice and plans are free.

The TORRID ZONE Furnace is simple in construction, easy to operate, durable, economical in fuel consumption and is riveted gas and smoke tight.

---

*We Can Heat Your Home Too*

---

Write Us About It

## The Lennox Furnace Co.

200 Lincoln Highway

Marshalltown, Iowa

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*

## High Grade Bank Fixtures

J. L. Carlson offers to bankers his many years of experience in the designing and planning of many bank buildings in this territory.

With us quality and service have been made the considerations of prime importance.

**JOHN L. CARLSON**

Manufacturer of High Grade Bank, Store and Office Fixtures.

15 WEST 3D ST.

SIJOUX CITY, IOWA

UNITED STATES  
(APPROVED)



AUTOMATIC SPRINKLER  
(TOWN'S MODEL)

Contractors for  
**AUTOMATIC  
SPRINKLER EQUIPMENTS**

and Approved  
**FIRE EXTINGUISHER  
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Town Water Main Extensions a  
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**Lindsly  
Fire Extinguisher Co.**  
DES MOINES - - IOWA

## JEWELRY

of the very finest—

**QUALITY**

—is always to be found here

Our Banker Customers are many because they get *Service* plus *Quality* with every article.

**FRANK SCHLAMPP CO.**  
JEWELERS DES MOINES, IA.

## REMEDY OF HIGH INTEREST RATES IN JUST PLAIN THRIFT.

(Continued from page 26.)

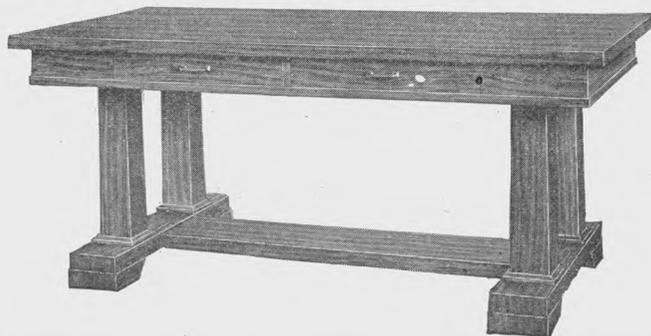
sistance to price advances, and the majority of our people took advantage of the opportunity to indulge in profiteering to some degree.

We are not worse than our fathers, or less moral than we were in 1914; but the war destruction of capital has subjected us to greater temptation. Such destruction cannot be measured in money loss. What has boosted prices to the point of almost paralyzing the world's money markets is the destruction of mines and manufacturing plants, of railways, and of stocks of goods and materials. Then, too, the loss of four years' time by the 15,000,000 men under arms was in itself equivalent to the non-production or the destruction of, say about \$60,000,000,000 of goods and products. It was this destruction, positive and negative, of products and producing capacity that took the balance wheel off from prices, and made profiteering possible.

You may fairly tell your borrowers and depositors, then, that the remedy for the tightness of money lies in their own hands. If the American people were to mark down prices until the latter bore the same relation to costs of production as in 1914, this strangling money market could not possibly last six months. Think for a moment what even a 10 per cent decline in the average price level of all goods and commodities would mean. It would reduce the market value of our aggregate yearly production by fully \$5,400,000,000 and this in turn would reduce the amount of bank loans necessary to handle our business by roughly \$3,500,000,000.

Let us observe, too, that commodity prices are steadily falling, and that the tightness of the money market is curing itself. Economic laws are accomplishing what men failed to do. Prices exceeded the bounds of fairness and reason, and thereby so raised interest rates that the money market strangled business activity. Producers and merchants, when they could no longer borrow, became forced to finance themselves by pressing goods and products for sale. This in turn is breaking prices; and by the latter part of this year, or the early part of next, the lower prices should relieve the money market. Already since last spring commodities and materials, as shown by Dun's and Bradstreet's index numbers, have gone down more than 10 per cent, and we may be sure that good prices will follow. When this occurs, the amount of bank loans required to finance the typical business will be diminished, and interest rates will fall.

## DO YOU, MR. BANKER, KNOW:



that we have, right here in stock, a complete line of Vault Doors, Burglar and Fire Proof Safes, Bank Furniture of all description, Filing Cabinets in Wood or Steel, Deposit Boxes, Loose Leaf Devices and Commercial and Fancy Stationery. Over-night service is our motto. Let our man call on you and serve you.

**McNamara Office Supply Co.**

505-507-509 Locust St.

Des Moines, Iowa

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

# Better Bank Buildings

It will be worth your while to be informed on our up-to-date building methods—a system that produces maximum efficiency in the design, construction and equipment of banks.

Better Buildings in Less Time at Lower Cost

## THE W. W. BEACH CO.

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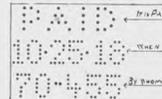
# Better Bank Buildings



## A Check Is an Order on You to Pay

After you pay it, it becomes a receipt. It is your receipt that you have paid as instructed. It is your customer's receipt to keep indefinitely to show at any time that he paid through you. Every check that passes through your hands should be canceled effectively—KILLED—once and for all time. There is but one SURE, PERMANENT, POSITIVE manner—PERFORATE

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AMERICAN  
DATING  
CANCELER



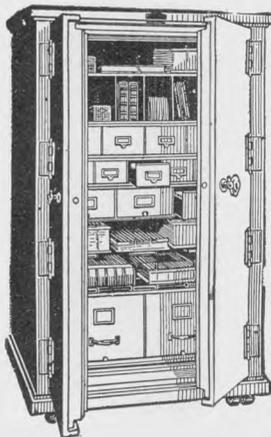
It Is Paid  
When  
By Whom

The AMERICAN is the only machine made with each and every part interchangeable. The AMERICAN is the only machine employing our patented STEEL Die wheels. The AMERICAN cuts more papers at a time than any other machine and requires 33 1-3% less power to do the work. The AMERICAN is SPEEDIER, STRONGER, EASIER, BETTER, LONGER-LIVED, CHEAPER. Investigate today—NOW—let us prove our statements. Our special January offer will interest you.

## THE AMERICAN PERFORATOR CO.

Largest Exclusive Perforating Machine Manufacturers in the World.  
Main Office and Works, 619-629 W. Jackson Blvd.  
CHICAGO

# In Larger Quarters



The-Safe-Cabinet carries the Class A label of the Underwriters Laboratories.

Bankers are most cordially invited to call when they visit Des Moines—see our new store—get acquainted with our enlarged stocks. The new location is

**414-416 Seventh St.**

One block north of the old store—a convenient place to drop in and supply your needs.

Zaiser stocks include a complete line of office and bank furniture, Safe-Cabinets, Shaw-Walker filing cabinets and supplies, Invincible Safety Deposit Boxes, stationery, typewriter and general bank supplies.

"The house that service built."

**ZAISER'S**  
414-416 SEVENTH ST.

Des Moines, Iowa

# YOUR BANK

Is reflected by the stationery you use. We specialize in printed and engraved letter heads, statement folders and booklets.

**Service, Quality  
and Right Prices  
Always**

Printing - Binding - Loose Leaf Devices  
Designing - Engraving - Embossing

**THE HOMESTEAD COMPANY**  
NINETEENTH AND GRAND  
DES MOINES, IOWA

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## Confidential Listings OF Bank Shares Solicited

18 years as a country banker,  
two years as bank examiner,  
two years as officer in large city  
bank especially fits me to act  
as a bank broker.

*No Publicity—Dependable Service  
—Confidence Respected*

### Claude F. Anderson

Banks and Bank Stocks  
438 Securities Bldg.  
Omaha

**THERE ARE TWO**  
factors that determine the  
value of a publication as an ad-  
vertising medium.

Editorial excellence will indicate  
its influence with its readers.

Membership in the Audit Bureau  
of Circulations indicates its busi-  
ness ethics and methods.

The first shows whether the pa-  
per is worth reading.

The second shows how many  
people read it.

In both the advertiser is vitally inter-  
ested.

The Northwestern Banker invites the  
closest scrutiny. Its A. B. C. report is  
accessible to advertisers.

### OFFICERS FARM MORTGAGE BANKERS.

At the annual convention of Farm Mortgage Bank-  
ers' Association of America at Kansas City, Septem-  
ber 16th, the following were elected for the ensuing  
term of **one year**:

For president, Kingman N. Robins, Associated  
Mortgage Investors, Rochester, N. Y.

Vice presidents, L. W. Clapp, First Trust Co.,  
Wichita, Kans.; J. W. Wheeler, Capital Trust & Sav-  
ings Bank, St. Paul, Minn.; Frank Hayden, Guaranty  
Bank & Trust Co., Memphis, Tenn.

For members of the board of governors for the term  
of four years, H. C. Glenn, Temple Trust Co., Temple,  
Texas, and Geo. F. Heindel, Phoenix Trust Co., Ot-  
tumwa, Iowa.

The board of governors appointed to fill vacancies  
for the ensuing year, Joseph T. McNary, State Sav-  
ings & Trust Company, Indianapolis, Ind.; Byron H.  
Davis, Davis-Wellcome Mortgage Co., Topeka,  
Kans.

Following are the other members of the board of  
governors for the current year: W. T. Day, Day &  
Hansen Security Co., Spokane, Wash.; R. O. Deming,  
Deming Investment Co., Oswego, Kans.; F. S. Gum,  
Gum Brothers Co., Oklahoma City, Okla.; R. B. Bal-  
lard, Drake-Ballard Co., Minneapolis, Minn.; H. J.  
Curry, Pearsons Taft Land Credit Co., Chicago, Ill.,  
G. R. Ellis, Empire Loan & Trust Co., Americus, Ga.;  
W. G. Breg, Breg, Garrett & Co., Dallas, Texas; F.  
W. Thompson, Merchants Loan & Trust Co., Chicago,  
Ill.

J. E. Maxwell, retiring president of the Farm Mor-  
tgage Bankers' Association of America, was presented  
with a superb gold watch and chain by the member-  
ship of the association at the annual convention at  
Kansas City. O. M. Corwin made the speech of pres-  
entation in a most acceptable manner. In speaking  
of Mr. Maxwell he said: "He has been a great bene-  
factor to mankind; first, in assisting the farmer to  
get money to develop his farm; and secondly, in being  
able to place the hard-earned savings of thousands of  
investors in one of the best classes of securities ever  
known.

"He believes in co-operation and was one of the  
first to recognize the benefits to be obtained through  
a closer association of farm mortgage dealers. He  
was a charter member of the Farm Mortgage Bankers'  
Association and has continuously since its organiza-  
tion in 1914, been one of its most trusted and valued  
officers."

### BANK HELP

If you want a banker of 22 years experience to find you a  
position or a good employee write

**CLAUDE F. ANDERSON**

Banks and Bank Stocks

438 Securities Bldg., Omaha

**Lawn Tents  
Camping  
Tents, Awnings  
DES MOINES TENT  
& AWNING CO.**



*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*

**Northern Trust Company.**

The statement of The Northern Trust Company, of Chicago, issued recently shows deposits of \$41,192,399.50.

**Merchants Loan and Trust.**

Deposits of the Merchants Loan & Trust Company, of Chicago, as shown by a recent statement are \$102,052,301.79.

**BANK POSITIONS**

If you want a bank position or need experienced bank help, write

**The Charles E. Walters Company**

1422-30 First Nat'l Bank Bldg. Omaha, Neb.

**For Bankers and Their Wants**



This department of THE NORTHWESTERN BANKER is to assist SUBSCRIBERS in obtaining goods or service hard to find. It is free. Use it. ASK US, as we can tell you where to buy anything you need in your bank or for your bank. TELL US, as your "want" will be published under the above heading free of charge. In answering classified advertisements which have key numbers please enclose a two-cent stamp. This is used to forward your letter.



**Wanted Position** as cashier or assistant cashier by a married man, age 30, eight years experience. Can invest. Excellent references. Address No. 2423, The Northwestern Banker.—9-10.

**For Sale**—Set of dark golden oak bank fixtures, including 26 foot counter, desks, chairs, cabinets, etc. Address First National Bank, Fulda, Minn.—9-10-11.

**For Sale**—Moving into our new bank building, we have a complete set of genuine walnut bank fixtures with plate glass top for sale. Dark golden oak finish. 34 feet long, 8 feet high with 3 feet 7 inch counters, desks, chairs, cabinets, also Mosler manganese screw door safe, 33x20x22 inches, and about 100 safety deposit boxes. Address Citizens Savings Bank, Hanlontown, Iowa.—9-10-11.

**Position Wanted** as bookkeeper in country bank. Have had three months experience in small bank doing all around work. Can operate posting machine, also run typewriter, but have no shorthand experience. Graduate from Waldorf Lutheran College at Forest City, Iowa. Can speak Norwegian. References furnished on request. Am 20 years old and single. Address Oscar Nelson, Wallingford, Iowa.

**Position Wanted** by married man, age 30, as cashier or assistant cashier. Eight years experience. Can invest. Excellent references. Address No. 2423, The Northwestern Banker.—tf.

**Wanted**—Position as cashier or assistant cashier by a married man, age thirty. Eight years' experience. Can invest. Excellent references. Address No. 2381, The Northwestern Banker.—T. F.

**Wanted**—Position as cashier or assistant cashier by a married man, age 30. Eight years' experience. Can invest. Excellent references. Address No. 2381 The Northwestern Banker.—T. F.

**Having moved** into our new building we have a complete set of bank fixtures for sale. Dark golden oak 26-foot counter, desks, chairs, cabinets, etc. Address First National Bank, Fulda, Minn.—T. F.

**Wanted**—Position as cashier or assistant cashier by a married man, age thirty. Eight years experience. Can invest. Excellent references. Address No. 2381, The Northwestern Banker.—tf.

**Position Wanted** as cashier or assistant cashier by a married man, age 30. Eight years experience. Can invest. Excellent references. Address No. 2412, The Northwestern Banker.—tf.

**Wanted**—Work in bank during winter months. Have had several years' experience. Address No. 2432, The Northwestern Banker.—10.

**Wanted**—Position as cashier or assistant cashier by a married man, age thirty. Eight years' experience. Can invest. Excellent references. Address No. 2423, The Northwestern Banker.—10.

**Wanted**—Position as cashier or assistant cashier in a good country bank by a young married man 26 years of age with five years' banking experience. Can furnish first-class references and can invest small capital. Address No. 2429, The Northwestern Banker.—10.

**Wanted**—Position as assistant cashier or teller in country bank in Iowa or eastern South Dakota, by young man with three years' general banking experience. Excellent references furnished. Address No. 2431, The Northwestern Banker.—10.

**Position Wanted** as cashier of country bank by married man 36 years old with several years' experience as cashier. Address 2430, The Northwestern Banker.—10-11-12.

**Have you ordered** your July, 1920, Rand, McNally Bankers Directory?—10-11.

**For Sale**—Complete set bank fixtures in excellent condition. Address American Drug & Press Association, Decorah, Iowa.—10.

**Wanted**—A second-hand screw door safe. Address Winneshek County State Bank, Decorah, Iowa.—10-11.

**For Sale**—Complete set of oak bank fixtures with glass and grill work above counter. Will fit room 25 by 30, or larger; filled with cupboards and drawers under counter; two check desks. All in good condition. For detailed description write Citizens First National Bank, Storm Lake, Iowa.—10.

**Every Banker** should have a July, 1920, Rand, McNally's Bankers Director. Order yours today. Rand, McNally & Co., B. G. Boyle, Editor, Dept. C-8, Chicago, Ill.—10-11.

**For Sale**—18-foot straight fixture with counter, two wicket, quartered oak, also wall check desk, very good condition. Will sacrifice to move at once. Address Calumet State Bank, Calumet, Iowa.—10.

**For Sale**—Moving into our new bank building we have a complete set of genuine walnut bank fixtures with plate glass top for sale. Dark golden oak finish, 34 feet long, 8 feet high with 3 feet 7-inch counters, desks, chairs, cabinets; also Mosler manganese screw door safe 33x20x22 inches, and about 100 safety deposit boxes. Address Citizens Savings Bank, Hanlontown, Iowa.—10-11.

**For Sale**—Having moved into our new building we have a complete set of bank fixtures for sale. Dark golden oak 26-foot counter, desks, chairs, cabinets, etc. Address First National Bank, Fulda, Minn.—10-11.

**Wanted**—Medium-size vault door. Address Goodall, Jeweler, Ogalalla, Neb.—10-11.

**Wanted**—A young man with some active banking experience as teller. Position now open. Address No. 2433, The Northwestern Banker.—10.

**Bank For Sale**—On account of poor health I will sell my controlling interest in one of the best dividend paying country banks in Iowa. Address No. 2434, The Northwestern Banker.—10-11-12.

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## INSURANCE SECTION

# Psychology of Selling Life Insurance

By Dr. John A. Stevenson  
Director Carnegie Institute, Pittsburgh

**S**ALESMANSHIP is based on an understanding of human behavior, how people act under certain conditions or in certain situations. You perhaps can cite situations now in which you would be fairly certain of the response which most men would make. Imagine a normal individual before you. You are certain what response most men would make if called a liar; most men would respond alike to the mistreatment of a child, to a hungry child, an insult to our wife, to our daughters. Not many of us enjoy having someone speak of our watch as a turnip. Very few of us resent a well-phrased compliment. In all your experience have you ever met a man who objects to words of appreciation? We all act fundamentally alike when something especially complimentary is being said about us. It may be said in passing that most individuals are interested in the fundamental things.

Let me suggest some selling arguments or plans which will probably always get a uniformity of response. The speaker developed this argument which has been used with success. Insurance and the idea back of insurance is fundamental to our social life. Obligations that are created must be paid for, whether by the one incurring the obligation or someone else; in other words, somebody pays for insurance. The question I am trying to get you to decide on, Mr. Prospect, is "Are you going to pay for the insurance or are you going to allow your widow and children to pay for it, through deprivations and by taking from them certain privileges that they might otherwise have had?"

Supplementary to the statement, I say, "Mr. Prospect, you can take care of this obligation by making a small annual deposit, but if you do not do this, remember that your wife and children will always be forced to pay the face of the policy in deprivations. Look at it any way you wish. If you had protected them for ten thousand dollars, they would have ten

thousand dollars less deprivation. Are you going to refuse this small annual policy because 'Somebody pays for insurance'?" Use this in your sales talk and you will understand better what is meant by uniformity of response.

When you put up this proposition to a prospect, you know what his answer will be. Can he deny that somebody pays for insurance? I know what a prospect is going to say to this; whether I sell him the insurance is a different proposition, but I am making my entering wedge through his interest. Then, I might use this illustration: "Mr. Prospect, would you like to perpetuate your present earning power to your family as long as they live? As long as they live?" Well, you know what his answer must be to that. He must say yes. Probably his interest is now aroused.

"If you could make arrangements to have your salary paid to your family after death, would you do it? Would you like to make sure that your daughter and son would have an education, no matter what happened to you? Would you like to know that you could pay your inheritance taxes and interest without encroaching upon your invested capital? Would you like to know that there is a way? Are you going to provide for your wife as long as you live or as long as she lives?" Wouldn't these questions likely get a uniformity of response? There is no use in giving a long list of these typical situations which you as a salesman create. You use these suggestions or approaches every day. You may have wondered why certain questions get such a uniform response.

What is the cause of this uniformity in human behavior? It is due to the fact that the human mind has certain innate or inherited tendencies which are the essential springs of action. There are certain inherited tendencies which make us fundamentally alike. We might say it is instinct that is the prime mover of human behavior. We come into this world laden with

If your checks are raised  
If they are forged  
If the payee's name is changed  
If the endorsements are forged  
If your bank suffers a loss

### Will Your Present Check Protector Pay the Loss?

If not and you are interested in "THE ONLY CHECK PROTECTION THAT RETURNS THE DOLLARS TO YOUR BANK ACCOUNT WHEN YOU HAVE A LOSS" ask us about National Surety Forgery Bonds. There is a size to suit every business.

## WM. B. JOYCE & CO.

ST. PAUL

MINNEAPOLIS

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a great many of these characteristics forming and influencing our behavior. Our behavior is in accordance with these instincts. How about education? you may ask. Education does tend to modify our fundamental instincts, but, after all, it is really founded upon one of these fundamental instincts.

Instinct may be defined as an inherited disposition; any inherited disposition. It may be described as the tendency to act in a certain manner. An exact definition of an instinct is difficult to give. If we disregard or overlook the inherited disposition, we take away one of the biggest motives and driving powers back of the sale. If we can get this motive force from the instincts irrigated into our sales talk, it will be a big factor in getting the prospect to act.

What are some of the instincts and how may the salesman appeal to them? The instinct of eating is, of course, fundamental. No doubt, you have all had the experience of getting a favorable response from a prospect after a luncheon or dinner. You seem to get his interest better; things seem to move along easier.

Next, let us consider the instinct of acquisition or possession. There are a lot of men who take insurance merely because they like to acquire it, and there seems to be no other reason for it. A lot of people about once a year call to get some additional insurance. They like to acquire several policies. This is a form of the hoarding instinct.

There is the instinct of approval. All of us like the approval of our friends. The speaker remembers that quite a disturbance was raised in a certain community because several wives, in discussing the question of insurance, found that one of the women's husbands carried a large amount of insurance. The other wives were interested to know why certain other husbands didn't carry the same amount of insurance; they wondered why it was that one husband thought enough of his wife to have \$75,000 and another only \$25,000 and another \$10,000.

The instinct for mastery and leadership may be appealed to in the sale. Show what other people, the leaders of the community, have taken out. Your prospect wishes to be known as one of the leaders. To some, this is a very strong and forcible appeal. Many companies and agencies put out a list of men who carry a certain amount of insurance with their company. This list is used by the agent in soliciting. The salesman says to his prospect, "Here is a list of the prominent men who carry a certain amount of insurance with our company. I want you on this prom-

# Automobile Insurance

<b>Liability</b>	<b>Property Damage</b>
<b>Collision</b>	<b>Cyclone</b>
<b>Fire</b>	<b>Theft</b>

Have splendid proposition for good live agents  
Write or See

## State Automobile Insurance Association

306 Securities Bldg.—HOME OFFICE—Des Moines, Iowa

## OUR INTENTION



has been to acquaint every bank in Iowa with the new department of our business—"Child's Endowment"—a plan originated by Western Life.

## OUR PURPOSE

is to demonstrate to you the benefits of "Child's Endowment" in encouraging thrift and savings and to co-operate with you in interesting your customers in persistent savings accounts. No matter whether you have been selling life insurance or whether you have not—when you understand and see the benefits of "Child's Endowment" you will be interested.

## THE RESULTS



will be satisfactory to you and you will be glad you investigated "Child's Endowment."

**Over 200 Iowa Banks have enjoyed  
this result since May 1, 1920.**



**Detach this coupon and mail to**



### COUPON

Send me full particulars about "Child's Endowment" to be combined with Savings Bank Accounts and your terms to bank agencies.

.....  
Name

.....  
Address

.....  
Name of Bank

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## American Bonding and Casualty Company

Sioux City, Iowa



HOME OFFICE: SIOUX CITY, IOWA

Gus A. Elbow, President

### IOWA'S FIRST MULTIPLE LINE INSURANCE COMPANY

Assets March 31, 1919 - - - - \$1,422,858.01

\$800,000 in approved securities on deposit with Iowa Insurance Department for protection of Policy-holders.

### THE OLD LINE CEDAR RAPIDS LIFE INSURANCE CO.

State Agencies Open in Three  
Western States.

A Good chance for Bankers with  
Ability of Management

*C.B. Robbins, Pres*

*C.B. Svaboda, Secy.*

HOME OFFICE: CEDAR RAPIDS, IOWA

inent policy-holders' list. Let me have your application for seven or twelve or fourteen thousand dollars," or whatever amount is necessary to put him on the list. This may be the only sales suggestion or argument that is used. The prospect looks over the list and sees displayed a galaxy of the prominent men in the city, and he buys because there is a direct appeal to this instinct of leadership. He likes to be classed with the leaders.

The sex instinct is one of the most fundamental instincts. The protective side of the sex instinct may be appealed to in selling insurance to men. It is the power coming from this instinct which causes the sale of so many income policies. Males all show anxiety in making adequate provision for their families. We appeal directly to the protective side of the sex instinct, and we get the desired response.

How can we utilize these instinctive interests? If, in your sales talk, you do not in some way or other make a direct appeal to the prospect's eating, acquisitive, manipulative, sex, fighting or parental instinct, you have overlooked the great action-producing motives in salesmanship. Somewhere in your sales talk make an appeal to the prospect's home, family, love of approval, and desire for mastery.

Suppose we take for granted that the salesman has made appeals similar to these we have just discussed. What then?

The prospect does not buy unless he has the opportunity. There are many salesmen who present a proposition that is or is not especially appealing to the prospect. The prospect may be absorbed in other matters and does not wish to buy. The idea of buying must be fanned and strengthened and made to take the place of other ideas. It must be made more important to the prospect than any other idea. It must loom big and take on great significance. Salesmen must manipulate ideas in such a way that the prospect will yield to them. Do not confuse the prospect by talking about first one thing and then another, but stick to the idea that insurance is the most important thing in the world for him. If the prospect brings up other ideas, pass over them easily, and quickly come back to your one definite proposition which you have put up to him.

Don't bring in conflicting ideas. Every time you bring in a conflicting idea, you create a condition of indecision and inaction. Don't get your prospect where he wants to buy insurance and then introduce conflicting ideas by bringing in a variety of policies.

BE A PATRON OF YOUR LOCAL BANK

BE A DEPOSITOR

BUILD YOUR DEPOSITS BY SAVINGS

## THE ROYAL UNION MUTUAL LIFE INSURANCE COMPANY

DES MOINES, IOWA

**T**AKE from your bank deposit the small necessary amount annually to make life insurance an important part of your estate. Life insurance is the installment method of acquiring enlarged estates.

Payable in Cash Whether You Live or Die

SIDNEY A. FOSTER, Secretary

FRANK D. JACKSON, President

GOOD AGENCIES OPEN

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*

Select the best policy for his individual needs and talk nothing else, eliminating conflicting ideas.

Every time you say anything to him about a competing company, you just make that conflicting idea loom up a little bit larger, and every time you say something about some other company, you have just made another conflicting idea that later you will have to drive out in some way. Minimize the conflicting ideas in your sales talk.

Conflicting ideas are aroused when the salesman misrepresents another company with the corresponding result that it hurts his chance of a sale. This practice is psychologically unsound, not to say anything of its professional aspect.

You cannot sell unless the prospect is given a chance to make a purchase. Make provision for the prospect to respond. The situation must be put to him so that he can respond. You cannot expect the prospect to provide this opportunity. You must lead him up gradually to a place where the prospect can sign.

It is highly desirable to develop complete selling plans. It really isn't sufficient to develop good approaches. Sales arguments, methods of meeting objections and the close unless all this material can be fused together into a complete selling plan. This does not mean that the speaker advocates a memorized sales talk—it does mean that the salesman should have a definite plan which he follows in canvassing—a standardized selling plan—may be developed around the "four contingencies which every man faces." After these contingencies have been mentioned, a description of the policy, showing how these contingencies may be met by life insurance constitutes the plan.

There are four contingencies which every man faces: Every one of us attempts to make: (1) Provision for his family in the event of an early death. (2) Provision for himself if he lives until he is too old to work. (3) Provision for family and self if he should become permanently disabled. (4) Provision for day of financial emergency which may arise (loan features of policy). May I show you how these contingencies can be taken care of effectively?—

"A guaranteed income for life, payable at regular and stated intervals without risk of loss and without expense. Such has been and is the coveted goal of every man as he thinks of his own future and that of those who may be dependent upon him. Only the savage lives merely for the day. The educated, the refined, the civilized man exerts every energy to make the most of the present, but at the same time has an eye to the future and makes such provision as he may for

## Now Is the Time and You are the Man

I worked in a bank myself twenty-five years ago, before a bank clerk was supposed to be an animated adding machine.

I earned as good a salary as the average bank clerk gets today and there was no talk about H. C. L. in those days. Nevertheless, I used to make money selling accident insurance on the side.

This is the best company for you to represent for many reasons, and I don't care whether you are in a big city bank or the smallest country bank, I can show you how to make some extra money, just as I have shown hundreds of other bankers. Write me and see if I can't.

E. C. BUDLONG, Vice President

## Bankers Accident Company

DES MOINES

"You can bank on the Bankers."



THERE ARE THREE REASONS WHY THE IOWA BANKER SHOULD SELECT THE JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY AS THE LOGICAL LIFE INSURANCE CONNECTION.

I. Because THE JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY stands for RELIABILITY. It was organized in 1862—"THE CIVIL WAR PERIOD." It is one of the oldest, largest and strongest Life Insurance Companies in the United States.

II. Because the DES MOINES AGENCY of the JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY means SERVICE for its BANKER AGENTS. We are as near you as your telephone.

Our efficient representatives give you their personal assistance. Our office force co-operates with all banker agents at every opportunity.

III. Because the JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY inspires confidence in ALL BANKER AGENTS. Thru years of experience in the BANKER AGENCY SYSTEM, the Company has grown to understand the banker's situation—his needs and his responsibilities. Therefore, a pleasant business relationship results in all connections with the Company. If you are interested in an Agency connection, do not hesitate to write us at once concerning our BANKER AGENCY PROPOSITION.

HARRY S. HASKINS, GENERAL AGENT  
701-703 Hippee Building  
DES MOINES, IOWA

FRANS NELSON, President

GEO. I. PARKER, Vice President

## There's a Reason---

why bankers like to sell our policies. Our policies pay for partial and total disability as long as applicant is alive, and face of policy at death. This makes our policies easy to sell.

Write for contract. Good opportunities for agents.

## COMMONWEALTH LIFE INSURANCE CO.

F. J. UEHLING, Secretary

OMAHA, NEBRASKA

## Agents and Policyholders

ARE VITALLY CONCERNED IN THE FINANCIAL STRENGTH, GOOD SERVICE, LIBERAL SETTLEMENTS, AND PERMANENCE OF THEIR INSURANCE COMPANIES. THESE QUALIFICATIONS ARE OFFERED BY



"THE OLD LINE"  
**BANKERS  
 AUTOMOBILE  
 INSURANCE  
 COMPANY**

HOME OFFICE:  
 LINCOLN, NEBRASKA

As Reported to State Insurance Department  
 For the Year Ending December 31st, 1919

Cash Capital.....\$288,400.00  
 Surplus to Policyholders..... 409,854.30

EXCLUSIVE AUTOMOBILE INSURANCE	FIRE, THEFT, TORNADO, COLLISION, PROPERTY DAMAGE PUBLIC LIABILITY
--------------------------------------	---

Desirable Agents wanted in the following States: Nebraska, Kansas, Texas, Iowa, South Dakota, Colorado, Minnesota, Washington, Oregon, Alabama, Louisiana and Tennessee.

its proper employment. Every honorable man is actuated by a threefold ambition:

(1) To provide to the best of his ability for the future comfort and welfare of wife, children, father, mother or other dependents.

(2) To make sure of an "easy chair" for himself at a time when he should lay aside some of the cares and responsibilities of an active business career, and in peace and contentment enjoy the many things which he has long desired.

(3) To get the greatest possible pleasure and satisfaction from the present.

"Having made suitable provision for the first two, he may turn, free of all worry and anxiety, to the employment and improvement of the present because there are no fears for him or his dependents. He has planned well and may indulge in tasks and pleasures which are appealing and worth while: How did he make such plans? By an Income Policy.

Selling plans give definiteness and purpose to soliciting not only for the beginner but for the experienced salesman. A selling plan helps in the sale but one of its most important features is that it acts as a selective agency in prospecting. Once you develop a plan, you seek out prospects which may be helped by this plan.

In your sales talk, you will, no doubt, meet with objections. While you are explaining the advantages of insurance and what a particular policy will do, the prospect is, as a rule carefully weighing the proposition from his point of view and thinking out excuses. It is important that the insurance salesman be prepared to answer objections or excuses skillfully.

From an address at the recent convention of the \$100,000 club of the Missouri State Life, St. Louis.

CHARACTER      STRENGTH      SERVICE

## NATIONAL FIDELITY LIFE

### FACTS:—

1. Full time salesmen working WITH NATIONAL FIDELITY and using its co-operative program are making money, GOOD money.

2. NATIONAL FIDELITY salesmen are happy and contented; they receive cordial support, quick appreciation and big-hearted understanding from their Home Office associates.

3. In SERVICE that really serves, in contracts that give modern, complete coverage and in a company RECORD that is full of pride and satisfaction, the men representing NATIONAL FIDELITY find their insurance ideals splendidly realized.

MONEY MAKING agency opportunities in Iowa, Nebraska, South Dakota, Oklahoma and Texas.

Be HAPPY and PROSPEROUS with a Company that is both HUMAN and SUCCESSFUL.

## National Fidelity Life

Home Office, Sioux City, U. S. A.

RALPH H. RICE, President

### National Fidelity Life to Erect Building.

The National Fidelity Life Insurance Company of Sioux City, Iowa, has purchased property at 710 Pierce street at a cost of \$60,000 and will erect a fire-proof building. The building will be three stories high although the foundation will be laid to support nine or ten stories which the company plans to add in the future. The construction will be of concrete and steel with gray granite base and stone or terra cotta finish.

The company is doing its own financing, no money is being borrowed to cover the cost of building.

The National Fidelity Life was organized five years ago and is now operating in five states, Sioux City is the home office.

### The Protective Disability Policy of the

## PREFERRED ACCIDENT INSURANCE COMPANY

Covers All Accidents  
 All Sickneses

Over \$15,000,000 Paid in Losses

You can buy weekly indemnity as desired WITHOUT a large death indemnity—and save money.

## Upham Brothers Company

Iowa Managers and Adjusters  
 Suite 619 Hippee Bldg.      Des Moines, Iowa

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

**Central Life Passes \$100,000,000 Mark.**

The Central Life, of Des Moines, has passed its one hundred millions of insurance in force. The company has already written more than twenty-six millions this year, and the mortality has been approximately fifty per cent of the expected. The company accumulated a splendid surplus the first half of this year.

**Lindsly Company Gets Contract.**

The Lindsly Fire Extinguisher Company, of Des Moines, has just closed a contract for extending the water mains to the new school house with the town of Grimes, Iowa.

**I. B. A. Issues New Insurance Form.**

The Insurance Committee of the Iowa Bankers Association announces that a new form for burglary insurance is now being issued. The new standard bank burglary and robbery policy which is now in use has several very important broadened features over the form which insurance companies issued previous to August 1, 1920.

**War Risk Insurance Report.**

A total number of 152,979 applications for converted insurance have been approved by the Bureau of War Risk Insurance, according to an announcement by Director R. G. Cholmeley-Jones, who is making public at this time figures of a preliminary report on United States government life insurance, prepared in the insurance division of the bureau for the period ending June 30, 1920.

The total amount covered by these converted policies is \$511,821,500 and classified as to the forms of policy offered by the government, the converted insurance is distributed as follows:

Ordinary Life.....	17,462	\$ 77,986,000
20-Payment Life.....	45,208	182,830,500
30-Payment Life.....	4,184	19,859,500
20-Year Endowment.....	71,011	168,276,000
30-Year Endowment.....	8,925	35,353,500
Endowment at Age 62.....	6,189	27,516,000

The total amount of premiums received on this insurance, including monthly, quarterly, semi-annual and annual, was \$10,135,557.28.

The effective interest rate on total invested assets is 5.06 per cent.

The ratio of death losses to gross expected death losses according to the American Experience Table of Mortality has been found to be less than 40 per cent.

A full and comprehensive report of government life insurance is to be issued as of December 31, 1920.

**EVERY BANKER**

(Between 18 and 55 years of age)

Who does some traveling as solicitor, auditor, farm inspector, bond or insurance salesman, should belong to the

**IOWA STATE TRAVELING MEN'S ASSOCIATION**  
"Oldest and Best"

Accident Insurance at Cost  
Never Exceeded \$9.00 per Year  
Weekly Indemnity \$25.00  
Death Benefit \$5,000—\$10,000

**Insurance to Feb. 1, 1921, for \$2.00**  
(New Members Only)

Write for Application Blank  
**H. E. REX, Sec'y-Treas. DES MOINES, IOWA**

**SUCCESS**

—is seldom gained by the undeserving

Get the facts about insurance companies and you will find that the Berkshire Life ranks "Ace High."

It has attained its enviable position in the insurance field because throughout every year of the 69 years it has been doing business "Service and Co-operation" with its agents and policyholders has been held as most important.

That is why today Berkshire policyholders are Berkshire boosters. Business-building boosters you would call them because they are always willing to recommend a Berkshire policy to their friends.

We value among our boosting friends many bankers who know that Berkshire service will satisfy their friends and customers.

On the other hand there are many bankers who realize the immense value of being associated with the Berkshire Life Insurance Company. They know the profit-making possibilities of handling life insurance and the good will and prestige-building value of selling insurance to their clientele which will please them always.

Our special Bankers Proposition should be investigated. A postcard is sufficient. Write us with today's mail.

**Berkshire Life Insurance Company**  
of Pittsfield, Mass.

**Emory D. Bream**

**General Agent for Iowa**

715 Hippee Bldg.

Des Moines, Iowa

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*

## THE NAME OF OUR COMPANY

was not chosen lightly, but with deliberate purpose. It was meant to symbolize the spirit of its management—the quality of sound business principles—a rock-ribbed belief that genuine service commands more respect and support than a record of merely a rapid growth.

While THE CONSERVATIVE LIFE is new in the sense of recent organization, it is not new from the standpoint of experienced management. Our policies are simple, straightforward contracts, some of them especially distinctive in the way they are designed to meet the needs of the insured.

The Company recently issued an introductory booklet, which, besides giving a history of the organization and a review of the personnel of the management, tells the story of one of the most important life insurance laws enacted in Iowa for many years, and which was secured at the direct instance of THE CONSERVATIVE LIFE because of its desire to give a broader service to its policyholders. It is yours for the asking—and it is worth reading.

### The Conservative Life Insurance Company of Iowa

BURTON H. SAXTON, President  
A. E. WILDER, V.-Pres. J. P. LANGSTAFF, Sec.  
T. M. MURDOCH, Treasurer.  
Home Office: SIOUX CITY, IOWA

## Wanted---A General Agent

IN EVERY COUNTY IN IOWA

Men without insurance experience, but who have been successful in other lines, will be considered for these positions and will be thoroughly trained and instructed. Ambitious men are offered opportunities not available with older companies. This company has the largest paid-up capital of all life companies organized under the Iowa laws.

Write to Home Office

### Des Moines Life and Annuity Company

Register-Tribune Bldg. Des Moines, Iowa

## OPPORTUNITY

Salaried position for field man. Must furnish reference.

Write

**NATIONAL AMERICAN  
LIFE INSURANCE CO.**  
BURLINGTON, IOWA

## Omaha Life Insurance Company

Omaha - Nebraska

Full Protection Policies  
Modern in Every Respect

*Good contracts to men who can come clean,  
to represent us.*

E. M. Searle, Jr., Pres. H. E. Worrell, Sec. Treas.

## New Double Indemnity and Total Disability Policies

We have just placed on the market a policy that pays double the face amount of the policy in event of accidental death and monthly indemnity in event of total disability.

Part Time and Full Time Representatives Are Needed by Us.

For Full Particulars Write

**Guaranty Life Insurance Company**  
L. J. Dougherty, Secy. and Gen'l Mgr. Davenport, Iowa

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

**Best Policy for Man Age 32.**

G. F. Fricker, of Cleveland, at the recent agency convention of the Connecticut Mutual Life, had as a topic the "Best policy for a man, age 32, with a wife and two children, whose income is from \$4,000 to \$6,000 per annum."

Mr. Fricker stated that to his mind the ordinary life policy so often advocated did not fill the bill on account of the fact that it did not furnish proper old age protection, even though the policy was cashed. He stated that even though the paid-up or cash value options might be taken advantage of, these were comparatively so small in proportion to the face of the policy that the psychological effect upon the prospect would be bad and the funds so available might not be sufficient to take care of his needs.

He advocated a policy which could be paid up during the early years, and he said that in a great majority of cases the annual premium endowment at 65 and 70 was in his mind the best. Occasionally, where it was desirable to make a policy paid-up as soon as possible, a 20-payment endowment at 75 could be substituted. He especially advocated selling so-called "Endowment Series" whereby a man could secure for himself several endowment policies insuring at, say, ages 60, 65, 70 and 75. Even if it were not possible for him to purchase all of these at one time to furnish a program which could be carried out as his earning power increased and the adoption of such a plan serve to tie up the prospect to the agent recommending it.

**Increase Health and Accident Rates.**

The Travelers increased rates on new health insurance business as of September 1st. The advance in the basis premiums was from \$8.50 to \$10 and from \$10 to \$11.

The advances were based on the experience of the company, with influenza epidemic claims excluded. Had the epidemic losses been used in the computation of increases necessary to make the business satisfactory considerably higher rates would have been necessary.

**Activity Increases in Surety Business.**

Surety business, which during a number of months following the signing of the armistice lagged behind all other lines of insurance in volume, has now developed its full pace of activity and has, in fact, shown more development during the last few months than even the most active of other lines according to the Journal of Commerce. This is true as regards all the various classes of surety, and also fidelity business. The contract surety which until recently was rather slow, particularly in the eastern states, owing to the high costs of construction and the resulting disinclination to undertake operations, is now as active as any line and many large bonds for construction operations are being placed.

Surety underwriters when the revival in this line commenced were inclined to be rather cautious because of the unsettled conditions as to material and labor. All the contracts, however, are being drawn to take care of these uncertainties, with the result that underwriters are now writing bonds of a very good volume, and the business of the companies during the first seven months of 1920 far exceeded that of the same period last year and, in fact, leading companies are well ahead of any previous record.

**GEORGE J. DELMEGE,**  
President.  
**F. C. WATERBURY,**  
Vice President  
**HOMER A. MILLER,**  
Vice President.  
**SIMON CASADY,**  
Treasurer.

**THEO. F. GREFE,**  
Secretary.  
**A. H. WATSON,**  
Assistant Secretary  
**CHAS. O. GOODWIN,**  
Manager Auto Dept.  
**HENRY & HENRY,**  
Counsellors



Total Assets.....	\$1,091,934.05
Cash Capital.....	500,000.00
Net Surplus.....	305,934.07
Surplus to Policyholders.....	805,934.07
Loans on Iowa Farms.....	909,700.00

A HOME Company, owned by HOME people, managed by experienced and conservative underwriters and able financiers.

A CENTRAL-WESTERN COMPANY FOR CENTRAL-WESTERN PEOPLE.

**CENTRAL LIFE**  
Assurance Society of the  
United States  
DES MOINES, IOWA

Insurance in Force:  
**\$100,000,000.00**

Assets Over  
**\$9,000,000.00**

Double Indemnity  
Disability  
Child's Endowment

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*



### Blevins Travels for Bankers Life.

C. C. Blevins, superintendent of agents for the Bankers Life Company, of Des Moines, is making a tour of all of the western agencies of the company and expects to be gone from the home office for a month. This tour is the first that Mr. Blevins has made among the agencies for a period of over seven years. His schedule includes the agencies of the company in Denver, Salt Lake City, Helena, Spokane, Seattle, Portland, Los Angeles, and San Francisco.

### Opposed to Banks as Insurance Agents.

President Joseph G. Brown of National Convention of Insurance Commissioners, Insurance Commissioner of Vermont, criticized the scheme in his annual address as follows:

"Personally, I am opposed to the practice of appointing banks or officials of banks as agents of fire insurance companies, as I believe such a practice leads to the placing of insurance by the public through such banks as a condition upon which the making of certain loans depends. This will ultimately work a real hardship upon the public as it may prevent proper credit for improvements adopted in individual instances where the hazard might be lessened and the insurance rate reduced as a result of recommendations made by a bona fide, aggressive agent."

### Savings Deposits Guaranteed.

"Writing 5,000 policies at one crack" for a total exceeding a million dollars is the remarkable selling achievement of F. A. Deichmann, district manager at Kansas City, Mo., for the Equitable Life of New York. In the details of the plan Mr. Deichmann has worked out a scheme which, though applied previously in isolated instances, is now for the first time being used in a wholesale way.

Briefly, the proposition is to insure on the ordinary life plan the lives of some 5,000 savings depositors in the Columbia National Bank of Kansas City. The underlying purpose is to guarantee that a depositor who starts out to save a certain amount in a period of ten years shall be certain that his estate will receive the full amount of the contemplated savings in the event of his premature death.

The transaction has nothing in common with group insurance because individual policies will be issued in each case after the usual medical examination. The transaction which has been arranged in co-operation with Thornton Cooke, president of the bank, is based upon the assumption that 5,000 individual depositors will agree to create by savings in ten years accounts averaging \$2,000.

### Prevent Brokerage Thefts.

In an effort to minimize thefts from brokerage houses in the financial district the National Surety Company, in co-operation with the Association of Stock Exchange Firms, has opened a central investigating bureau, at 2 Rector Street, where a card index system containing the names of 10,000 employes of brokers will be begun.

This is announced by Joel Rathbone, Vice President and General Manager of the National Surety Company, who says that the company's secret service department already is investigating the personal record and mode of living of many of the employes of the 200 brokerage houses connected with the Association

## IOWA STATE INSURANCE CO. (MUTUAL)

KEOKUK, IOWA

Insures against Fire, Lightning and Wind  
Organized 1855

G. C. Tucker, Secretary

Wm. Logan, President

## YOU Know, Mr. Banker, Development Means So Much

Growth alone signifies but little. Many a company that will not "measure up" can furnish an accurate array of asset figures satisfying to some.

But you know the company which renders service—the company which meets with your whole-hearted approval now and later, is the one that has studied its problems and solved them; that has considered the "other fellow's" angle as well as its own and "tuned" them in perfect harmony—in short, the company that has developed—not merely "grown up."

Our strength comes not from our asset progress alone—although that has been extraordinary—but from a continuous improvement in our proficiency and efficiency in giving the *highest grade of service—that's development.*

GIVE YOUR PATRONS THAT WHICH  
YOU CAN FEEL IS GOOD

Great Western Accident Insurance  
Company

DES MOINES

IOWA

Iowa's Leading Liability Insurance Company

## Iowa Mutual Liability Insurance Company

CEDAR RAPIDS, IOWA

Automobile Public Liability (Personal Injuries)  
Automobile Property Damage Liability and Collision  
Workmen's Compensation Liability  
General, Public, Teams and Elevator Liability Insurance  
Lowest Rates Service Best

Iowa's Leading Automobile Insurance Company

## Iowa Automobile Mutual Insurance Company

CEDAR RAPIDS, IOWA

Automobile Fire, Lightning, Theft, Tornado and Collision  
Insurance

Broadest Full Floater Policies

Lowest Rates, Service Best

Agents wanted in Iowa, Minnesota, Nebraska and Illinois. Address inquiries

Insurance Bldg., 512 Second Ave. East  
Cedar Rapids, Iowa

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

Complete Protection to Banks Against  
**BURGLARS AND BANDITS**

Secured Through Policies Issued by the



**CAPITAL ONE MILLION DOLLARS**

**BURGLARY INSURANCE**

Covering Money and Securities against loss through Burglary and Hold-up.

**DEPOSITORY BONDS**

Covering all Public Deposits.

**FIDELITY BONDS**

Giving full protection against loss through misappropriation of funds by officers or employees.

Direct Your Local Agent to Place Your Policy or Bond With This Company.

*Lion Bonding & Surety Co.*  
 Home Office  
 Omaha, Neb.



**Your Neighbor Is Your Friend!**

The Lion, of Omaha, writes every kind of bond and every kind of protection against the results of casualty. The Lion is not an experiment,—our Company is an acknowledged success. Iowa treats us very well in volume of business, but we want more business. In Nebraska, ninety-seven per cent of the banks send us business,—we extend as cordial an invitation to the banks of Iowa.

Write me a letter, today.

**E. R. GURNEY, President.**

We don't want much—just the Lion's share.

**The Lion Bonding & Surety Co.**

OMAHA

of Stock Exchange Firms. Mr. Rathbone says the card index is the outcome of the recent epidemic of thefts from brokerage houses by messengers and other employes. Many of the thefts, it is explained, have been perpetrated by youths of criminal tendencies whom the brokers are forced to employ because of the scarcity of honest help.

Under the arrangement of the National Surety Company with the Association of Stock Exchange Firms it is proposed to keep a close watch on employes of brokerages during their hours of employment and leisure, and when it is discovered that an employe is associated with persons of criminal tendencies the bureau of investigation will report the matter immediately to his employer, with the request that he be discharged.

The work of the secret service men in the employ of the National Surety Company, it is explained, will be confined for the present to an investigation of about 3,000 employes of seventy-five stock exchange houses co-insured by the company as well as the employes of 200 brokerage firms solely insured by the company. As the investigation of the employes extends, it is announced, the company will increase its secret service force. It is announced that the company intends to keep on the trail of the bond thieves who have been sought by the police for years.

The employes of stock exchange firms welcome the move, "declares Mr. Rathbone," since it will result in a general 'clean-up' of dishonest employes in the financial district and will put an end to the suspicion and embarrassment caused to trustworthy employes by the many thefts of money and securities.

**WHEN WE SWALLOW OUR MEDICINE AND  
 PRETEND WE LIKE IT.**

(Continued from page 20.)

will have to come to the rescue of the banker. But the Federal Reserve says "Thou shalt not charge any exchange to us." Thus it behooves the sorely driven banker to find some one he can legitimately charge in some way for his loss in other ways.

After all the biggest word in the bankers dictionary is the word "net." We are all doing a bigger business than we ever did—more customers, more mail, larger deposits, more loans and more activity of every kind, but what the "net profits" will buy is worth less than ever before.

Legislation cannot make prosperity. Legislation can correct evils of many kinds but legislation cannot change a man's religion and cannot inject prosperity into a community.

Nor can it be of great benefit for business that the government shall enter it as a competitor because Uncle Sam is just naturally wasteful. Suppose you have a two cent overdraft on your books. The fellow who overdrew has left town; you will charge off the two cents. Uncle Sam would spend two dollars trying to find the fellow. It has been said that any business of a private nature which would be conducted along the same lines as the government would go into bankruptcy eventually.

I believe most of these conditions will be bettered soon. We should learn by the mistakes we make. I do believe that the sooner we get back to the practical working of the old laws of supply and demand, and interfere less with honest business the better off we will all be.

Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.

**IN THE DIRECTORS' ROOM**

**Another Way To Save Money.**

A man who did not appear to be too prosperous approached a teller's window in the Fort Dearborn National Bank recently.

"I want to borrow \$10," he said.

"Three blocks north and two east," said the teller. You'll know the place by—"

"I ain't kidding," said the man. "I want to borrow ten beans—bucks—clams; and I got these for security."

The teller's eyes opened when he saw ten \$1,000 Liberty Bonds.

"Right over there," he said, pointing to the sanctum reserved for vice presidents and stenographers.

"Have a cigar," said Marcus Jacobowsky, a vice president. "What can I do for you?"

"I want to borrow \$10," said the man, producing the bonds.

Jacobowsky laughed.

"All right," he said. "Give me one."

"Nope," replied the man. "You got to take 'em all." The official finally agreed and wrote a receipt.

"Now what's the idea?" he demanded.

"I borrow \$10 at 7 per cent," said the man. "You keep my bonds and I come in and clip the coupons—you can't stop me, you know. My bonds are safe. You're responsible and I save \$10 a year, which I would pay for a safety deposit vault, minus 70 cents which I pay as interest."

"O-o-oh!" gasped Jacobowsky as the man left the bank.

**Wasted Humor.**

Old Mr. Bingleton boasted that he had thought of a plan to frustrate any garrulous barber and ensure a quiet shave. One morning he entered a strange barber's shop, flopped down in a vacant chair, and handed a printed card to the hairdresser. This is how it read—"Hints to the hairdresser—I want a shave. I don't want my hair cut. I don't want a shampoo. I don't use dressing. I've a pimple on my chin. Another on my top lip. I don't want telling about 'em. I don't want talking to death. I want a shave, and silence." The hairdresser read the "hints," smiled, and nodded to a conspicuous notice on the wall—"The proprietor being deaf and dumb, hopes his customers will excuse any seeming reluctance to enter into conversation."

**How They Get In.**

Sympathetic Visitor (to prisoner)—"My good man, what brought you here?"

Prisoner—"Borrowing money."

Sympathetic Visitor—"But they don't put men in prison for borrowing money."

Prisoner—"I know, but I had to knock a man down three or four times before he would lend it to me."

**The Point of View.**

Two locomotive engineers met on the street. Bill sang out to Jim: "We voted to strike at the meeting today, but I didn't see you there."

"No," replied Jim; "I couldn't get downtown on account of the street car men's strike. Those fellows haven't any consideration at all for the public."

*Readers will confer a favor by mentioning THE NORTHWESTERN BANKER when writing to our advertisers.*

**IOWA NATIONAL FIRE INS. CO.**

1018-1024 Valley National Bank Bldg.  
**DES MOINES, IOWA**

F. L. MINER, President

PARLEY SHELDON,  
Vice Pres.

C. M. SPENCER,  
Secretary

C. S. VANCE,  
2nd Vice Pres.

FRANK P. FLYNN,  
Treasurer



Capital  
**\$500,000.00**

Assets  
Over  
**\$1,000,000.00**

**POLICY HOLDERS**

**Will Patronize an IOWA Company  
Guaranteed by IOWA Capital  
Managed by IOWA Men**

**IOWA BANKERS Recognize the Advantage of Pro-  
tecting IOWA CREDIT with IOWA INSURANCE**

**Reliable Agents Wanted in Every City in Iowa.  
Write to the Company**

**Are You Thinking of Building a  
Bigger Business for Yourself?**

**If So, Here Is Your Opportunity**

The MISSOURI STATE LIFE INSURANCE COMPANY, of St. Louis, Missouri, is seeking connection with high grade men for General Agencies in Northern and Western States.

The Company is not looking for men of only average ability—but men of pronounced capability in developing productive agencies.

**FACTS:**

Over \$260,000,000 of Insurance in Force in its 28th year.

Issues both participating and non-participating insurance—non-participating policies participating at end of premium-paying period.

Policies embodying all the rich up-to-date features of life insurance.

Operating in 38 States and Territory of Hawaii.

Profitable agency contracts for the present and future.

It is not often such desirable territory for as large a company is available. We invite your inquiry.

**Missouri State Life Insurance Co.**

M. E. SINGLETON, President

Home Office: St. Louis, Missouri

## IOWA FARM MORTGAGE SECTION

The Northwestern Banker is the official publication of the Iowa Farm Mortgage Association

**OFFICERS**—Ed. Kauffmann, Davenport, Pres.; Griff Johnson, Des Moines, V.-Pres.; Daniel Rhodes, Fort Dodge, Treas.; F. C. Waples, Cedar Rapids, Sec.  
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J. F. Webber.....Ottumwa

# Farm Loans and Their Safeguard, the Land Examiner

By Frank A. Hilliard  
Phoenix Trust Company, Ottumwa

FARM loans differ from most other securities in that there is a personal guarantee to pay separate and apart from the land taken as collateral. In nine cases out of ten, and I think I could safely say 99 cases out of 100 the note would be promptly paid if there were no land security. The millions of dollars loaned by the banks of our country are loaned on no better paper than the note in a farm loan without the land as security. True these bank loans are short-time loans, but they are often renewed for years. Sometimes the interest is added to the note. These notes are practically all paid and if the unsecured notes are generally paid, a note secured by real estate worth more than twice the face of the note is sure to be paid.

In a farm loan the legal end is not so material as in bonds where the legality of the proceedings from the organization of the concern issuing the bonds to final disposition of the issue is vital, where the entire proceedings must be according to law or the bond is of no value. In the farm loan, any note or promise to pay described in a mortgage or trust deed and recorded is a lien on the land. The bond has no personal guarantee. The statement issued by the seller, who generally announces that he thinks they are correct, but he does not guarantee them to be so, is much different from the Farm Loan Banker who offers a signed application and a report signed by his land examiner telling the facts about the security with no "We do not guarantee this to be correct." Bonds are for the investor who can afford to take a chance. There are bonds on the market at sixty-two cents on the dollar that six years ago were worth par, and bonds that are

now selling for sixty-two cents on the dollar in five years may sell for one hundred and two cents on the dollar, or they may be worth only their value as scrap paper.

The loss sustained by the original investors in Liberty Loans by selling at less than par would amount to millions. With farm loans the story is different. Most Farm Loan Bankers will cash their loans at any time at par with accrued interest. I have made considerable inquiry and find a 2% discount to be the largest asked by any broker to cash one of his loans. This was a five-year loan with three and one-half years yet to run. Compare this with the discount asked on some of the Liberty Bonds and other classes of securities and the decision must be in favor of farm loans.

If farm loans are absolutely safe, they are the ideal investment for the person who wants the interest on his money for a given time and his principal back. They are the best for the investment of funds held in trust. (The increasing amount of farm loan paper held by the Life Insurance Companies is evidence of this fact.) Farm loans purchased from the members of this association are safe, because the loan has been passed by the man or men in charge of the company as being in a desirable location, for an amount not in excess of the amount of debt a man should have on the land and stock shown in the application. Besides, he has the appraisal of some local parties. This is a great deal more than is given with most other investments, but this does not satisfy the Farm Loan Banker. Before this loan is made, the security must be passed on by the land examiner who makes

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a report on the applicant, his security and the desirability of the loan.

The land examiner is selected because he knows land and land values. He must be a close observer and able to see any objectional feature quickly. His job depends on the loans he inspects proving good, and he must be conservative to hold his job. To make the inspection, he must visit the land offered as security. Most examiners make a plat of the land showing the buildings, fields, fences, etc., which plat is part of his report and goes with the loan. The examiner must ascertain the selling value of the land, which is usually done by comparing the security with other places that have sold for cash. It is remarkable how accurately an examiner, who has worked in a territory for years, can value the land. This is a small part of the work of the examiner. He ascertains the standing of the applicant, financially and otherwise. If he is a poor farmer or has a bad reputation, his loan is declined. He inquires as to the reputation of the farm and as to the title to the land, thus eliminating any chance of forgery and about all chances of a bad title. The location of the security is taken into consideration. If it is not easily reached by road or if the different parts of the security are not easily accessible one to the other, he makes a deduction from his recommendation. The ability to produce is carefully noted. Many loans are declined because the land is in a bad state of cultivation, or is not in condition to produce a paying crop. This is considered very important by all the farm loan men I have ever talked to. A farmer living on a productive farm is seldom delinquent with his interest.

Another important point is the liability that the security may be damaged by erosion or otherwise. If rough land is being farmed, it may wash. Some creek or river may overflow and damage the land. Foul grass or weeds on the adjoining land may become a hazard. All these, and many other things are considered and deductions are made in the amount loaned, or the loan is declined.

After the examiner has filed his report, the loan is either declined or approved for an amount always less than 50% of the value of the security. Could any investment be safer than a farm loan by a member of this association where the member guarantees the originality of the paper, the sufficiency of the title and that the examiner's report is practically correct, where the interest and principal are collected and remitted without cost to the investor.

As evidence of the absolute security of well selected farm loans, I point to the millions, or I had better say billions of dollars loaned by the members of this association without loss to any investor of a cent in principal or interest.

(From an address before the convention of the Farm Mortgage Bankers Association of America.)

#### Dr. Ely on Real Estate Taxation.

"Real Estate in the United States is subject to much higher taxation than in the leading countries of Europe," said Prof. Richard T. Ely, Economist of the University of Wisconsin, in addressing the Farm Mortgage Bankers Association of America, at its annual convention in Kansas City. Prof. Ely quoted statistics from England, France, Belgium, Germany and Switzerland in support of his statement.

He said that the average proportion of taxes borne by real estate in those countries was not over one-

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half to one-fourth of what it is in the United States. A thorough investigation shows that the burden of land taxation in Belgium is a good deal less than in Wisconsin, about one-fourth and in some cases not over one-tenth. In Paris the tax on real estate is about one-half of one per cent. Prof. Ely's investigations have convinced him that the average real estate tax in the entire country of France averages less than in Paris. Prof. Ely showed that the tendency in America is to impose still higher taxes upon real estate because of the increase in the volume of personal property exempt from taxation. He argued that an increase of taxes upon farm lands would retard and diminish agricultural development and prosperity.

New Zealand was referred to as a country often cited as under the single tax system where the public revenues are derived from the land taxes. Prof. Ely has made a personal visit to New Zealand to investigate economic conditions. In 1919 only 11% of the total revenue of New Zealand was raised from land taxes. The speaker said that the permanent prosperity of the farmer depends upon the general prosperity. That a selfish pursuit of individual interests, if carried to its logical outcome, always ends in chaos.

He insisted that the farmer must have suitable reward for his efforts. He referred to the days when corn was burned as fuel and hogs were sold at \$2.00 per cwt., to prove that it is possible to have over production in agricultural products. He insisted that prosperity depends upon well proportioned general production.

He said that the financial, commercial and agricultural interests of America should begin a system of economic research in order to profit by the experiences of other countries in order that in our policies we may proceed on a basis of actual knowledge.

### Facts From the Federal Tax.

According to an analysis of the Federal Income Tax returns, 13,000,000 persons are living on \$2,000 a year or less. The Tax amounts to \$5,410,284,874, the bulk of which was paid by 2,000,000 persons, in Federal Income, Excess Profits and miscellaneous taxes collected by the Government for the fiscal year ending June 30.

### BLUE-SKY LEGISLATION IS NEEDED.

(Continued from page 29.)

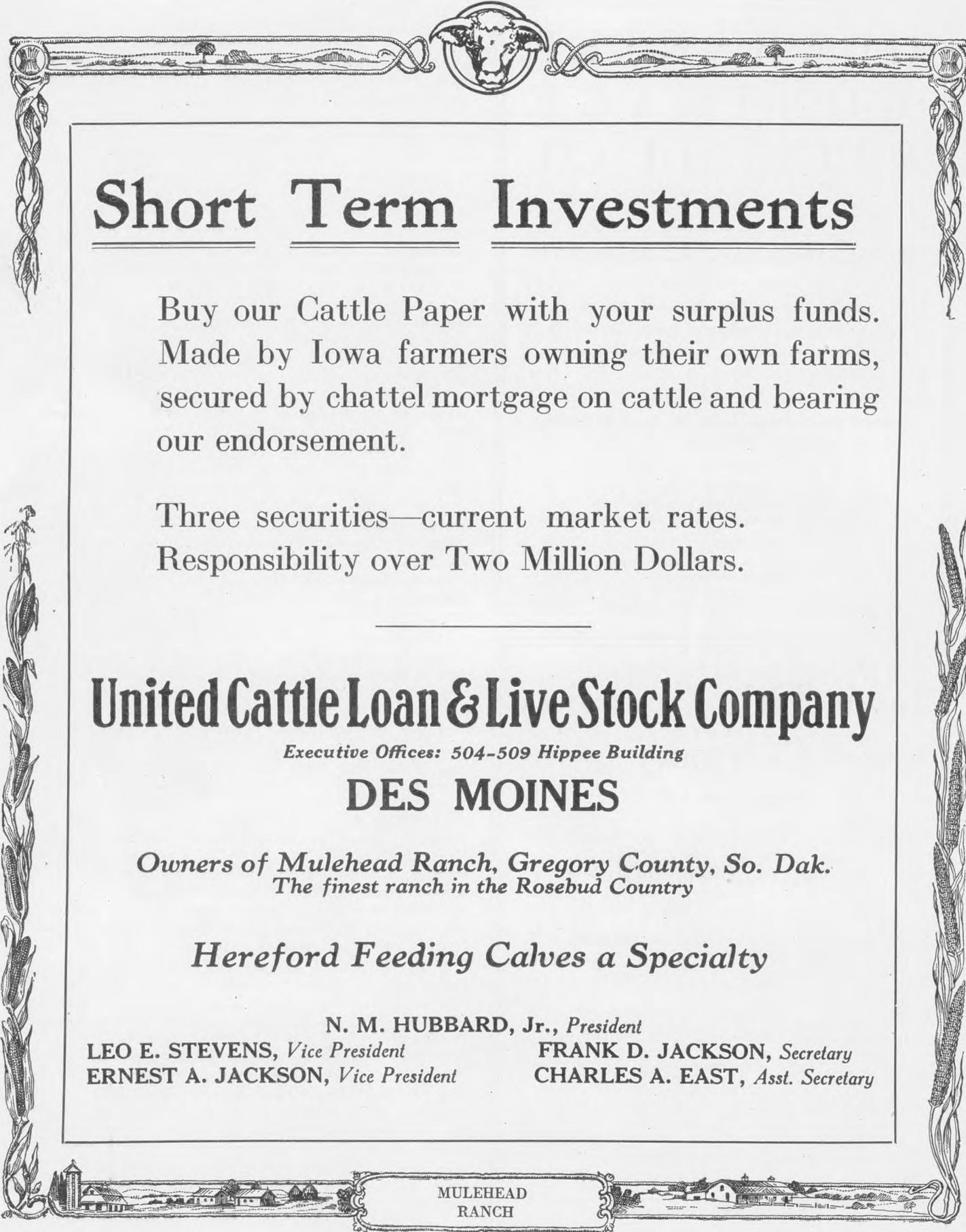
nouncing citizenship in and allegiance to that country, and taking up residence in and becoming a citizen of another country."

While the wife of a naturalized citizen of the United States has full political rights with her husband, an American born woman who has resided in the United States continuously all of her life, who is married to an alien may not vote at this next election, as congress by affirmative act has declared that any American woman who marries a foreigner shall take the nationality of her husband.

However, if the marital relation is terminated either by divorce or death the widow has a right to resume her citizenship without the process of naturalization.

As to the effect of temporary expatriation on the right of an American woman to occupy certain political offices, this question has not yet been passed on by our courts.

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**TAX EXEMPTION IS INSIDIOUS FOE OF THE  
FINANCIAL WORLD.**

(Continued from page 23.)

Land Bank borrowers was in fact only 3.6 per cent, instead of 5½ per cent. No official repudiation of that statement has been subsequently made.

A similar statement to the effect that the rate is a little less than 4 per cent appeared in "Farm and Fireside" for October 1919, over the signature of Judge Lobdell. When attention was publicly called to this misstatement by our association, the judge in a personal letter explained that the objectionable statement was interpolated by the editor, without his knowledge. Your secretary insisted that the only way the judge could be relieved of responsibility for the statement would be by the publication of a retraction in "Farm and Fireside." It required five months of constant hammering on the part of this association, before the magazine published the necessary retraction. It was not until after communications had been sent to every bank in the United States, to every member of congress, and to numerous other parties that the readers of the paper were informed in March that the statement of the previous October was erroneous.

The case involving the constitutionality of tax exemption, appealed from the Federal court in Kansas City, was argued in the Supreme Court of the United States, January 6th-7th and 8th, to a bench of eight judges, Judge Brandeis absenting himself and taking no part. The court held the case under consideration until the last days of April and then ordered it re-argued, at a later time fixing October 11th as the date for the rehearing.

It is possible that any one of three decisions may be finally handed down by the court. The court may decide that the bonds are taxable; that they are tax exempt, or it may dismiss the case for lack of jurisdiction. If the case is dismissed for lack of jurisdiction, it is expected that a case now pending in Alabama will be carried up. The Alabama case involves a different question from that of the Kansas City case, and against which the question of jurisdiction will not be raised. It involves the right of the state of Alabama to collect a recording tax. In March, 1920, Judge Towsley refused to record mortgages for the Federal Land Bank of New Orleans without the payment of a recording tax imposed under a new law enacted by the legislature of Alabama. The trial of the Alabama case in the lower courts has been postponed, pending the decision of the United States Supreme Court in the Kansas City case.

If the Kansas City case is decided in favor of the Federal Land Banks that will probably dispose of the Alabama case, but if the Kansas City case is dismissed for lack of jurisdiction, the Alabama case will present the issues in a different and better form.

If the Supreme Court decides in favor of the Federal Land Banks, it will only be a short time until congress will amend the law to subject the bonds to taxation. The taxpayers and consumers of the country, who are not farmers, and over ninety per cent of the farmers of the country who are not land bank borrowers will bring a growing pressure upon congress to compel wealthy investors to bear their fair share of the burdens of taxation.

Under the agricultural credit system in vogue in France, loans are never made for a longer period than

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twenty-five years. A further restriction is made that a loan must mature before the borrower passes the age of 65. If the borrower is fifty years of age the loan limit is fifteen years. From a practical business standpoint, that is an improvement over the American plan, under which a man seventy-five years of age might make a loan maturing in 35½ years, at which time, if alive, the borrower would be over 110 years of age. In Europe the rural population remains for many succeeding generations on the same farms. In America conditions are different, and it is seldom that the second generation is completed in the same rural home. Under these circumstances, it would appear to be a matter of business prudence to shorten the term of the American loan so that a larger proportion of the loans made would be paid by the original borrowers instead of by their successors.

The amortization of the loans under the Federal Land Bank plan is one of the strong talking points of the supporters of the system. It is claimed that amortization of principal, reducing the obligation of the borrower, encourages him to thrift and increases the security of the investor. Under the 35 year plan now in vogue, the amortization during the first years of the period is so light as to afford neither encouragement to the borrower nor security to the investor. At the end of ten years the farm borrower has only reduced his principal to the extent of \$128.76 on a 35 year loan amortized by equal annual payments. This averages \$12.87 per year per thousand for the first ten years. The depreciation of fences alone might easily exceed the amortization payments. Careless cultivation, permitting noxious weeds to grow in the fields, failure to paint or reshingle the buildings might cause losses far in excess of the amortization of the first ten years.

A different plan of amortization providing for a fixed payment on the principal and a diminishing annual installment, including interest and principal, would provide for more rapid amortization of the loan during the earlier period. It would by diminishing the annual installment due, make it easier for the borrower to meet his payments in his advancing years.

Very few borrowers realize the enormous amount of interest that they pay on a Federal Land Bank loan under the present system of amortization.

To prove my point I will give three illustrations taken from carefully prepared tables: The borrower of \$1,000.00 payable in twenty annual installments of \$50.00 each, with interest added, at the end of twenty years will have extinguished his debt, having paid \$1,000.00 principal; \$537.50 interest. The borrower of \$1,000.00 under the Federal Land Bank amortization plan, at the end of 35 years, making equal annual payments of \$65.00 each, including interest at 5½ per cent, extinguishes his principal of \$1,000.00 and in the meantime has paid \$1,272.50, as compared with \$537.50 interest paid by the twenty year borrower, who extinguished his loan fifteen years sooner. The borrower of \$1,000.00 for forty years, paying annual installments of 2½ per cent on the principal, plus interest at 5½ per cent, extinguishes his loan at the end of forty years. In the meantime, he has paid \$1,000.00 principal and \$1,127.50 interest. Although his loan runs for a period five years longer than the Federal Land Bank loan, the total interest paid is \$145.00 less.

(Continued on page 123.)

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## INVESTMENT SECTION

### Investment Bankers Convention.

The ninth annual convention of the Investment Bankers Association of America is called to meet at the Copley-Plaza Hotel, Boston, October 4th, 5th and 6th, 1920.

At this convention there will be selected a president, five vice-presidents, a secretary, a treasurer for the ensuing year; eight members of the board of governors for the term of three years; and two governors to fill unexpired terms; and the transaction of other business.

The reports of officers and committees, covering the past year's work, will be submitted and subjects of interest to the banking and commercial interest of the country which affect the investment bankers and the investing public will be discussed.

### Grasshoppers.

Once upon a time, in a time when fairy tales were true, there lived in the country a family of grasshoppers and a family of ants. Some authorities incline to the belief that the grasshoppers were addicted to the jazz dance and the fiddle, but one is at liberty to doubt this. The grasshoppers were industrious. They worked in the field side by side with the ants, they wore good clothes and chewed good tobacco.

In those days, as now, the first impulse or instinct of mortal or insect was to fill his stomach. If men could eat without working few would work. The grasshoppers worked diligently at the task of gathering herbs and grains, but as fast as they gathered they consumed, so that the setting sun found them none the the richer save a comfortable fullness about the middle.

The ants did not neglect the business of eating. They fared well, but they had the savings habit and they did not wear silk shirts while performing tasks that suggested overalls.

The grasshoppers called the ants tightwads. They did not use this expression in the presence of the ants. It is as well to keep on good terms with a tightwad. Perchance one may need to borrow from him before the next pay day arrives.

Through the long summer the grasshoppers toiled and fed their faces, dressed to impress the neighbors and petted their appetites, and when the first frost of an early winter killed the green things in the field not one of them had a square meal in reserve.

When grasshoppers find the rations short they cast about to find someone on whom to fix the blame. As they stood in groups about the dismal field making talk concerning the injustice of the general scheme of things, one of their number who enjoyed making phrases, hopped on a withered flower stem and unburdened his mind.

"We would not be hungry," he declared, "if we had the courage to demand our rights. There is enough wealth in the world for everybody. All that we ask is a fair division. We are dead broke, while the ants have their barns filled to overflowing. Is this right? Is this justice? Is this democracy? I tell you, my downtrodden brethren, that we are victims of a greedy and hateful system and shall all miserably

perish unless we establish universal brotherhood and divide this supply of food accumulated by the ants." I realize that all this seems incredible, but I hasten to assure you that it happened once upon a time, in a day when fairy tales were true and grasshoppers knew nothing of savings banks and had no brains worth mentioning.—Saturday Evening Post.

### SMALL INVESTOR IS FURNISHING CAPITAL FOR BOND HOUSE.

(Continued from page 12.)

marks that before the war the average more likely would have been \$15,000, explaining that the income tax has driven the large purchaser of securities—in blocks of \$10,000 to \$100,000—almost entirely out of the market.

A more public example is to be found in the offering early in September of \$100,000,000 in French government bonds. As is well known the syndicate books on that issue were open only one hour and the entire offering was heavily oversubscribed, with purchasers in every state in the Union excepting two. Thirty-nine thousand people purchased the French bonds and, what is more to the point, subscriptions for \$100 to \$5,000 of the securities totaled \$69,000,000—nearly 70 per cent of the total.

A more detailed analysis is contained in the statement by the National City Company, a national bond selling organization that handled part of the French bond offering. This firm showed an average sale, on all subscriptions, of \$3,324. There were 3,422 subscriptions from individuals who took \$5,000 or less each, distributed as follows:

Subscriptions for \$100.....	319
\$101 to \$500.....	602
\$501 to \$1,000.....	1,032
\$1,001 to \$2,000.....	499
\$2,001 to \$5,000.....	976

Charles E. Mitchell, president of the National City Company, declares that this average figure and the distribution to small investors was about on a par with the company's experience on other recent offerings of correspondingly attractive securities.

The conclusion is clear. The small investor is buying securities on a large scale, and the bond houses that cultivate him first will be the first to recover from the slump in their business during the last year. We should at the same time bear in mind that from the small investor must come new capital, as the rich man can't be attracted any longer, when there is still the prospect of a large share of his income going to the government, unless it is of the category that is exempt from taxation.

As a means of protecting the small investor who is holding government bonds with a greatly depreciated value, there is a growing sentiment in favor of the re-funding of the liberty bonds and victory notes at a rate of interest that will bring about their permanent placement with investors.

Under present conditions, with sound railroad and industrial securities selling on a basis to yield around 8 per cent a steady stream of war bonds is being forced on the market by persons who bought them under pressure of the national emergency and now are seeking a better return on their money. The result is the government bonds find their way through brokers and the banks to the fed-

eral reserve banks, which they are clogging at a time when there is need that all the resources of the reserve system should be made available for commercial demands.

Some bankers favor the refunding of the war issues into bonds bearing 5 or  $5\frac{1}{2}$  per cent interest, with some of them subject to calling by lot for redemption. Such a plan, they argue, would add greatly to public interest in the securities. Others suggest a refunding plan to start with a new issue at 6 per cent with provision that the interest rate be reduced to  $5\frac{3}{4}$  per cent in three years, to  $5\frac{1}{2}$  per cent in six, and so on down to the present  $4\frac{1}{4}$  per cent rate, the idea being that by the time this low level is reached the rate will be more in line with current market conditions and the country will be tided over the period of after-war financial readjustment.

It is not entirely irrelevant to remark at this point that the French flotation was the most successful offering of securities this year. Enthusiastic acclaim and immediate oversubscription of the issue, yielding 8 per cent, sufficiently define the faith of investors in the credit of the Republic. Moreover it was taken as certain that the \$500,000,000 Anglo-French loan maturing in October would be promptly redeemed, thereby giving an additional prop to French government credit.

However popular the new issue may be in America and however conservative the spirit of the law of July 31, 1920, under which it was put out, some of the foremost French economists and financiers find grave dangers in the financial system lately in vogue over there and are free to say that the safety of the future rests on the wisdom with which the ministry of finance adheres to the spirit of the new law and avoids short-sight attractions to bring subscribers, regardless of the long-range interests of French taxpayers.

A recent article in L'Economiste Francaise, by Andre Liesse, member of the Institute, warns the government that its recent practice, though very easy in "the seven years of the fat kine"—recalling Pharaoh's alarming dream—may prove to be very troublesome when the "seven years of lean kine" roll around. Below is translated the substance of the article to show how serious may be a few years hence the carrying of the burden which is now being lightly assumed to bridge the urgent needs of the present time of stress. M. Liesse says:

"The law of July 31, 1920, provides for the issue of perpetual rentes bearing the nominal rates of 6 per cent and neither redeemable nor convertible in whole or in part prior to January 1, 1931. The issue is NOT exempt from all taxes—as the current phrase inaccurately says—for the good reasons that all receipts on account of this loan (as in the case of all other state loans) must be figured in the declaration for the universal tax on revenues. Its immunity from taxation is limited to the supplemental and subordinate taxes which strike all other securities. The total authorized issue is not limited by the law; amounts, dates, rates, subscription terms, modes of payment and redemption and other technical details being left for determination at the time of issue.

"These general lines of the law indicate that the ministry of finance desired to adopt a normal type of loan, founded on the true principles of public borrowing, yet adapted to the actual state of affairs, financial and economic. We have frequently insisted that the actual conditions ruling in the money market should be observed in such operations. It is puerile to seek magic combinations in the hope of showing that advantages offered to subscribers are not hostile to the present and future interests of the government. The simple reality deceives nobody.

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"From the table of amortizations tardily published in the Official Journal July 8, 1920, we can measure the extent of the charges our budget must stand in the future, say in twenty years, when the number of series to be redeemed is rapidly increasing. Footing up the total it will be necessary to pay Fcs. 24,255,000,000 for a total of Fcs. 16,150,000,000 obtained by the treasury. Since the chance of conversions is very slight the total interest payments at the end of sixty years, 1980, will reach Fcs. 32,114,000,000. So that interest and amortization payments will come to Fcs. 56,369,000,000."

Turning these amounts into dollars at parity of exchange it appears that the French treasury to obtain \$3,230,000,000 has contracted to pay an amount which in sixty years will mount up to \$11,268,000,000 in principal, premiums and interest.

"Net yield" quotations in the market do not represent the actual cost of capital when obtained on terms like those being granted by continental governments. The nominal rates on rentes are 4 or 5 per cent, but no discount they have touched in the market gives any idea of the "effective rate." The "discounted value" of the principal, premium and interest payments to 1980 represents an annual compound rate of 23.1 per cent and a compound interest rate of 12.1 per cent.

### THE RALSTON-NOLAN BILL AND THE AMERICAN FARMER.

(Continued from page 25.)

that he has no federal land tax to pay, and by a continuation of his unscientific methods remains immune to this form of taxation.

The thrifty tenant, on the other hand, forward looking and progressive, has, by his own skill and industry, added \$100 per acre to the intrinsic value of his own land; has helped to add value to similar land owned by his neighbors; and has contributed to the growth and development of the whole community. What else has he done? While engaged in this laudable undertaking, he has increased the assessable value of his 160 acres from \$8,000 to \$24,000 and is, therefore, compelled to pay an unjust tax on \$14,000 value actually created by himself.

No elaborate argument is required to show that the Ralston-Nolan bill is primarily designed to be the entering wedge in a scheme artfully designed by the single taxers whose known purpose is the gradual nationalization of all land.

The originators and advocates of the Ralston-Nolan bill, whose mediocre minds but feebly counterfeit a dim reflection of the daring genius of Henry George; whose sordid motives are but degenerate descendants of his splendid altruism, present neither original arguments, sound financial reasons, nor economic justification for their rank departure from the equitable principles of taxation. Their banal selfishness has so blinded them that they ignore alike the gross discrimination featured in the bill, and the glaring failures time has recorded for local trials of the single-tax theory. Not a single argument presented in favor of their bill is of sufficient merit to justify serious consideration, and could only appeal to men whose credulity and gullibility unfit them for the duties of citizenship—unless, indeed, it be those whom long immunity from bearing their proportionate share of the expenses of the federal government, has rendered frantic in their eagerness to resume unhindered their former spoliation of the public and the national treasury.

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Bulletins number 2 and 4 of the Journal's Federal Tax Service for 1920 set forth in clear, concise, simple English the exact steps to be taken to secure these overpayments.

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## TAX EXEMPTION IS INSIDIOUS FOE OF THE FINANCIAL WORLD.

(Continued from page 117.)

During the first ten year period of the forty year loan the borrower reduces his principal \$250.00, as compared with \$128.76 under the Federal Land Bank plan. During the first ten years he also pays considerably less interest than is charged under the Federal Land Bank plan.

It is apparent that on either the twenty year plan or the forty year plan, this method of amortization affords better security to the investor and provides a better stimulant and encouragement to thrift on the part of the borrower.

The Federal Land Banks have found it impracticable to sell thirty-five year bonds. The joint stock land banks also found it necessary to put on the market twenty year bonds. Both of these classes of banks are now confronted by the embarrassing prediction that it will be necessary to refund their twenty year bonds at a higher rate of interest in order to carry their loans to maturity.

Under the plan I propose of having 5 per cent of principal paid annually, the bond and mortgage would mature at the same time.

If the borrower were not so situated that he could pay 5 per cent of the principal annually, he could borrow on the other plan, requiring payment of 2½ per cent of the principal annually, fixing the maturity of the loan at twenty years. This would enable the borrower to pay half of his loan in twenty years, when the bond matured. At that time, if unable to pay the balance on one payment, he could make a new loan for the remaining half of the principal then unpaid. Under these circumstances, this borrower would at the end of twenty years be better off than the borrower from the Federal Land Bank on the 35 year plan. He would owe \$500.00 on each thousand of his original debt, while the Federal Land Bank borrower would owe \$651.32 on each thousand on his debt at the end of twenty years, he having paid only \$348.68 or a trifle over one-third of his principal.

It may be argued that it would be difficult for a borrower to pay \$25.00 per year per thousand on his mortgage. Unless the earning capacity of a borrower is sufficient to enable him to pay 2½% of his principal annually, no self-respecting Farm Mortgage Banker would offer the loan to an investor.

There is a growing demand for amortization loans. A few life insurance companies have already successfully made this demand. All could easily arrange to furnish twenty year amortization loans to customers who desire them without interfering with their present loaning system. The successful merchant carries a stock of goods to meet the demands of his trade. The development of a public appetite for bonds of small denominations and for securities guaranteed by companies of national reputation for reliability has been noticed since the first Liberty bond campaign. For over fifty years large companies in Canada have made farm mortgage loans and issued their own debentures against them in salable denominations. Companies organized on a similar plan in the United States might find the field very profitable. Organization of such corporations under state laws could be affected if it is not desirable to wait for congressional action. To command public confidence such loaning corporations would require not less than \$5,000,000 or \$10,000,000 capital and \$50,000,000 would be better.

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offer a complete financial service, organized and maintained at a marked degree of efficiency. Calls and correspondence are invited relative to the application of this service to local, national and international requirements.

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## What the Teller Told Me!

I HAD just finished cashing a check at the window, and as there was no one behind me in the line I stopped a few minutes to chat with the Teller. We frequently discussed other subjects than the weather, and so I said, "You have a chance to size up the successful men in this town, tell me which one in your opinion is the biggest success in every way."

The Teller looked at me a second and smiled; rested his arm on the counter and remarked, "If you measure success alone by dollars, of course Mr. Upham is the wealthiest man, but money is all he has. He has no friends, takes no part in the development of the community, and is as tight as the bark on a tree. Personally, I think Mr. Arnett is by far the most successful man in town. He has made a success of his business and has as much money as he needs for his own wants, besides having a good surplus put away in safe investments for a rainy day. Every person in his employ works with him, not for him. No deserving institution or cause has ever solicited him for funds and been refused. The progress of the town in civic matters is due very much to his efforts. His theory is that if you do not like the place you live in, move out, but if you stay, for heaven's sake be a booster and do your part to assist in the progress of the community."

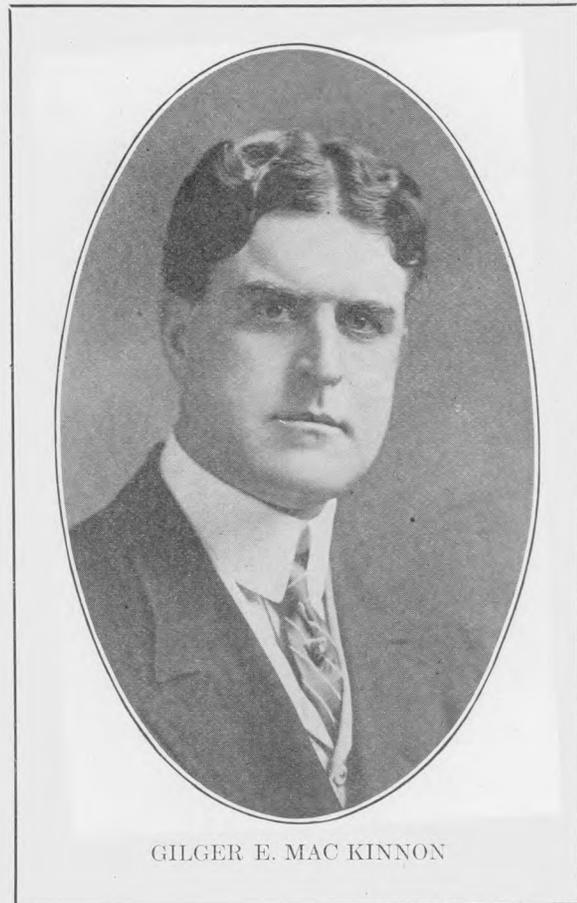
"That sounds like a pretty good formula to follow," I remarked, "but doesn't his business suffer when he does so much outside work?"

"Apparently not," replied the Teller, "for he has increased his business every year since it was organized. His theory is this: Too many men get in a rut in their business. They are in a groove and all because they do not read or think or talk anything but their business, and the man who thinks only about his own business can't always think intelligently about that."

### GILGER E. MacKINNON DIES.

Gilger E. MacKinnon, president of the Mechanics Savings Bank of Des Moines, died September 25th after a long illness. Mr. MacKinnon was taken to the hospital for a minor operation which was apparently successful but blood poison developed. He made a strong fight for life and began to improve but contracted pneumonia and succumbed to the disease.

Mr. MacKinnon was a native Iowan, spending his early life at Cherokee and later living in Laurens.



GILGER E. MAC KINNON

He then came to Des Moines, associating himself with Simon Casady in the banking business. He founded the Mechanics Savings Bank seventeen years ago and became cashier of the institution, later advancing to president. He served one term as vice president of the Iowa Bankers Association.

He was treasurer of the Des Moines Consistory Number 3, and of Za-Ga-Zig Temple, Nobles of the Mystic Shrine, and was active in civic affairs.

### Fund for Robber Catching.

Bank robbers hereafter should find St. Paul an unhealthy place to ply their trade, for bankers are taking extra precautions to guarding their funds.

Thirty-six banks have entered a pact in which they agree to pay \$5,000 for capture and conviction of persons attempting to rob, or caught robbing, a St. Paul bank.

This is in addition to the \$250 offered by the Minnesota State Bankers association and \$100 offered by insurance companies.



INDEX TO ADVERTISERS

<b>A</b>		Federal Cattle Loan Society.....113	Merchants Trade Journal.....122	
Adam Hannah Co.....75	Federal Deposit & Trust Co.....39	Midland Mortgage Co.....117	Midland National Bank.....72	
American Bank Protection Co.....73	Federal Land Bank, Omaha.....2	Midwest State Bank.....44	Minnehaha National Bank.....61	
American Bonding and Casualty Co.102	First National Bank, Minneapolis..74	Missouri State Life.....111	Muscatine State Bank.....55	
American Commercial and Savings.43	First National Bank, Boston.....79	<b>N</b>		
American Exchange National.....74	First National Bank, Burlington...54	National American Life.....106	National Bank of the Republic...127	
American Fixture Co.....84	First National Bank, Chicago.....123	National City Bank.....70	National City Company.....82	
American Mortgage and Securities.112	First National Bank, Council Bluffs46	National Fidelity Life Ins. Co.....104	National Investment Co.....121	
American National Bank.....75	First National Bank, Davenport...2	National Park Bank.....77	National and State Bankers Protec-	
American Perforator Co.....97	First National Bank, Dubuque.....42	tive Association.....61	News Printing Co.....60	
American State Bank.....66	First National Bank, Duluth.....75	Northern Trust Co.....35	Northwestern National Bank.....3	
Ames National.....40	First National Bank, Omaha.....2	Northwestern National Life.....2	Northwest Stamp Works.....74	
Anderson, Claude F.....98	First National Bank, Sioux City...2	<b>O</b>		
Anderson-Thompson Co.....123	First National Bank, St. Louis.....53	Office Specialties Co.....81	Omaha National Bank.....69	
Atlantic National Bank.....79	First National Bank, St. Paul.....73	Omaha Life Insurance Co.....106	Omaha Printing Co.....68	
<b>B</b>		Overstreet, J. W. Co.....74	<b>P</b>	
Backer, Jacob.....74	First National Bank, Waterloo...46	Packers National Bank.....67	Pearse, Robinson & Sprague.....71	
Baker, Pentress & Co.....120	First Trust & Savings Bank.....52	Peoples Savings Bank.....44	Peoples Trust & Savings Bank.....57	
Ballingall Hotel.....56	Fisher Company.....27	Poncher Ptg. & Lithographing Co..75	Pocat Finance Co.....114	
Bankers Accident Insurance Co.....103	Ft. Dearborn National Bank.....125	Preston, Chas. H. Co.....75	<b>R</b>	
Bankers Auto Insurance Co.....104	Fotheringham, Wright & Co.....125	Rhodes, Walter H.....70	Royal Union Mutual Life.....102	
Bankers Exchange.....41	<b>G</b>		Royal Hotel.....44	
Bankers Mortgage Co.....113	Gates, Renfrew W.....125	<b>S</b>		
Bankers Trust Co., Des Moines...43	Girard National Bank.....59	Sanford, Morris.....87	Schlapp, Frank Co.....96	
Bankers Trust Co., New York.....83	Godshall, O.....125	Seaboard National Bank.....64	Second National Bank.....55	
Beach, Will A., Printing Co.....61	Goodyear Tire & Rubber Co.....92	Security National, Sioux City.....57	Security National, Sioux Falls.....60	
Beach, W. W., Co.....37	Gordon-Van Tine Co.....90	Security Savings.....63	Shaw, Charles F.....125	
Billings, Prouty & Tompkins.....39	Great Western Accident Ins. Co...109	Sioux National.....47	Sioux Falls National Bank.....64	
Bishop, E. J.....125	Groth-Hostetler Co.....62	Sioux Falls Savings Bank.....63	Sioux Falls Savings Bank.....63	
Black Hawk National Bank.....54	Green, H. V. Co.....82	Snapp Hotel.....62	State Auto Insurance Assn.....101	
Bond & Mortgage Co.....113	Guaranty Life Insurance Co.....106	State Central Savings Bank.....47	Stock Yards Nat'l Bank, Omaha...67	
Boyd & Moore.....47	Guarantee Mortgage & Finance Co.116	Stock Yards Nat'l Bank, So. St. Paul51	St. Paul Stamp Works.....75	
Bream, Emory D.....105	Guaranty Trust Co.....83	Swigert-Howard Shirt Co.....50	<b>T</b>	
Brown Hotel.....65	Guthrie, Wm. & Co.....125	Timber Lake School District.....65	Toy National Bank.....40	
Brown Bros. & Co.....5	<b>H</b>		<b>U</b>	
Bryden, Wm., & Co.....125	Hammond Printing Co.....69	United Cattle Loan Co.....115	United State Bank.....54	
Brundage, B. R.....50	Hammarstrom, A. H.....125	United States National Bank.....68	Union & Planters Bank & Trust Co.81	
<b>C</b>		Hanover National Bank.....82	Union Trust Co.....81	
Capital City State Bank.....43	Hansen & Woden.....64	Upham Bros.....104	<b>V</b>	
Capitol Hill Bank.....41	Harger & Blish.....86	Valley National Bank.....56	<b>W</b>	
Capitol National Bank.....76	Harrop, W. C. & Co.....54	Wahkonsa Hotel.....48	Walters, Chas. E. Co.....68	
Carlson, J. L.....96	Homestead Company.....125	Waterloo Bank & Trust Co.....50	Waterloo Savings Bank.....56	
Case, J. I., Plow Works Co.....33	Hull, William I.....125	Webster County National.....47	Welch, J. H.....87	
Cedar Rapids National Bank.....48	Hulse, W. E. & Co.....5	Western Life Insurance Co.....101	White-Phillips Company.....123	
Cedar Rapids Life.....102	<b>I</b>		Wolf & Company.....32	
Central Life.....107	Iowa Bonding & Casualty Co.....110	Woods, Guy.....125	Zaiser, W. H. Specialty Co.....97	
Central National Fire Ins. Co.....107	Iowa Guaranty Mortgage Corp.....125	<b>Z</b>		
Central State Bank, Des Moines...52	Iowa Lithographing Co.....88			
Central Trust Co., of Illinois.....65	Iowa Loan & Trust Co.....7			
Central Trust Co., of Des Moines.48	Iowa Mutual Liability Ins. Co.....109			
Citizens Savings Bank.....41	Iowa National Bank, Des Moines...45			
Citizens National Bank.....47	Iowa National Fire Insurance Co.111			
City National Bank, Clinton.....46	Iowa National Bank, Davenport...56			
Clark, Byers & Hutchinson.....125	Iowa State Insurance Co.....109			
Classified Ads.....99	Iowa State Traveling Men's Ass'n.105			
Clipless Paper Fastener Co.....93	Iowa Title Guaranty Co.....116			
Coinmeter Company.....34	Iowa Trust & Savings Bank.....44			
Commercial National, Waterloo...43	Inter-State Surety Co.....63			
Commercial Savings, Mason City...46	Irving National Bank.....30			
Commercial Savings, Des Moines...128	<b>J</b>			
Commonwealth Life Insurance Co.103	John Hancock Life Ins. Co.....103			
Community Service Station Co.....94	Joyce, Wm. B. & Co.....100			
Conservative Life Insurance Co...106	Jordan Bros, Sioux Falls.....65			
Consumers Service Stations.....4	<b>K</b>			
Continental and Commercial Banks.24	Kruse, O. A. Co.....60			
Continental Nat'l Bank, Sioux City42	<b>L</b>			
Continental Mortgage and Loan Co.127	Leach, A. B. & Co.....119			
Corn Exchange National Bank.....31	Leavitt & Johnson National Bank..57			
Council Bluffs Savings Bank.....44	Leavitt & Johnson Trust Co.....2			
Craddick Advertising Service.....28	Le Mars Printing Co.....93			
Cummings, B. F. Co.....94	Lenox Furnace Co.....95			
<b>D</b>		Lightning Coin Changer.....85		
Dakota Trust & Savings.....65	Lindsay Fire Extinguisher Co.....96			
Des Moines Duplicating Co.....125	Lion Bonding & Surety Co.....110			
Des Moines Life & Annuity Co.....106	Live Stock Exchange Nat'l Bank..70			
Des Moines Morris Plan Co.....33	Live Stock National Bank, Omaha..69			
Des Moines National Bank.....49	Live Stock Nat'l Bank, Sioux City..62			
Des Moines Rubber Stamp Works...47	Lyle Co.....89			
Des Moines Tent & Awning Co.....98	<b>M</b>			
Des Moines Trust Co.....42	Marshalltown State Bank.....40			
Dillon Lock Works.....95	Massey Piano Co.....88			
Drovers National Bank.....38	McNamara Office Supply Co.....96			
Dubuque National Bank.....42	Mechanics & Metals National Bank.70			
<b>E</b>		Mechanics Savings Bank.....55		
Edwards, Guy.....125	Merchants Nat'l Bank, Burlington..57			
Ernst & Ernst.....77	Merchants National, Cedar Rapids..55			
<b>F</b>		Merchants National Bank, Omaha..69		
Farmers Auto Insurance.....108	Merchants Loan & Trust Co.....70			
Farmers Bond & Mortgage Co.....114				
Farmers Live Stock Insurance Co...108				

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Recognizing the need for larger financial institutions the Commercial Savings Bank has consolidated with its honored friend, the American Trust and Savings.

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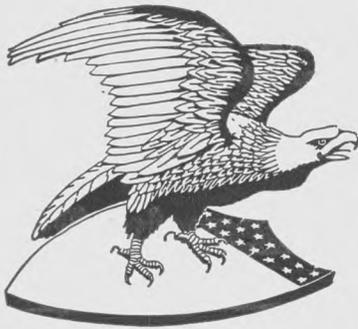
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